

INTERNATIONAL TROPICAL TIMBER COUNCIL
Eighth Session
Denpasar, Bali, 16 - 23 May 1990

ITTC(VIII)/D.1
6 July 1990
Original: ENGLISH

DRAFT REPORT
OF THE
INTERNATIONAL TROPICAL TIMBER COUNCIL
EIGHTH SESSION

Denpasar, Bali, Indonesia

16 - 23 May 1990

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Introduction

1. The Eighth Session of the International Tropical Timber Council was held at the Hotel Bali Beach, Sanur, Bali (Indonesia) from 16 to 23 May 1990. The Session was attended by thirty-three (33) Members and by Observers representing Governments, several organs and agencies of the United Nations, inter-governmental organizations, various conservation non-governmental organizations and timber trade and industry associations. The list of participants is reproduced as Annex I to this Report.

2. By invitation of the Government of Indonesia, a Special Opening Ceremony at which His Excellency President Soeharto delivered an Address, was organised at the Presidential Palace, Jakarta on the morning of 16 May 1990.

The Opening Session of the Council was held at the Hotel Indonesia, Jakarta in the afternoon of 16 May 1990.

Special Opening Ceremony

3. The Special Opening Ceremony was also attended by some Ministers and personalities of the Indonesian Government, foreign dignitaries, members of the diplomatic corps and many public officials.

4. The host Minister of Forestry, Mr. Hasjrul Harahap, in brief introductory remarks, formally presented members of the Council to President Soeharto. He referred to the important role of the ITTO and the support which Indonesia gave to the Organization in its mandate to assist tropical countries to achieve sustainable forest management in the interest of their peoples and of global environment.

5. The Chairman of the Council, Dr. Markku Simula (Finland), expressed the signal honour which had been bestowed on the Council by the personal invitation of President Soeharto to address the Council in the Palace. The gesture was a measure of the President's personal concern for the future of the tropical forests and their sound management. Indonesia had scored commendable achievements through determined and progressive policies in natural forest management, reforestation and in particular value added further processing. This had served as an example to other producing countries pursuing similar development strategies.

6. The ITTO in its mandate was developing new approaches and practical measures to assist its member governments to address the problems of conservation and sustainable utilization of tropical forest resources in order to generate benefits to the local people. It was through the unique forum of consultations between all interested parties

within the ITTO that an objective and equitable balance could be struck between economic, environmental and social considerations. In this regard, the Organization had made progress. It had now braced itself up to heighten its role in the decade of the 90's when the debate on the environmental impact of the world tropical forests was being given sharper focus. World opinion should be mobilised in support of efforts being made to achieve sustainable management through establishing a rational balance between the needs for conservation and utilization for the benefit of local populations.

7. The Chairman exhorted the Indonesian Government to play a leading role in the work of the Organization which had benefitted from its support.

8. The Executive Director, Dr. B.C.Y. Freezailah, expressed thanks to President Soeharto and the Government of Indonesia for organizing the occasion - a demonstration of the support and close friendly cooperation which bind Indonesia and the ITTO. The presence and Address of President Soeharto would give a high political profile to the ITTO, one of whose objectives was to encourage the development of national policies aimed at sustainable utilisation and conservation of tropical forest resources. To achieve such an objective the ITTO needed the political support and goodwill of national Governments through the mechanism of policy dialogues. It was noteworthy, therefore, that the Government of Indonesia had made the ITTO's objectives a corner-stone of its national forestry policies.

9. However, there was further need for producing member countries to articulate their views and interests more clearly in the continuing dialogue and debate over the conservation of the tropical forests and its implications for development and the global environment. Two forthcoming international conferences would provide forums for producing countries to pronounce themselves on these questions: the Tenth World Forestry Congress in Paris in 1991 and the United Nations Conference on Environment and Development in Brazil in 1992.

10. The Executive Director addressed a fervent appeal to President Soeharto to consent to undertake the necessary diplomatic initiatives to bring together the leaders of Governments of tropical member countries in order to address the relevant issues. President Soeharto, with his recognised international stature, his proven statesmanship and inspired by the humane principles of philosophy enshrined in Indonesia's

"PANCASILA" would be eminently qualified to undertake such diplomatic démarches. The outcome of such initiatives would enable the ITTO to evolve a policy authentically enunciated by the political leaders so that the international community could give special focus to the problems of tropical forestry as they affected the interests of the tropical countries.

11. In his Address to the Council, H.E. President Soeharto reaffirmed the commitment and support of Indonesia to the ITTO. Indonesia's policy of conserving its forestry patrimony was deeply embedded in its cultural values of life, and reflected also in its development philosophy as enshrined in the five principles of "PANCASILA". Indonesia attached great importance to utilising its forest resources with "great care and responsibility". For this reason Indonesia's forestry policies were based firmly on the principles of sustainable management and utilisation through a system of reforestation, natural forest management and nature conservation, and selective felling in the utilization of production forests. Notwithstanding difficulties in implementing such policies, the Government of Indonesia had been persevering in its determination to achieve the desired results.

12. President Soeharto appealed to the international community of donors through the ITTO, to offer direct assistance to the tropical countries in their reforestation programmes. He cautioned against the tendency to apportion blame and "find a scapegoat" for the present crisis of the global environment. Faced with a common danger on "this single planet of ours" Mankind had no choice but to search for a "rational and responsible solution".

13. The full text of the President's Address is reproduced as Annex II to this Report.

Opening Session {Item 1}

14. The Opening Session was attended by special guests including His Royal Highness Prince Bernhard of the Netherlands; Mr. Hasjrul Harahap, the host Minister of Forestry; Mr. Emil Salim, the Minister of State for Population and Environment of Indonesia; Tan Sri Abdul Taib Mahmud, Chief Minister of Sarawak, Malaysia; the Earl of Cranbrook, Leader of the ITTO Mission to Sarawak; and Mr. P. Bukman, Minister of Foreign Trade of the Netherlands.

15. In his Opening Address the Chairman of the Council acknowledged the presence of high dignitaries whose presence at the Session was an

indication of increasing world-wide concern for the future of tropical forests and the survival of Mankind. He welcomed all delegations and expressed deep gratitude to the host Government for their warm hospitality and for the excellent facilities provided. He further welcomed the admission of two new members, Colombia and Togo and called for joint efforts by all to encourage more tropical countries to join the Organization. The ITTO possessed a unique asset as a forum where producing and consuming countries came together as equal partners to work and consult on key issues relating to the tropical timber economy and the promotion of tropical forest development. There was still need to explore ways and means of enhancing, for instance, the contribution of the non-governmental organizations to the work of the Organization, especially as they held out a potential for initiatives in project formulation and implementation. The relationships among all the parties within the forum of ITTO should be based on the principles of equal partnership in development, equal share of responsibility and on the imperative of intensifying consultations and cooperation on matters of mutual concern.

16. The Organization had to come to grips with the strategy of sustainable management of tropical forests. It was widely recognised that the very concept of "sustainability" still had to be defined more clearly in operational terms with due regard to the wide variety of local conditions. Furthermore the concept of forest development ought to be seen not only from the narrow perspective of trees but, just as in the sphere of ecology and economics, also in its social setting involving the surrounding populations. An encouraging trend had emerged as, for instance, in a recent Declaration of policy when the new President of Brazil emphasized the need to recognise the rights of indigenous local people to their lands.

17. On the work of the Session, the Chairman invited the Council to forge agreement during the Session on the various draft Action Plans prepared by experts on various areas of ITTO's activities. He hoped the next phase of work would involve integrating all the elements of the proposals into a Comprehensive ITTO Action Plan which should be given wide publicity. The proposals in the Plan should among other things, set targets for such indicators as areas of forests managed, timber produced under sustainable management and the level and degree of local processing. The Plan should serve as an instrument to resolve the confusion over respective spheres of responsibilities among various international

organizations and the role of the ITTO. Formulation of the Action Plan should be completed before the Ninth Session of the Council when consequential budgetary decisions could be taken to implement the Programmes.

18. The Chairman noted the impressive progress so far made by the Organization during its brief period of existence in project work in spite of limited resources. The Organization, however, was still faced with such other problems as project management, organizational efficiency and effectiveness and constraints on staff complement. There was need to consider various options to improve the situation. The financial constraints facing the Organization required the cooperation of all. Payment of contributions was likely to affect decisions on project financing. The Chairman appealed to defaulting members to pay up their assessed contributions. He warned that the poor state of the Administrative Budget imposed undesirable limitations on the capacity of the Secretariat to implement decisions of the Council.

19. In his Opening Statement, the Executive Director expressed gratitude to the Government of Indonesia for the depth of the warm hospitality and the extensive arrangements made to host the Sessions of the Organization. This was proof of the unflinching commitment and support of Indonesia to the work of the Organization. He paid tribute to the special personalities who were present at the Opening Session, in particular the presence of Prince Bernhard of the Netherlands who has been a pillar of strength in support of the ITTO and its evolving relations with the WWF and other Non-Governmental Organizations.

20. The Executive Director outlined his views on the role of the ITTO in the context of the swift tide of the changing international order and, in particular the world strategy to grapple with the problems of tropical forestry, development and the global environment. To implement its mandate, the Organization relied on the principles of a new international order which are in their essence inspired by a "contract of solidarity" among all the actors in international development. It was on this premise that the unique forum of consultation within the ITTO is structured. As a forum within an international organization it provided a credible framework for debate, harmonising divergent interests and addressing global problems which could only be solved effectively at the multilateral level. The original conception of creating the ITTO simply as a commodity organization was decidedly overtaken by the pace of the

world environmental crisis; and was thus transformed into establishing an international Organization - the only one of its kind, working solely to achieve the rational development of the tropical forest resources through sustainable forest management with due regard for both conservation and environmental values.

21. The Executive Director referred, with some satisfaction, to the work done by experts in formulating draft Action Plans and Work Programmes for ITTO. He called on the Council to consider them and take decisions to provide the resources to implement the proposed Programmes. In this regard certain donors had given a fine example by making generous voluntary contributions to the Special Account. However, besides inadequate contributions there were still problems with the way some pledges of funds were made, and the circumstances surrounding their allocation and disbursement. Furthermore the financial resources of the Administrative Budget remained inadequate due to the accumulated arrears of defaulting members. Whilst some of these defaulting members were willing to make some efforts to regularise their financial obligations they should be made aware that their continued non-payment raised doubts on their commitment to the Organization. The Executive Director informed the Council, therefore, of his intention to continue his initiatives to consult with these defaulting members on what measures, including instalment schedules, they proposed to take to pay up their assessed contributions.

22. However, in spite of financial constraints, the Executive Director reported on the efforts of the Secretariat to raise the profile of the Organization, widen its network of contacts with Governments and NGOs, and make the voice of the ITTO heard in various international forums. In this connection, he proposed that the Council set up an Expert Group to prepare the position of the ITTO on issues which would be discussed at two forthcoming international conferences, namely the Tenth World Forestry Congress in Paris (17-26 September, 1991) and the U.N. Conference on Environment and Development to be held in Brazil in 1992. Such preparations would ensure that the Organization bring to the attention of the international community the proper perspective of the ITTO on issues of relevance and interest in the area of tropical forestry.

23. The Executive Director drew the attention of the Council to the negative impact of the campaign of boycott of tropical timber. As in previous statements, he referred to this campaign as acting in flagrant

violation of the letter and spirit of the ITTA and as eroding the sane influence of policy dialogue as an instrument for tactfully promoting sustainable forest policies in tropical countries. Besides its negative effects it was a diversionary movement which misled, instead of educating, public opinion. He appealed to the advocates of boycott to cooperate by having recourse to the consultative forum of the ITTO and promoting policy dialogue.

24. His Royal Highness Prince Bernhard of the Netherlands addressed the Council. He commended the ITTO for the general direction of its activities aimed at promoting sustainable natural forest management. By that approach timber trade could be made sustainable. This required concerted efforts on the part of both producers and consumers. This might entail limitations on timber extraction in a transitional period. However, Prince Bernhard affirmed, imposing a trade boycott on tropical timber was no solution to the problem of tropical forests; it was rather counter-productive. As had been proposed by the WWF, targets for achieving sustainable trade in tropical timber would be helpful.

25. Prince Bernhard stated that part of the difficult task ahead would be to define the concept of sustainability, from three perspectives namely, land use planning; forest management; and social and economic aspects. He commended the Malaysian authorities for inviting ITTO to advise them on sustainable forest development in Sarawak. He hoped that the recommendations of the Mission would address all the relevant issues and thus become a model for ITTO's activities in other areas.

26. His Royal Highness spoke of the future work of the ITTO. He urged ITTO in future not to focus only on its project work but also to pay greater attention to strengthening its forum for consultations by installing policy debate at a high level between producers and consumers. Discussions should focus also on assessing accurately the value of the forest resources, ensuring equitable prices for forest products, establishing appropriate institutions and formulating policies and working together with all the interested parties including the conservation NGOs, and timber trade and industry associations.

27. The full text of the address by H.R.H. Prince Bernhard is reproduced as Annex III to this Report.

28. In his statement, Mr. Piet Bukman, the Minister of Foreign Trade of the Netherlands, elaborated on the policies of the Netherlands towards the ITTO and on the tropical timber development. The issues involved in

tropical forest development were complex. The policy of the Government of the Netherlands was designed to promote the preservation of tropical rain-forest through the establishment of a balanced and sustainable land and forest use. The ITTO had an essential role to play in this context. Its objective should be to ensure the promotion of sustainable timber production. Economic and ecological considerations were inseparable ingredients of sustainable forest management practice.

29. Mr. Bukman reaffirmed the full moral, political and financial support of the Netherlands to the Organization. The direction of its efforts were good indicators of the increasing improvement in its channels of communication between producers and consumers over forestry issues. In this regard the significance of the ITTO Mission to Sarawak could not be over-emphasized. Its recommendations deserved appropriate attention and consideration. Furthermore, there was need for the ITTO to improve the structure of its activities, and the priorities for action. The Netherlands assisted in hosting the meetings of the Expert Panels which drew up the draft Action Plans in the fields of market intelligence and forest industry. It had also welcomed the proposals on the Work Programme in the area of forest management and in particular the work to elaborate "Guidelines on Best Known Practice". He urged the ITTO to foster close cooperation with various international institutions involved in tropical timber production. In that connection, he referred to the projects being undertaken in Kalimantan on different aspects of sustainable forest management by the Dutch organization TROPENBOS. He also called for close coordination by the Organization with the work under the TFAP.

30. The Minister finally touched on the constraints facing ITTO in carrying out its programme of work. He called for improving the flow of financial resources to the Organization for its project activities and administrative functions. He expressed concern about the capacity of the Secretariat to cope with its increasing workload. Since the ITTO was gaining wider political recognition he proposed that the Secretariat should place regularly before Council a report on policy matters and the constraints in implementation and operation. That way the Council in its debate could gain broader political understanding of problems and give appropriate support.

31. The Chief Minister of Sarawak, Tan Sri Abdul Taib Mahmud, addressed the Council. Commending the Government of Indonesia for its kind hospitality he expressed support for the encouraging message in the

Address of President Soeharto which affirmed the commitment of Indonesia to promoting dialogue between consumers and producers in the development of tropical timber trade. Indonesia's policy of sustainable forest management reflected the same commitment on the part of the Malaysian authorities. Consequently, the Malaysian Government had received the ITTO Mission to Sarawak which had been invited to observe on the ground the efforts of a people striving towards sustainable forest management.

32. The Chief Minister praised the Mission led by the Earl of Cranbrook for the arduous efforts they put into their work. In spite of the strain imposed by physical conditions they were able to assess the competing interests involved in Sarawak formulating and implementing programmes of sustainable forest management which would reflect a balance between economic and ecological factors. He hoped that their recommendations would provide advice on how to improve the development of forest resources, including timber in Sarawak. What Sarawak stood in dire need were for more expertise and human resources for forest management and forestry research. In this connection, the Chief Minister urged the ITTO to promote the expansion of cooperation between Sarawak and neighboring Indonesia in the area of silviculture, logging techniques and wildlife management.

33. Mr. Hasjrul Harahap, the Minister of Forestry of Indonesia made a statement. He formally welcomed all participants to Indonesia. The Government and people of Indonesia felt honoured in hosting the Session. Indonesia, as a founding member, had contributed fully to promoting the objectives of the ITTO. The Organization had been designed basically as a forum for discussion and negotiation between producers and consumers of tropical forest resources. These renewable resources depended on sound scientific management for their sustainability. The ITTO had an important role to play in such development. The future of tropical forest resources was the concern not only of forest scientists and timber traders but also of environmentalists, sociologists and economists; hence the need to forge international cooperation in order to secure the benefits of these resources for all. The ITTO was the proper forum to achieve this objective.

34. The Minister of Forestry spoke of the rich, vast and valuable natural resources of Indonesia. As a custodian of some of the world's rich flora and fauna and biological treasures, Indonesia was actively aware of its responsibility to protect and sustain these resources not

only for the welfare of its people but also for the benefit of the entire world community. With a proper and balanced management approach it was possible to conserve and utilise these resources without detriment to the forests.

35. Indonesia had evolved policies which recognised the need for utilisation and conservation of forest resources. Vast forest areas had been set aside as preservation areas solely for conservation and ecological purposes; some areas for production had been placed under a system of selective cutting and silvicultural practice designed to promote future growth of timber and non-timber species and to provide non-timber products to meet the needs of local communities. There were also certain areas set aside as land for use as agriculture, horticulture and estate crops. Indonesia's forestry policies had evolved in consonance with the concept of "Forests for the People" as enunciated in 1978 by the Eighth World Forestry Congress. Measures had been taken to promote people's participation through programmes of social forestry and compensation schemes to develop timber plantations and rehabilitate degraded lands.

36. The Minister informed the Council that the Government had formulated a scheme of forest management for multiple uses within an integrated framework. An analysis of the situation and outlook for Indonesia's forestry sector had been carried out by the FAO for the Government with a loan from the World Bank. The future of tropical forests, he affirmed, depended on cooperation between the developed and developing countries. Through the international process of the TFAP the Indonesian Government had prepared programmes within a national forestry action plan which would be submitted to prospective donors for assistance.

37. In conclusion Mr. Harahap appealed to the developed countries to support and join the developing tropical countries in the task of conserving their forests and in improving their socio-economic conditions. To that end the forum of the ITTO should be used to discuss and identify ways and means of sustaining the tropical forest resources in a spirit of partnership.

38. The Representative of Togo, Mr. Dogbe-Tomi Agbenuna, made an acceptance speech on the formal occasion of the admission of Togo as a member of the ITTO. He expressed gratitude to the Executive Director through whose efforts the Republic of Togo was encouraged to join the Organization. Membership would assist Togo to promote national awareness of the imperative of environmental protection. Togo was already embarked

on policies to conserve its residual forests with the aid of certain international organizations and financial institutions. It was hoped that ITTO would join in the effort to assist Togo. The Representative of Togo in conclusion, reaffirmed his Government's commitment to assist the ITTO to fulfil its mandate of harnessing international action to develop tropical forests and protect the global environment for the benefit of all peoples.

Statement of the European Economic Community (EEC)

39. On behalf of the EEC and its member States, Mr. Enzo Barattini, read a statement to the Council which reaffirmed their commitment to support the objectives and work of the ITTO. The Community was pursuing its efforts at the political and technical levels to formulate an effective policy aimed at preserving the tropical forests and the economic activities connected with them. These took account of considerations to protect the environment and ensure the economic growth of the developing countries.

40. There was the need to step up initiatives in tropical forest conservation. Any such strategy required for its effectiveness, on the one hand, the ability of the donor countries to offer assistance and, on the other, the willingness of the developing countries to embark on appropriate action. The Community stressed the need for a coordinated global strategy in this respect which would, inter alia:

- (i) increase aid to the developing countries to enable them formulate national conservation strategies as a means to efficient use of tropical forests;
- (ii) provide specific support to those countries opting for sustainable utilisation of their forests by means of legislation and institutionalized processes; and
- (iii) make the ITTO gain recognition as a catalyst in forestry initiatives in coordination with the Tropical Forestry Action Plan and by fully participating in the TFAP mechanism.

The Community's commitment to these principles had been reaffirmed in the new Lome Convention and the guidelines for cooperation between the EEC and the Asian and Latin American countries.

41. The Community re-iterated its firm view that the ITTO should adopt a "normative" approach to its work. In this connection priority should be given to the formulation of standards and principles in the draft ITTO "Guidelines for the Sustainable Management of Natural Tropical Forests".

42. The members of the Community welcomed progress made in developing Action Plans and Work Programmes in the area of market intelligence and forest industry. They also welcomed the work done by the ITTO Mission to Sarawak under the leadership of the Earl of Cranbrook.

Ascertainment of Quorum {Item 2}

43. There was a quorum for the opening of the Session as required under Article 13, paragraph 1 of the ITTA.

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

44. The Council adopted the agenda of its Eighth Session as contained in document ITTC(VIII)/1 and reproduced as Annex IV to this Report.

45. On the Organization of Work the Chairman proposed, and it was agreed, to convene two informal Consultative Groups (with open-ended membership) under his chairmanship: a Consultative Group on Financial and Administrative Matters to undertake a preliminary consideration of Items 13, 14(a) and 14(b); and a Consultative Group on Project Financing to consider Items 9(b) and 14. The Council also decided to consider Items 13, 14(a), 14(b), 15 and 17 in Closed Session.

Report on Membership of the Council {Item 4}

46. The Council took note of a report by the Executive Director that the Republic of Colombia and the Republic of Togo had become members of the Organization on 27 March 1990 and 8 May 1990 respectively. The present membership of the Organization now stood at 46.

Distribution of Votes {Item 5}

47. The Executive Director reported on the revised slate of votes and assessed contributions for the producer members as a result of the membership of Colombia and Togo. This information was contained in Secretariat Documents ITTC(VIII)/5 and ITTC(VIII)/8. The Distribution of Votes of all member states as of the Eighth Session of the Council is reproduced as Annex V to this Report.

Admission of Observers {Item 6}

48. The Council admitted to its Eighth Session as Observers the representatives of six States: Nepal, Nigeria, Solomon Islands, Tanzania, Venezuela and Zaire; five U.N. organs and Specialized Agencies; three governmental and inter-governmental organizations and 37 non-governmental organizations. The list of Observers is contained in the List of Participants (Annex I to this Report).

Appointment of the Credentials Committee {Item 7}

49. After due consultations and on the proposal of the Chairman, the following members were appointed to the Credentials Committee for 1990: Australia, Côte d'Ivoire, Ecuador, France, Malaysia, Norway, Thailand and the Republic of Korea.

Criteria and Priority Areas for Programme Development and Project Work {Item 8}

50. The Council's deliberations on this item took into account the relevant recommendations of the three Permanent Committees and the consultations undertaken within the Groups and by the Chairman of the Council.

51. The Council endorsed the draft Action Plans and Work Programmes in the fields of Economic Information and Market Intelligence and of Forest Industries. Following his consultations the Chairman proposed, and it was agreed, to establish a Panel of Experts to integrate the texts of the three Action Plans in the three main areas of the Organization's activities into a comprehensive ITTO Action Plan, together with their relevant Work Programmes. The Council agreed that the Panel could consult any institutions as appropriate in the course of its work.

52. The text of the Decision 1(VIII) adopted by the Council is reproduced as part of Annex VI to this Report.

53. Under this item the Council also adopted the text of the "ITTO Guidelines for the Sustainable Management of Natural Tropical Forests". The recommendations and principles contained in these Guidelines had been the subject of the deliberations of a Working Party and of the Permanent Committee on Reforestation and Forest Management. The Council, in its Decision 4(VIII), further commended the Guidelines as an international reference standard to members and to the international community at large and as a major contribution towards the goal of sustainable utilisation and conservation of tropical forests and their genetic resources. The Council requested the Executive Director to publish the document and give it the widest possible publicity. The full text of Decision 4(VIII) is reproduced as part of Annex VI to this Report.

Reports of the Sixth Session of the Permanent Committees {Item 9(a)}

54. The Chairmen of the Permanent Committees presented the Reports of their respective Committees to the Council. The Council took note of these Reports including the recommendations made by the Committees on Project, Pre-Project and Non-Project activities. The Reports of the

Committees are contained in document PCM(VI)/8, PCF(VI)/18, PCI(VI)/6 (see Annex VII to this Report).

Consideration of Project Proposals and Prioritization of Projects

{Item 9(b)}

55. The Council's consideration of this sub-item was based on the recommendations of the Permanent Committees and of the Consultative Group on Project Financing. The decision of the Council also took into account the status of available funds in the Special Account and pledges of funds by donors. The Council decided to approve the following Projects:

- | | |
|--------------------------------|---|
| 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 |
| PD 82/90 (M) | Workshop on Issues related to Incentives to Promote
Sustainable Development of Tropical Forests |
| PD 74/90 (F,I) | Better Utilization of Tropical Timber Resources in
order to Improve Sustainability and Reduce Negative
Ecological Impacts |
| PD 75/90 (F) | Development of Genetic Resistance in the Tropical
Hardwood Iroko to the Damaging Insect Pest: <u>Phytolyma</u>
<u>Lata</u> |
| PD 76/90 Rev.1 (F) | Project Formulation Workshop for Establishing a
Network of Genetic Resources Centres for Adapting to
Sea Level Rise |
| PD 77/90 (F) | Establishment of a Pilot Area for Silviculture in
Closed Forests in Congo |
| PD 78/90 (F,I) | Panel Discussion/Seminar on Promotion of a Positive
Image of Sustainable Utilization of Tropical Forests |
| PD 81/90 (F) | Investigation and Application of Forest Management
Systems in Tropical and Sub-Tropical Rain Forests in
the Chore and Bajo Paragua Forest Production Reserves |
| PD 83/90 (F,I) | Research and Development in Logging |
| PD 84/90 (F) | The Establishment of a Demonstration Plot for
Rehabilitation of Forest Affected by Fire in East
Kalimantan {Phase II of PD 17/87 (F)} |
| PD 85/90 (F) | Technical Assistance for the Master Plan for Forest
Plantation |
| PD 86/90 (F) | International Network for Developing Human Resources
in Tropical Forest Management (Phase I) |

- PD 88/90 (F) Sustainable Selective Harvesting of Mahogany in Bolivia
- PD 89/90 (F) Sustainable Forest Management and Human Resources Development in Indonesia (Phase I)
- PD 63/89 Rev.1 (I) Low-Cost Houses from Small Diameter Trees, Plantation Thinnings and Tree Tops and Branches (Philippines)
- PD 80/90 (I) Second Consultation on the Wood and Wood Products Industry

56. The Council authorized financing for immediate implementation of the following Projects:

- PD 82/90 (M) Workshop on Issues Related to Incentives for Natural Forest Management (US\$100,000)
- PD 53/89 Rev.1 (F) Preparation of a Master Plan for Forest Land Use (US\$480,000)
- PD 71/89 Rev.1 (F) The Economic and Environmental Value of Mangrove Forests and Present State of the Conservation (US\$270,000)
- PD 74/90 (F) Better Utilization of Tropical Timber Resources in order to Improve Sustainability and Reduce Negative Ecological Impacts (US\$500,000)
- PD 75/90 (F) Development of Genetic Resistance in the Tropical Hardwood Iroko to the Damaging Insect Pest: Phytolyma Lata (US\$257,410)
- PD 76/90 Rev.1 (F) Project Formulation Workshop for Establishing a Network of Genetic Resources Centres for Adapting to Sea Level Rise (US\$100,000)
- PD 78/90 (F) Panel Discussion/Seminar on Promotion of a Positive Image of Sustainable Utilization of Tropical Forests (US\$100,000)
- PD 84/90 (F) The Establishment of a Demonstration Plot for Rehabilitation of Forest Affected by Fire in East Kalimantan [Phase II of PD 17/89 (F)] (US\$704,000)
- PD 86/90 (F) International Network for Developing Human Resources in Tropical Forest Management (Phase I) (US\$500,000)
- PD 89/90 (F) Sustainable Forest Management and Human Resources Development in Indonesia (Phase I) (US\$3,800,000)
- PD 12/87 (I) Research on Utilization of Tropical Timber in Construction (US\$273,884)

- 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
- PD 48/88 Rev.2 (I) Drying Mixtures of Tropical Hardwoods
- PD 49/88 (I) Creation of an International Promotion Center for Lesser Known Species in Europe (preparatory phase)
- PD 65/89 (I) Promotion of Imports of Tropical Sawwood in China (preparatory phase)
- PD 67/89 (I) Training Program on Mechanical Processing Operations in the South American Sawmilling and Plywood Industries

60. The Executive Director was requested to exert every effort to obtain funds for the priority implementation of Project 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" (US\$1,464,000) and to report to the Council at its Ninth Session.

61. The Council took note of the decision of the Permanent Committee on Reforestation and Forest Management to undertake the following three Pre-Project activities and authorised financing for them:

- (a) The Economic Case for Natural Forest Management (US\$219,000),
- (b) The National Biological Conference of Thailand (US\$90,500),
- (c) Realistic Strategies for the Conservation of Biological Diversity in Tropical Moist Forests (US\$190,000).

62. The Council urged members to consider financing those approved Projects for which funds were not immediately available; appealed to members to consider making unearmarked contributions to the Special Account and decided that such contributions should not be allocated for any approved Projects without the prior authorisation of the Council.

Annual Review and Assessment of the World Tropical Timber Situation

{Item 10}

63. In the consideration of this Item the Council had before it the Secretariat document ITTC(VIII)/3 "Elements for the 1989 Annual Review". This Item was closely related to the Market Discussions organised in a Joint Session of the Permanent Committees. Following the recommendation of the Joint Session, the Council decided to invite members to submit any

revisions to the document to the Secretariat, at the latest by 1 August 1990. The Secretariat would then make any appropriate revisions and arrange for the publication and general distribution of the document.

Non Project Work: Presentation of the Report of the ITTO Mission to Sarawak, Malaysia {Item 11}

64. The Earl of Cranbrook, Leader of the ITTO Mission to Sarawak, presented to the Council the Report of the Mission (document ITTC(VIII)/7). He paid tribute to the authorities of Malaysia and of the State of Sarawak for cooperating with the Mission and facilitating its arduous and delicate task. The Mission had enjoyed the full support of the authorities, had been given full access to documents, people and places and had received responses to their enquiries. Such cooperation was a pre-requisite to the success of any Mission.

65. Lord Cranbrook made references to some of the contents of the Report. The Mission had been circumspect in adhering strictly to its Terms of Reference. This had generated some criticism of its work from certain quarters. Various Chapters of the Report gave factual account of the forestry vegetation of Sarawak and other technical details. The Report attempts to offer some definition of the concept of "sustainability" from the broad perspectives of timber yield, catchment management, bio-diversity and economy. Social considerations were seen as all-encompassing and evident in every aspect of sustainability. The Report contained considerable quantities of annexures, some of which were transcripts of public hearings and dialogues with various people in Sarawak.

66. Lord Cranbrook recognised the need for close study by the Council of the findings and recommendations in the Report. To assist this effort he offered, together with those members of the Mission present, to hold informally an open forum where he could offer further clarifications and commentaries on the Report.

67. On behalf of the Council, the Chairman thanked the Leader and other members of the Mission for the Report. Following the presentation of the Report, copies of which had been given restricted circulation, the Council, on the proposal of the Chairman, decided to authorise a general distribution of the Report. In view of the importance of the question and the lack of time for studying the Report, the Council decided to defer its consideration to the Ninth Session. By its Decision 3(VIII) the Council further took note of the Report, conveyed its appreciation to the Federal

Government of Malaysia and the State Government of Sarawak for their cooperation, to those donor countries which had financed the work of the Mission, and to the members of the Mission for their work.

68. The text of Decision 3(VIII) is reproduced as part of Annex VI to this Report.

Annual Report for 1989 {Item 12}

69. The Council had before it the "Draft Annual Report for 1989" prepared by the Secretariat (document ITTC(VIII)/2). The Executive Director presented the Report which gave an account of developments relating to the state of membership of the Organization; Sessions of the Council and its Permanent Committees; and the operational activities of the Secretariat and the Organization. The Executive Director notified the Council that after the adoption of the Auditor's Report for 1989 the Statement of Account of the Organization would be incorporated into the Report.

70. Council took note and adopted the Annual Report on the Organization for 1989 subject to the inclusion of the Statement of Account.

Review of Contributions to the Administrative Budgets {Item 13}

71. The Council considered this item in Closed Session. The Executive Director, in presenting the statement on the state of contributions to the Administrative Budgets, referred to the cause of the shortfalls in the receipt of the contributions. This was due to the failure of certain members to pay up their contributions fully. He pointed to some improvements in the attitude of certain members and indicated his determination to explore ways of securing the cooperation of these defaulting members.

72. The Chairman expressed his concern over the state of payment of assessed contributions and appealed to the Members concerned to pay up the arrears in their contributions.

73. On behalf of the Consumer Group, Mr. Terence Veness, (U.K.) Spokesman for the Group, reiterated concern over the deficit due to the persistent attitude of defaulting members. He cautioned that it was proving increasingly difficult for donors in particular to convince their Governments to increase their support for the ITTO in the face of such attitudes which cast doubt on the credibility of the Organization. The Executive Director should, therefore, be supported in any efforts he could

make to persuade defaulting members to regularise their financial obligations to the Organization.

74. On the proposal of the Chairman after due consultations within the Consultative Group, the Council adopted the terms of Resolution 1(VIII) on this question. The Resolution appealed to defaulting members to pay up their assessed contributions and authorised the Executive Director, in case of need, to utilise funds derived from payments of arrears and budget savings in order to finance the operations of the Secretariat until the end of 1990.

75. The full text of the Decision is reproduced as part of Annex VI to this Report.

Financial Resources of the Special Account {Item 14(a) and (b)}

76. The Council, in Closed Session, discussed and took note of the Secretariat document ITTC(VIII)/CRP/1 indicating the state of finances under the Pre-Project Sub-Account and the Project Sub-Account.

New Contributions to the Special Account {Item 14(c)}

77. The Council held a Session to receive pledges of new contributions and to hear some general statement by delegations.

The following pledges of contributions were made:

Federal Republic of Germany	1 million Deutschmark (approx. US\$588,000)
Japan	US\$20,132,000
Netherlands	140,000 Dutch guilders (approx. US\$72,900)

Statement by the Producer Group

78. On behalf of the Producer Group, Ms. Annamaria Mozella Portella (Brazil) Spokesperson of the Group, placed on record a Statement which she read to the Council.

79. The Producing countries were clearly aware of and deeply committed to the need for the sustainable utilization of one of their most valuable and vulnerable resources: their natural tropical forests. The adequate protection and utilization of natural tropical forests were, however, not just technical questions related only to silvicultural methods or production patterns, but were also an integral part of general development policies and needs of the producing countries. The discussion of sustainability of the international tropical timber trade and of the survival of the tropical forests must be based on the conduct of sound international trade practices between producing and consuming countries.

This was a major phenomenon of the New International Economic Order approved by the United Nations Organization over a decade ago.

80. The Producing Countries, therefore, urged the consuming countries to recognise the need to match their pronouncements and concerns for the conservation of the tropical forests with specific actions which recognised the rights of the people of tropical timber producing countries to a life with dignity.

81. One of the main objectives of the International Tropical Timber Agreement was to promote further processing in tropical timber producing countries, that is, the production of value added products, in order to phase out the trade of raw logs and its detrimental effects on the conservation of natural resources, as well as the consequent transfer of added value to consuming countries. The Agreement thus aimed at the export of value added finished and semi-finished products, in terms of increased revenues and the creation of jobs. The consequent increased significance of the forests to the people of tropical countries would become a powerful motivation to further manage and conserve their forest resource base.

82. ITTO should give more attention to implement this part of the agreement. Specific measures should be taken in this direction. The accomplishments achieved in this area so far had been the outcome of the efforts of individual tropical countries. Producing countries would urge the Organization to immediately give adequate consideration to this basic aspect of the Agreement, since it was directly related to securing the adequate protection and sustainable management of the tropical forests.

83. The issue of prices was another cause of concern to the timber producing countries. In line with Article 1(b) of the Agreement, the Producing Countries would urge the Organization to conduct a comprehensive analysis of the prices of tropical timber in the international market, taking into account the cost of forest management and reforestation. Producing and consuming countries were fully aware of the need for conservation and sustainable management of the tropical forests. They recognised that conservation and sustainable management required financial resources which were limited in the producing countries as well as technological assistance.

84. The multilateral character of ITTO had not been fully implemented as far as Project financing was concerned. Projects depended on the willingness of individual consuming countries to finance them.

Many projects had been approved but not financed. Producing countries would urge consuming countries to allocate enough non-earmarked funds for the financing of approved projects.

85. In conclusion the Producing Countries reaffirmed that by increasing the economic value of the forests a greater incentive existed for their protection and sustainable management. Such a task was in the interest of all member countries and of the specific responsibility of the Organization. Producing countries, therefore, call upon the consuming countries and the Secretariat to take immediate and effective action to assist in finding solutions to the issues raised.

Report of the Auditors for 1989 {Item 15}

86. The Executive Director presented to the Council the Report of the Auditors for 1989 circulated as document ITTC(VIII)/4. The Council took note of the Report.

Report of the Credentials Committee {Item 16}

87. The Chairman of the Credentials Committee, Mr. Yusof Hj. Salleh (Malaysia) presented the Committee's Report to the Council. The Committee noted that certain delegations had either not submitted their credentials in proper form or had yet not communicated their credentials as a result of unforeseen delays in postal communications. The Committee, therefore, recommended to the Council to urge the members concerned to submit their credentials soonest to the ITTO Secretariat and in future to comply with the agreed procedure.

88. The Representative of the U.S.S.R., Dr. Igor Rounov, placed on record his delegation's reservations over the credentials of the delegation of the Federal Republic of Germany. In the view of the U.S.S.R. that delegation included a member who was working in an Agency of the Federal Republic of Germany which was unlawfully sited in West Berlin.

89. Speaking in reply, on behalf of the three Western Powers in Berlin, the delegate of the U.S.A., Ms. Stephanie Caswell, placed on record their position. In their view the establishment of the Federal Environmental Agency of the Federal Republic of Germany in the Western Sectors of Berlin was legitimate and consistent with the Berlin Treaty (the Quadripartite Agreement of 3 September 1971).

90. The Representative of the Federal Republic of Germany, Mr. Gerhard Schmok, affirmed the principle that each member state of the ITTO had the sovereign right to determine which institutions or persons it wished to represent its Government in the work of the Organization.

91. The Council took note and adopted the Report of the Credentials Committee.

Rules of Procedure of the Council: Decision on Rule 32 {Item 17}

92. The Council considered this question in Closed Session. The Chairman of the Council reported on the rounds of intensive consultations held among delegations and in particular with the delegations of China and U.S.S.R. Out of the consultations had emerged a consensus, reflected in Decision 5(VIII) which was finally adopted by the Council on the proposal of the Chairman. The full text of this Decision is reproduced as part of Annex VI to this Report.

93. By this consensus the Council decided that

- (i) the official languages of the ITTO shall be Chinese, English, French, Russian and Spanish;
- (ii) due to financial constraints the language services will, for the time being, be limited to English, French and Spanish;
- (iii) specific approval of the Council shall be required for arranging technical facilities for simultaneous interpretation in Chinese and Russian languages.

Furthermore the Representatives of China and U.S.S.R. made the following statement in Council: "In the interest of avoiding measures in respect of Council Decision 5(VIII) which would place additional financial burden on the Organization, the People's Republic of China and U.S.S.R., do not intend, for the remainder of the Agreement and any further extension of the Agreement, to initiate efforts to implement the use of their respective languages beyond the provision of arranging technical facilities for simultaneous interpretation for each language at the Council Session".

94. The Representative of the U.S.S.R., Dr. Igor Rounov, placed on record the view of his delegation that, with the adoption of the Council's decision, the U.S.S.R. considered the limitation it had imposed voluntarily on itself as a temporary one and would look forward to further cooperation and developments over this matter in future in the interest of all members. He thanked all who had participated in the consultations for their kind cooperation.

95. The Representative of China, Mr. Zhang Jianjun, said that in spite of certain particular reservations, his delegation had agreed to accept the consensus over this issue which was sensitive and important for the Organization. He thanked the Chairman and all members for their

understanding and positive cooperation which had enabled a solution to be found to the issue.

96. The Spokespersons for the Consumers, and the Producers, both expressed thanks to the delegations of China and U.S.S.R. for their cooperation in finding a solution to this problem.

97. The Chairman of the Council referred to the decision as momentous and of historical significance. He hoped, therefore, that the question would not be raised again in the future.

Dates and Venue of the Tenth Session of ITTC and Eighth Sessions of the Permanent Committees {Item 18}

98. (i) The Council accepted the kind invitation of the Government of Ecuador to convene its Tenth Session and the Eighth Sessions of its Permanent Committees in Quito, Ecuador. The tentative dates for these Sessions were fixed from 29 May to 6 June 1991. The final decision on the dates would be taken during the Ninth Session of the Council after due consultations over coordinating the dates with the calendar of meetings of other Commodity Organizations.

Dates and Venue of the Ninth Session of ITTC and Seventh Sessions of the Permanent Committees

99. Following consultations and a report by the Executive Director the Council reviewed its earlier decision and agreed to convene its Ninth Session and the Seventh Sessions of its Permanent Committees in Yokohama (Japan) from 16 to 23 November 1990.

Other Business {Item 19}

(i) ITTO Participation in Tenth World Forestry Congress (1991) and the United Nations Conference on Environment and Development (1992)

100. Following a proposal by the Executive Director in his Opening Statement and after due consultations, the Council decided to consider at its next Session what preparations were to be made by the ITTO to participate in these two World Conferences.

101. The full text of the Council's decision is reflected in Resolution 2(VIII) which is reproduced as part of Annex VI to this Report. By this Resolution, the Council requested the Executive Director to prepare, for submission to the Ninth Session of the Council a document giving background information on the two Conferences and the interests of other relevant organizations and their relationship to ITTO's work. The document would also set out options for ITTO's proposed participation in

and contribution to the Conferences; the options might include the possibility of organizing a seminar, workshop or a roundtable to prepare ITTO's position.

(ii) Cooperation Between ITTO and World Bank

102. The Representative of Ghana, Mr. S.K. Appiah, drew the Council's attention to the set of four Project Ideas which had been formally submitted by the World Bank through the Secretariat for consideration by the three Permanent Committees. The subject of the proposals were of importance to the work of the ITTO. The Permanent Committees had considered them as reflected in their respective Reports. It would be helpful to follow through on these recommendations. It opened an opportunity for the first time to enter into cooperation with the World Bank and enhance ITTO's role in coordinating its activities with other relevant international institutions in consonance with the spirit of the ITTA.

103. On the proposal of the Representative of Ghana, the Council agreed to request the Executive Director to enter into consultations with the World Bank with a view to exploring areas of cooperation, including possibilities of undertaking joint projects of common interest.

(iii) Statement by the FAO

104. The Representative of the FAO, Dr. I.J. Bourke, made a statement on behalf of the FAO. The FAO was actively involved in many aspects of the work of the ITTO and had made some contribution to promoting cooperation between the ITTO and FAO. The FAO looked forward to continuing such cooperation and strengthening relations between the two Organizations.

105. The ITTO, together with other organizations and Governments, was part of the international effort to find effective solutions to the urgent forestry-related problems. The needs of the tropical forestry sector were so immense that the ITTO and FAO should endeavour to avoid duplication of efforts and any semblance of rivalry. There was a major scope for greater involvement by the ITTO with the TFAP. The latter provided a framework through which the ITTO could coordinate its own efforts with those of others concerned with forestry development and could also influence the TFAP process. For instance, with ITTO's full participation it could use its pre-project facilities to initiate some priority projects identified by certain member Governments.

106. The ITTO could have recourse to some of the existing facilities which could contribute to successful implementation of ITTO's activities. The FAO looked forward to building on its existing relations with the ITTO in order to achieve fruitful and constructive cooperation between the two Organizations.

(iv) Statements by the NGOs

107. Three Statements were made in the Council on behalf of the conservation NGOs covering three broad subjects of interest.

108. (a) Speaking on "Economic Issues and the Tropical Timber Trade", Dr. J.C. Centeno (WWF) paid attention to the role which the ITTO had to play to encourage the international community to place full and proper value on tropical forests in consonance with its mandate. The ITTO should address issues aimed at sustainable utilisation of tropical forest resources. Such issues were timber evaluation, the international trading system and consumer abilities to influence trade. Some measures should be considered to achieve these ends.

109. Tropical timber products were currently undervalued and prices did not reflect the full environmental and social costs involved in logging. Revenues from logging should be adequate to enable funds to be properly allocated for sustainable forest management. Producers should derive maximum social and economic benefits from their forest resources. In that connection, the ITTO should encourage Producers to undertake a full evaluation of the different forest uses. An assessment of these values should be used to formulate proper policies for sustainable forest use.

110. The ITTO should combat illegal and corrupt trade practices, make a critical study of the wider international trade system - issues such as the effects of the differential tariff systems and barriers in consumer countries and measures to dismantle obstructive tariffs; and the effects on sustainable trade of the transfer pricing schemes.

111. Within the context of ITTO's newly declared Target for sustainable trade of tropical timber products by the year 2000, consumer preference for sustainably produced timber was perhaps the strongest force to provide incentives. Once a reliable system for identifying sources was found there should be economic reward for nations shifting to sustainable forest management.

112. (b) Mr. Paul (Chip) Fay (Environmental Policy Institute) spoke on "Forest Peoples and the ITTO". He pointed out that in the current

debate over the tropical forest and sustainable management there had been a growing recognition by both bilateral and multi-lateral agencies of the imperatives of social forestry and socio-economic values. Underlying the problem of deforestation were poverty, the lack of security for local peoples, and lack of respect for their rights. It was within the mandate of the ITTO to encourage recognition of such considerations.

113. The NGO community had considered the ITTO Mission of Sarawak as a historic opportunity to observe the problems of Sarawak on the ground and make recommendations to promote sustainable forest management. They had, therefore, felt disappointed at the findings of the Mission which gave clear priority to timber production over all other considerations - and this, contrary to the declared official policy of the Sarawak authorities which emphasized "the prior claims of local demands" over the export trade in timber. The ITTO should, therefore, carefully consider its position on the Report.

114. (c) Dr. Aila Keto (Rainforest Conservation Society) addressed the Council on the subject of "The Sustainability of Tropical Forest Management". The ITTO was commended for adopting its "Guidelines for the Sustainable Management of Natural Tropical Forests". These Guidelines were to be seen as a first step in a process which should be reviewed regularly. Besides, the tropical producer countries should, in consonance with these principles, develop their own guidelines. In this effort they should be given financial and technical assistance by the consumer countries. In implementing the guidelines it should be recognised that the information base was currently inadequate. It would be necessary, meanwhile, to explore options to develop alternative sources of timber supplies, forest protection and improved management practices.

115. The ITTO should encourage its member governments to address the following issues:

- (a) give urgent priority to establishing an adequate network of protected areas in order to conserve biological diversity;
- (b) ensure that guidelines, policies and projects cover adequately inventory, monitoring and economics of non-timber goods and services;
- (c) provide relevant information to assist in the formulation of ITTO policy recommendations on the establishment of mixed species hardwood plantations on already cleared or degraded lands.

116. International cooperation was needed to develop the necessary institutional, scientific and economic framework for protection, better management and the development of alternative sources of timber supplies. It should take full account of such factors as population pressures, causes of poverty, land reform and the rights of indigenous peoples.

Decisions and Report of the Session {Item 20}

117. The texts of the Decisions and Resolutions which had been circulated to delegations and adopted were taken as read. 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.

118. 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

119. The Spokesman for the Consumer Group, Mr. T. Veness, (U.K.) highlighted the achievements of the Session. After some protracted discussions the Organization was now close to seeing the final formulation of its Action Plans and Work Programmes. This constituted a concrete step forward in planning the work of the Organization. The Organization could also feel proud of the work done in formulating the "Guidelines for Sustainable Management of Natural Tropical Forests". Similarly the completion of the work of the ITTO Mission to Sarawak helped to give a positive profile to the work of the Organization.

120. Mr. Veness referred to the approval of important Project and Pre-Project activities and the successful outcome of the Market Discussion as indicators of the meaningful and constructive work being undertaken regularly within the Organization. This called for endorsing the decision of the Council to ensure that ITTO participated effectively in the two World Conferences: The Tenth World Forestry Congress and the U.N. Conference on Environment and Development. The decision resolving the long-standing problem of the languages of the Organization had brought much relief and was a demonstration of the spirit of cooperation and understanding which pervaded the work of the Session.

121. On behalf of the Consumers, Mr. Veness thanked the Government of Indonesia, the Chairman, and the Chairmen of the Permanent Committees, the

Secretariat staff and all who assisted in organizing the facilities for the Session.

122. On behalf of the Producers, Ms. Annamaria Mozella Portella (Brazil) expressed satisfaction at the positive spirit of cooperation which prevailed during the proceedings of the Session. It was through such continuing cooperation among all members that the objectives of the Organization could be attained. She thanked the Spokesman for the Consumer Group for his assistance during consultations.

123. The Spokesperson reserved special praise for the hospitality of the Government and people of Indonesia. She also extended thanks to the Chairman of the Council, the Chairmen of the Committees and the staff of the Secretariat.

124. In his Closing Statement, the Executive Director, Dr. B.C.Y. Freezailah renewed his profound gratitude to the Government of Indonesia for the warmth of their hospitality. He noted that through a spirit of understanding and cordiality the work of the Session had proceeded smoothly even in the face of some threatening controversies.

125. Referring to the adoption by the Council of the ITTO Action Plans and Work Programmes, he saw it as placing more responsibilities on the Organization. There was, therefore, need for members to be reminded of their obligations to provide more financial resources to the Organization.

126. The success of the Session was a credit to all who were involved in the meetings. He paid tribute to President Soeharto, Mr. Hasjrul Harahap, the Chairman of the Council, the Chairmen of the Committees and all the technical staff including the interpreters and translators.

127. The Chairman of the Council, Dr. Markku Simula (Finland) made a brief closing statement. He associated himself with the assessments made by the Spokesmen of the Groups on the achievements of the Session. He thanked them for assisting him effectively in the conduct of the Session.

128. The Chairman expressed the gratitude of the ITTO to President Soeharto, the Government and people of Indonesia. By their friendly hospitality and the organisation of excellent facilities for the Session they had contributed to advancing the work of the Organization. He gave special mention to the significance of the Opening Ceremony at the Presidential Palace. By this gesture the President and Government of Indonesia had raised the profile of the ITTO to the highest political

level. This, it was hoped, would serve as a fine example worthy of emulation by others at future Sessions of the ITTO.

Presentation to ITTO

129. To mark the hosting of the Session, Mr. Sudjono Suryo, Secretary General of the Ministry of Forestry, on behalf of the Government of Indonesia, made a presentation to the ITTO of an Album of Photographs and a Videotape of highlights of the Session. The present was received by the Executive Director.

130. The Chairman then declared the Eighth Session of the Council closed.

Annex I

LIST OF PARTICIPANTS

{Document: ITTC(VIII)/Info.3/Add.1}

INTERNATIONAL TROPICAL TIMBER COUNCIL
Eighth Session
Denpasar, Bali, Indonesia
16-23 May 1990

ITTC(VIII)/Info.3/Add.1
23 May 1990
English/French/Spanish

LIST OF PARTICIPANTS

EIGHTH SESSION OF THE INTERNATIONAL TROPICAL TIMBER COUNCIL

Denpasar, Bali, Indonesia

16-23 May 1990

MEMBERS ATTENDING

Australia, Austria, Brazil, Canada, China, Cote d'Ivoire, Ecuador, Egypt, European Economic Community (Commission, Denmark, France, Federal Republic of Germany, Ireland, Italy, Netherlands, Spain, United Kingdom of Great Britain and Northern Ireland), Finland, Gabon, Ghana, India, Indonesia, Japan, Malaysia, Norway, Papua New Guinea, Peru, Philippines, Republic of Korea, Sweden, Switzerland, Thailand, Togo, Union of Soviet Socialist Republics, United States of America.

MEMBERS

AUSTRALIA

- | | |
|---------------------------|---|
| * Mr. Paul Sutton | Assistant Secretary, Forestry Branch,
Department of Primary Industries and
Energy, Canberra |
| ** Dr. Andy Turner | Assistant Secretary, Natural Heritage
Branch, DASETT, Canberra |
| Mr. David Roberts | Environmental Specialist, Appraisals
Branch, AIDAB, Canberra |
| Mr. Peter G. McColl | Second Secretary, Australian High
Commission, Kuala Lumpur |
| *** Mr. Chris Munn | Third Secretary, Australian Embassy,
Jakarta |
| Mr. Denis Michael Cullity | Chairman, Westralian Forest Industries
Ltd. |

AUSTRIA

- | | |
|--------------------------|------------------------------------|
| * H.E. Dr. Herbert Kroll | Ambassador of Austria to Indonesia |
|--------------------------|------------------------------------|

BRAZIL

- | | |
|---|---|
| * Mrs. Annamaria Mozella
Portella | First Secretary, Division of
Commodities, Ministry of External
Relations, Brasilia |
| ** Mrs. Maria Teresa Mesquita
Pessoa | Second Secretary, Embassy of Brazil,
Jakarta |
| *** Mr. Raymundo Deusdará Filho | Engineer, Brazilian Institute for the
Environment and Renewable Natural
Resources, Brasilia |

CANADA

- | | |
|---------------------------|---|
| * Mr. Brian E. Baker | Director, Resource and Commodity Trade
Policy Division, External Affairs
Canada, Ottawa |
| ** Mr. David W.K. Boulter | Director, Forest Sector Analysis,
Forestry Canada, Quebec |

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- * Representative/Représentant/Representante
** Alternate representatives/Representants suppléants/Representantes
alternos
*** Advisors/Conseillers/Asesores

CHINA

- | | |
|----------------------|--|
| * Mr. Chen Xuhe | Deputy Director, Research Institute of Wood Industry, Chinese Academy of Forestry, Beijing |
| ** Mr. Zhang Jianjun | Official, Department of International Relations, Ministry of Foreign Economic Relations and Trade, Beijing |
| Mr. Zhang Zhongtian | Programme Officer, Department of Foreign Affairs, Ministry of Forestry, Beijing |

COTE D'IVOIRE

- | | |
|-------------------------------------|--|
| * S.E. M. Amoakon-Edjampan Thiemele | Ambassadeur auprès la République populaire de Chine |
| ** M. Denis Konan | 1er Conseiller Technique du Ministre de l'Agriculture et des Eaux et Forêts, Abidjan |
| M. Charles Kattie | Directeur de la Documentation Agricole et Forestière |

ECUADOR

- | | |
|--------------------------|--------------------------------|
| * S.E. Dr. Marcelo Avila | Embajador del Ecuador en Japón |
| ** Sr. Federico Cruz | Director, Fundación Natura |

EGYPT

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| * Dr. M.A. Farahat | First Secretary, Commercial Section, Embassy of Egypt, Jakarta |
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**EUROPEAN ECONOMIC COMMUNITY
COMMISSION**

- | | |
|----------------------|--|
| * Mr. Enzo Barattini | Principal Administrator, Directorate General for Development, Brussels |
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IRELAND (Presidency of Commission)

ITALY (Acting Presidency on behalf of Ireland)

- | | |
|----------------------------|--|
| * Mr. Pierluigi Squillante | Consul General of Italy, Osaka, Japan |
| ** Mr. Domenico Cagliostro | Head of Section, Ministry of Foreign Trade, Rome |

NETHERLANDS

- | | |
|----------------------------|--|
| * Mr. Walter A. Bastiaanse | Deputy Head, Commodity Division, Ministry of Economic Affairs, The Hague |
| ** Mr. Hans Obdeyn | Senior Economist, Ministry of Economic Affairs, The Hague |
| Ms. Josine Boissevain | Commodities Officer, Development Cooperation, Ministry of Foreign Affairs, The Hague |

Mr. Erik M. Lammerts van Bueren	Ministry of Agriculture, Nature Conservation and Fisheries, Tropenbos Foundation, Ede
Mr. Stef M.H. Meijs	Directorate-General for Environment Protection, Ministry of Housing, Physical Planning and Environment, Leidschendam
Mr. M.D. Rosenberg Polak	Economic and Commercial Counsellor, The Royal Netherlands Embassy, Jakarta
*** Mr. Kees W.F. Bosdyk	Secretary, Hardwood Section and Panel Products Section, Netherlands Timber Trade Association, Amsterdam
Mr. Ronald C. van der Giessen	Conservation and Information Officer, WWF Netherlands, Zeist
Mr. Alle H. Stoit	Chairman, Hardwood Section, Netherlands Timber Trade Association, Amsterdam

UNITED KINGDOM OF GREAT BRITAIN & NORTHERN IRELAND

* Mr. Terence Veness	Head of Section, Department of Trade and Industry, London
** Mr. David P. Turner	Head, Natural Resources and Environment Department, Overseas Development Administration, London
Mr. C. Dowling	Department of Trade and Industry
*** Mr. Ronald H. Kemp	Forestry Advisor, Natural Resources and Environment Department, Overseas Development Administration, London
Mr. Arthur Vincent Morrell	Managing Director, Timber Trade Federation, London
Mr. Francis Sullivan	Advisor on forest-related environmental issues, Tropical Forest Conservation Officer, WWF U.K.

DENMARK

H.E. Mr. Michael Bendix	Ambassador of Denmark to Indonesia
* Ms. Aase Moltke-Leth	Counsellor, Head of Section, Ministry of Foreign Affairs, Copenhagen
** Mr. Morten Bjørner	Senior Vice President, U.C.B.T., Copenhagen
*** Ms. Anne-Marie Mikkelsen	Conservationist, WWF Denmark, Copenhagen

GERMANY, FEDERAL REPUBLIC OF

* Mr. Gerhard Schmok	Federal Ministry of Economics, Bonn
** Prof. Dr. Eberhard F. Bruenig	Federal Research Centre for Forestry and Forest Products, Hamburg
*** Prof. Dr. Lutz Wicke	Federal Environmental Agency, Berlin
Mr. Manfred Faller	Senior Forestry Advisor, GTZ

SPAIN

* Mr. Mier Fernando	Economic and Commercial Counsellor, Embassy of Spain, Jakarta
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FRANCE

- * Mme. Elisabeth Laurin
** M. Jean Clement
M. Francis Walter
*** M. Fabrice Blazquez
- Direction Economique, Ministère des
Affaires Etrangères, Paris
Chargé de mission Affaires
Internationales, Direction Générale,
Office National des Forêts, Paris
Bureau Nord/Sud, Direction des
Relations Economiques Exterieures,
Ministère de l'Economie et des Finances
Attache Commercial

FINLAND

- * Mr. Pertti Kaukonen
** Dr. Markku Simula
Mr. Aimo Juhola
*** Mr. Paavo Ojanpää
Mr. Jouko Virta
Mrs. Hanna Rinkineva-
Heikkila
- Counsellor, Ministry for Foreign
Affairs, Helsinki
University of Helsinki, Helsinki
Senior Programme Manager, Finnish
International Development Agency
(FINNIDA), Helsinki
Vice President and Commercial Director,
Schauman Wood Oy, Helsinki
Vice President, Jaakko Pöyry Ltd.
First Secretary, Embassy of Finland,
Jakarta

GABON

- * Mr. Clement Ondo-Obame
- Conseiller du Ministre des Eaux et
Forets et des Parcs Nationaux,
Libreville

GHANA

- * Mr. Samuel Kwasi Appiah
** Dr. Albert Ofosu-Asiedu
- Ag. Managing Director, Timber Export
Development Board, Takoradi
Director, Forest Products Research
Institute, Kumasi

INDIA

- * Mr. Kamal Mohan Chadha
- Joint Secretary to the Government of
India, Ministry of Environment and
Forests, New Delhi

INDONESIA

- * Mr. Djamaludin
Suryohadikusumo
** Mr. Sumarsono
Martosudigdo
Mr. Lukito Daryadi
Mr. A.A. Malik
Mr. Saefuddin Ahmad
- Director General for Forest
Utilization
Special Advisor to the Minister of
Forestry, Jakarta
Special Adiviser to the Minister of
Forestry, Jakarta
Director for Circulation Control of
Forestry Products
Agriculture Attache, Embassy of the
Republic of Indonesia, Tokyo

Mr. Moh. Toha	Director for Utilization of Forestry Products, Department of Forestry
Dr. Efransjah	Head of Non-FAO Multilateral Cooperation Sub-Division, Department of Forestry
Dr. I.G.M. Tantra	Official, Research and Development Agency, Department of Forestry
Dr. Benni Sormin	Official, Education and Training Centre, Department of Forestry
Mr. Petrus Gunarso	Head of the Statistics and Reporting Sub-Division, Department of Forestry
*** Mr. Bob Hasan	President of the Indonesian Wood Panel Association (APKINDO) and Forestry Community Association
Mr. Gofar Bain	Director for External Trade Relations, Department of Trade, Jakarta
Mr. Alaudin Cut	Natural Resources Preservation Group (NGO)
Prof. Dr. Gunarwan Suratmo	Expert, Bogor Agricultural Institute
Dr. Ombo Satjadipradja	Head of the Forest Research and Development Centre

JAPAN

* H.E. Mr. Michihiko Kunihiro	Ambassador of Japan to Indonesia
** Mr. Kaoru Ishikawa	Director, Developing Economies Division, Economic Affairs Bureau, Ministry of Foreign Affairs, Tokyo
Mr. Tomoo Aoyagi	Head of International Trade Office, Forestry Administration Department, Forestry Agency, Tokyo
Mr. Motokatsu Watanabe	Assistant Director, Developing Economies Division, Economic Affairs Bureau, Ministry of Foreign Affairs, Tokyo
Mr. Atsushi Ioki	First Secretary, Embassy of Japan, Jakarta
Mr. Nobuhisa Seto	Second Secretary, Embassy of Japan, Jakarta
Mr. Shigeru Takahara	Official, International Trade Section, Wood Distribution Division, Forestry Administration Department, Forestry Agency, Tokyo
*** Mr. Katsuhiko Kotari	Technical Special Assistant to the President of the Japan International Cooperation Agency, Tokyo
Mr. Yoshitaka Mangyoku	Japan Lumber Importers' Association, Tokyo
Mr. Sanshiro Mogi	Assistant Director, Liaison and Coordination Office for International Organizations, City of Yokohama

MALAYSIA

- | | |
|--|--|
| * The Honourable Tan Sri
Datuk Patinggi Amar
Hj. Abdul Taib Mahmud | Chief Minister of Sarawak, Malaysia |
| ** Mr. Yusof Hj. Salleh | Deputy Secretary General II, Ministry
of Primary Industries, Kuala Lumpur |
| Mr. Bahari Mohd. Atan | Principal Assistant Secretary, Ministry
of Primary Industries, Kuala Lumpur |
| Dato' Mohamed Darus Hj.
Mahmud | Director General, Department of
Forestry, Kuala Lumpur |
| Dato' Hj. Baharuddin Hj.
Ghazali | Director General, Malaysian Timber
Industry Board, Kuala Lumpur |
| Dr. Tho Yow Pong | Director, Environmental Science
Division, Forest Research Institute
Malaysia, Kepong |
| Mr. Kamaruddin Mustafa | Counsellor (Economic), Embassy of
Malaysia, Jakarta |
| Mr. Abd. Hamid Bugo | Deputy State Secretary, Chief
Minister's Office, Sarawak |
| Tuan Hj. Mohd. Tazuddin
Hj. Junaidi | Permanent Secretary, Ministry of
Resource Planning, Sarawak |
| Mr. Leo Chai Chia Liang | Director, Department of Forestry,
Sarawak |
| Dato' Miller Munang | Director, Department of Forestry, Sabah |
| Mr. Pilis Malim | Planning and Monitoring Officer,
Department of Forestry, Sabah |
| Tunku Osman Ahmad | Deputy President, Malaysian Timber
Organization, Kuala Lumpur |
| Mr. Chai Fook-Loong | Vice President, Malaysian Timber
Organization, Kuala Lumpur |
| Mr. Barney Chan | Hon. Secretary General, Malaysian
Timber Organization, Kuching |

NORWAY

- | | |
|----------------------------|--|
| * Mr. Erik Bjørnebye | Head of Division, Ministry of Foreign
Affairs, Oslo |
| *** Mr. Hans Kristian Seip | Former Director-General of Forestry,
Aas |

PAPUA NEW GUINEA

- | | |
|-------------------------------|--|
| * Mr. Andrew Tagamasau | First Assistant Secretary, Resource and
Investment Division, Department of
Forests |
| ** Mr. Egbert Yalu | Premier, Sandaun Provincial Government |
| *** Mr. Chris Anthony Vihrvri | First Assistant Secretary, Economics
Division, Department of Saulaw |
| Mr. Kule'en M.P. Hamou | Assistant Secretary, Division of
Natural Resources, Department of Manus |
| Ms. Ruth Polume | Assistant Secretary, Planning,
Department of Forests |

PERU

- * S.E. Mr. Luis J. Machiavello Embajador, Embajada del Perú en Tokio
- ** Sr. Enrique Toledo G.P. Consultor del Ministerio de Agricultura y Alimentación del Perú, Lima
- *** Ing. Gustavo Suárez de Freitas C. Director Técnico de la Fundación Peruana para la Conservación de la Naturaleza, Lima

PHILIPPINES

- * Mr. Renato R. Guzman Commercial Attache, Philippine Embassy, Jakarta
- ** Dr. Wilfredo M. America Supervising Science Research Specialist

REPUBLIC OF KOREA

- * Mr. Kim Yong-Han Attaché (Agriculture and Forestry), Embassy of the Republic of Korea, Jakarta
- *** Mr. Cha Soon-Hyung Senior Forestry Researcher, Planning Section, Forestry Research Institute, Seoul

SWEDEN

- * Mr. Tommy Johansson Head of Section, Ministry for Foreign Affairs, Stockholm
- ** Mr. Nils-Erik Nilsson Chief of Department, National Board of Forestry, Jönköping

SWITZERLAND

- * Mr. Jürg Meichle Commodity Officer, Commercial Section, Federal Office for Foreign Economic Affairs, Berne

THAILAND

- * Mr. Sathi Chaiyapechara Director, Planning Division, Royal Forest Department, Bangkok
- ** Mrs. Monthip Sriratana Tabucanon Office of the National Environment Board, Bangkok
- Dr. Kansri Boonpragob Associate Dean, Faculty of Science, Ramkhamhaeng University, Bangkok

TOGO

- * M. Dogbe-Tomi Agbenuna Conseiller Technique du Ministre de l'Environnement et du Tourisme

UNION OF SOVIET SOCIALIST REPUBLICS

- * Dr. Igor B. Rounov Ministry for External Economic Relations, Moscow

UNITED STATES OF AMERICA

* Mr. Wesley S. Scholz	Director, Office of International Commodities, Bureau of Economic and Business Affairs, U.S. Department of State, Washington, D.C.
** Ms. Stephanie J. Caswell	Senior Conservation Officer, Office of Ecology, Health and Conservation, Bureau of Oceans and International Environmental and Scientific Affairs, U.S. Department of State, Washington, D.C.
Ms. Diana M. Tasnadi	International Economist, International Trade Administration, U.S. Department of Commerce, Washington, D.C.
*** Mr. Jerry Bisson	Project Officer/Mission Environmental Officer, USAID, U.S. Embassy, Jakarta
Mr. Gary R. Lindell	Manager, International Forest Products Program, Forest Products Laboratory, Department of Agriculture, Wisconsin
Mr. Robert Buschbacher	Director, Tropical Forestry Program, World Wildlife Fund/The Conservation Foundation, Washington, D.C.
Mr. Richard C. Newman	Trade Advisor, President of Plywood Tropics U.S.A., Portland, Oregon

OBSERVERS

States

NEPAL

Mr. B.P. Kayastha Additional Secretary, Ministry of
Forests and Soil Conservation

NIGERIA

Ms. Veronica Naanmiap Embassy of Nigeria, Jakarta

SOLOMON ISLANDS

Mr. Simeon Bourou Senior Forest Officer, Timber Control,
Forestry, Honiara

VENEZUELA

Sr. Omar Carrero Niño Director General del Servicio
Forestal - M.A.R.N.R., Caracas

ZAIRE

M. Mady Amule Directeur, Département de
l'Environnement, Conservation de la
Nature et du Tourisme (DECN), Kinshasa
M. Ouellet Jean Conseiller en économie forestière,
Département de l'Environnement et de la
Conservation de la Nature (DECN),
Kinshasa

United Nations

ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC (ESCAP)

Mr. Jean-Louis Vignuda Economic Affairs Officer, International
Trade and Tourism Division

INTERNATIONAL TRADE CENTER UNCTAD/GATT

Mr. José Luis Albaladejo Senior Market Development Officer,
Market Development Section -
Manufactured Products
Mr. Gordon E. Gresham Senior Marketing Advisor, Market News
Service Projects (MNS), Division of
Product and Market Development

Specialized Agencies

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS (FAO)

Dr. I.J. Bourke Senior Forestry Officer (Trade
Analysis), Forest Products Division

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)

Mr. Antonio Sabater de Chief, Unit for Light Industries
Sabatés Sector, System of Consultations
Division, Department for Industrial
Promotion, Consultations and Technology

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (WORLD BANK)

Mr. Horst Wagner Senior Forestry Specialist, ASTAG
(Agriculture Division, Asia Region
Technical Department)

Inter-Governmental and Governmental Organizations

ASEAN INSTITUTE OF FOREST MANAGEMENT

Mr. S.T. Mok Director

ASEAN TIMBER TECHNOLOGY CENTRE

Dr. Ir. Lew Wing Hing Director

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)

Mr. Marcus L. Winter Chief, Office of Agricultural and Rural
Development, Jakarta
Mr. David McCauley Natural Resources Policy Advisor,
Jakarta
Ms. Cynthia A. Evans Agricultural Economist, Forest Products
Division, Foreign Agricultural Service

Non-Governmental Organizations

ASIA PACIFIC PEOPLE'S ENVIRONMENT NETWORK (APPEN)

Ms. Aster Soong Yen Phin Research Officer

ASIA-PACIFIC TROPICAL TIMBER ORGANIZATION (ATTO)

Mr. Raymund Tan Honorary Secretary-General

AUSTRALIAN CONSERVATION FOUNDATION

Ms. Felicity Wishart Tropical Forest Campaign Officer

CAMARA NACIONAL FORESTAL

Mr. Gustavo Suárez Technical Director
de Freitas Calmet

CENTRE TECHNIQUE FORESTIER TROPICAL (CTFT)

Mr. Patrick Y. Durand Regional Representative, South East
Asia Regional Office

ENSO FOREST DEVELOPMENT OY LTD

Mr. Eero Malmivaara Consultant in reforestation

ENVIRONMENT POLICY INSTITUTE (EPI)

Mr. Paul (Chip) Fay Projects Officer Asia

FAUNA AND FLORA PRESERVATION SOCIETY

Mr. Michael Read Consultant Botanist

FRIENDS OF THE EARTH, HOLLAND

Mr. H. Verhagen Rainforest Campaigner

FRIENDS OF EARTH, MALAYSIA/SAHABAT ALAM MALAYSIA (SAM)

Ms. Chee Yoke Ling Honorary Secretary

**GERMAN TIMBER IMPORTERS' ASSOCIATION/VEREIN DEUTSCHER HOLEINFURHRHAUSER
E.V. (VDH)/A.T.I.B.T.**

Dr. Hinrich Lüder Stoll President

INDONESIAN WOOD PANEL ASSOCIATION/ASOSIASI PANEL KAYU INDONESIA (APKINDO)

Mr. Dani Pitoyo Marketing Director, Tanjung Raya Timber
Group

Mr. J.G. Waworuntu

Mr. Purnawan Sutiono Advisor

Mr. A. Tjipto Wignjoprajitno Executive Director

Mr. Andi Sutanto P.T. Kayu Lapis Indonesia

Mr. Rohan Budiman P.T. Tandjung Raya Group

Mr. Augustinus Aryawan P.T. Barito Pacific Timber

Mr. Suryawan Anwar

Mr. Gerald W. White

Ms. Susan Stevens Environmental Researcher

Prof. Dr. Achmad Sumitro Senior Consultant, Forester, Economist,
Faculty of forestry, University of
Gajah Mada

Dr. Ir. Zahrial Coto Chairman, Graduate Study on Forestry,
Bogor Agricultural University

Ir. Darni. S. Fadillah	Forester, Sylviculturist, Faculty of Forestry, University of Lambung Mangkurat
Dr. Ir. Ariffien Bratawinata	Forester, Forest Product, Faculty of Forestry, University of Mulawarman
Mr. Andi Tabusalla	
Mr. Patmono Sk	Member of Forestry Compartment
Mr. Soenaryo P.	P.T. Bumi Raya Utama Group
Mr. Bambang Triguno	Special Staff to Chairman of APKINDO
Mr. Andi Darussalam T.	
Mr. Bahgya Siregar	Assistant to Manager, Division of Planning, Perum Perhutani
Mr. E. Widajat	Assistant to the Minister of Forestry, Jakarta
Mr. S. Soenarsan	Director General of Forest Inventory and Land Use Planning
Mr. Jansen Tangketasik	Vice Director, Forestry Research Institute, Samarinda
Mr. Mohammad Rosid	Head of Technical Co-operation Sub-Division
Ms. Niken Sakuntaladewi	Official Forestry Research Institute, Samarinda

INNOPRISE CORPORATION SDN BHD

Mr. Cyril Pinso	General Manager, Forestry Division
Mr. Tang Hon Tat	Principal Forest Officer

INTERNATIONAL HARDWOOD PRODUCTS ASSOCIATION

Mr. John Andl	President, IHPA
---------------	-----------------

INTERNATIONAL INSTITUTE FOR ENVIRONMENT AND DEVELOPMENT (IIED)

Mr. Duncan Poore	Senior Consultant
Mr. Simon Rietbergen	Research Associate

INTERNATIONAL UNION FOR THE CONSERVATION OF NATURE (IUCN)

Dr. Jose Pedro Costa De Oliveira	Regional Counsellor for Latin America
Dr. N. Mark Collins	Head, Habitats Data Unit, World Conservation Monitoring Centre
Ms. Jacqueline Sawyer	Programme Assistant, Tropical Forest Programme

JAPAN LUMBER IMPORTERS' ASSOCIATION (JLIA)

Mr. Hirokatsu Ito	Jakarta Liaison Office
-------------------	------------------------

JAPAN OVERSEAS FORESTRY CONSULTANTS ASSOCIATION (JOFCA)

Mr. Tsutomu Handa	Director of Research and Development Division
-------------------	---

JAPAN TROPICAL FOREST ACTION NETWORK (JATAN)

Mr. Yoichi Kuroda Coordinator

MARKET DEVELOPMENT AND INFORMATION SERVICES-FOREST INDUSTRIES/GEOFFREY PLEYDELL

Mr. Geoffrey Pleydell Consultant

MITSUBISHI CORPORATION

Mr. Mamoru Hoshino Assistant Manager, Environmental
Affairs Department

NATIONAL WILDLIFE FEDERATION

Mr. Richard Andrew Forrest Eastern Asia Representative

ORO VERDE

Mr. Manfred Niekisch Executive Director

PERUVIAN FOUNDATION FOR THE CONSERVATION OF NATURE (FPCN)

Mr. Gustavo Suárez de Technical Director
Freitas Calmet

RAINFOREST INFORMATION CENTRE

Mr. John Revington Director

RAINFOREST ACTION NETWORK

Ms. Pamela Wellner Tropical Timber Campaigner
Mr. Clark Hoyt Forestry Consultant
Mr. Michael Yonke Forestry Consultant

RAINFOREST CONSERVATION SOCIETY INC.

Dr. Aila Keto President

SURVIVAL INTERNATIONAL

Dr. Marcus Colchester Consultant

TEXAS A&M UNIVERSITY

Dr. Robert N. Coulson Professor, Department of Entomology

TRADE RECORDS ANALYSIS OF FLORA AND FAUNA IN COMMERCE INC. (TRAFFIC)

Ms. Debbie Callister Research Assistant, TRAFFIC-OCEANIA
Ms. Nina T. Marshall Program Officer, TRAFFIC-US

TRAEKONTORET

Ms. Anne Bjørner Consultant

TROPICAL ECOSYSTEM RESEARCH AND RESCUE ALLIANCE (TERRA INTERNATIONAL)

Mr. Campbell Plowden President

THE WILDERNESS SOCIETY

Mr. Keith Graham Tarlo International Tropical Rainforest
Campaign Officer

WORLD FOREST INSTITUTE

Mr. Eric Landis Institute Director

WORLD RAINFOREST MOVEMENT

Ms. Nora S. Ibrahim Research Officer - Forestry
Mr. H. de Beer Researcher

WORLD RESOURCES INSTITUTE (WRI)

Mr. Charles V. Barber Associate, Program in Forests and
Biological Diversity

WORLD WIDE FUND FOR NATURE (WWF)

Dr. Julio César Centeno	WWF Representative
Mr. Ian Craven	WWF Representative
Ms. Claudia D'Andrea	WWF Media Advisor, WWF-Indonesia Office
Mr. Christopher Elliot	Tropical Forest Officer, WWF International
Mr. Yuta Harago	Tropical Forest Conservation Officer, WWF International
Ms. Nao Hasumi	Japanese Liaison Officer, WWF International
Ms. Leigh Ann Hurt	Communications Associate for Tropical Forestry, WWF-US
Mr. Hubert Kwisthout	Director, Ecological Trading Company
Ms. Alison Lucas	Media Relations Executive, WWF U.K.
Mr. Adam Markham	Campaigns Officer, WWF International
Mr. Pisit na Patalung	Secretary General, WWF Thailand
Mr. Michael Rae	Conservation Officer, WWF Australia
Mr. Gordon Shepherd	Director of Information and Education, WWF International

INVITED SPECIAL PARTICIPANTS

The Earl of Cranbrook	Leader of ITTO Mission to Sarawak, Malaysia
Mr. Lukito Daryadi	Ministry of Forestry, Indonesia
Dr. Mikael Grut	Senior Forestry Specialist, ASTAG, World Bank, U.S.A.
Dr. Philip Ling Lee Kang	Hon. Secretary, Sarawak Timber Association, Malaysia
Mr. James W. Maner	President, Lilly Coatings (Far East) Ltd.
Mr. Y. Mangyoku	Chairman, South-Sea Loas Section, Japan Lumber Importers' Association, Japan
Mr. Ho Mun	Chairman/Managing Director, Kwong Maw Sawmill Co., Pte. Ltd., Singapore
Dr. Mauro Silva Reis	Secretary for Planning, Municipality of Betim, Brazil
Mr. Pil Koo Shim	Korea Plywood Industries Association, Seoul
Mr. John V. Ward	International Trade Consultant, John V. Ward Associates, Inc., U.S.A.

ITTO SECRETARIAT

Dr. B.C.Y. Freezailah
Executive Director

Dr. Nils Svanqvist
Assistant Director of Reforestation and Forest Management

Mr. James E.K. Aggrey-Orleans
Assistant Director of Economic Information and Market Intelligence

Dr. Manoel Sobral Filho
Assistant Director of Forest Industry

Mr. Takeichi Ishikawa
Projects Manager, Forest Industry

Dr. Per Wegge
Forest Ecologist, Reforestation and Forest Management

Mr. Charas Mayura
Finance/Administrative Officer

Mr. Arto E.K. Jalkanen
Programmer/Systems Analyst

Mr. Rikio Shinohara
Personal Assistant to Executive Director/Administrative Assistant

Ms. Hideko Hattori
Secretary

Ms. Manami Ohshima
Secretary

Ms. Patricia H. de Uyeyama
Secretary

Annex II

Address by His Excellency President Soeharto, President of the Republic of Indonesia, at the Special Opening Ceremony of the Eighth Session of the International Tropical Timber Council at the Presidential Palace.

Jakarta, 16 May 1990

Distinguished participants;

Ladies and Gentlemen;

First of all, I would like to avail myself of this opportunity to extend my warmest welcome to Indonesia to all foreign participants to the conference. I would also like to express my heartfelt thanks to the International Tropical Timber Organization for the opportunity given us to host this meeting. It is indeed an honour for the Indonesian Government and people to be host of this important meeting.

Since its creation, Indonesia has always regarded the International Tropical Timber Organization as a useful forum. Its usefulness does not only serve our interest as producer of tropical timber but, primarily, because we are one of the countries in the world that has, and exploits, tropical rain forests. Consequently, Indonesia has seriously become an active supporter of this organization and has always promoted close cooperation with ITTO fellow member states. This is also the reason why I attach great importance to this conference.

Ladies and Gentlemen;

We regard our tropical forests as blessings by Almighty God on the Indonesian nation. We have been aware of this for a long time and it becomes part of the values of our life; long before the international community become concerned about the environmental pollution, resulting from the way of life of the people of the advanced countries, as well as the threat on life by the declining natural support.

Our profound understanding about this is reflected by the PANCASILA, as our outlook of life and state philosophy. Our predecessors, our founding fathers, have discovered PANCASILA, originating from our own living and cultural values. PANCASILA contains five principles, namely: Belief in the One God, Just and civilized humanitarianism, Unity of Indonesia, Democracy led by the wisdom arising from deliberations of representatives and Social Justice for the whole of the Indonesian people. In essence, it holds our conviction that a happy and secure life will be attained if we can preserve continuously the balance and harmony of the relation between man and his fellow beings, between man and his society, between man and his environment and between man and God the Almighty Creator. We regard the development endeavours we are currently carrying out as the practical application of PANCASILA and are aimed at improving the living quality of Indonesians. We have, therefore, always linked our development, especially in relation to the exploitation of natural resources, with the management of the environment.

We have adopted a general development pattern that we consider suitable for ensuring the survival of our nation, from one generation to the next, including the preservation and development of the environment.

We are relieved that as a nation still in the initial stage of implementing its development, we have a very good opportunity to build our society by drawing the lessons from the experiences of advanced industrial countries which are affected by negative impact created by the lack of attention to the preservation of the environment. For this reason, with a view to intensifying development, we shall continue to try to control

ourselves and to preserve the harmony, so that we will not exploit carelessly our natural resources.

We attach very great attention to the various issues of the environment and, consequently, we are exploiting our abundant forest resources with great care and responsibility.

We are also aware that the tropical forests in our Homeland are vital to the life and well-being of humans all over the world. We are aware that tropical forests are not only important for the continuation of timber production and other forest products, but it is a factor that determines also the global climate and environment. For this reason, therefore, we are exploiting our forest resources based on the principles of maximum forest benefit of utilization and progressive sustainable condition. Particularly in forest management, apart from its exploitation, which is carried out through the system of Selective Felling and Planting in Indonesia and the development of Industrial Forest, we are also engaged in extensive afforestation and replanting activities covering areas beyond the forests. We are aware not to exploit all our forests. The Government of the Republic of Indonesia has determined certain areas as protective forests, nature reserve and recreation forests, and all these are inviolable areas. The total area covers about 49 million hectares. This area, plus the area for production forest and converted production forest, covers an area of around 143 million hectares. Accurate data on these figures must still be compiled. Sporadic violations against the use of protective forest are indeed still taking place because of shifting cultivation. This is due to ignorance and poverty. There are still quite extensive critical lands and the area is growing larger. These are the problems that we have to face today. The Government has been trying hard to overcome them, but unfortunately the skills and funds in our possession are still very limited.

I would like to give the following brief picture about the heavy task ahead of us and the great duty that we have to carry out. We are planning to reforest no less than 20 million hectares of critical lands. We are able to collect funds amounting to about US\$300 million a year; thus, the reforestation of around 300,000 hectares of critical lands every year. This means that the planned reforestation of 20 million hectares of our critical forests will take 65 years. By simultaneously planting the tropical forest and applying the system of selective felling in the exploitation of production forests, the area of our tropical forests will not diminish.

Through this authoritative ITTO Conference, I would like to appeal to the international community in general, and the advanced industrial countries in particular, to actively participate in the planting of tropical forests by providing direct assistance. This is a great common task, because we are safeguarding the lungs of the earth. We do not have to find a scapegoat for the pollution and degradation of the environment in this single planet earth of ours. We are all in the same boat. If we sink, not a single nation shall survive. It is therefore better if we look for a more rational and responsible solution.

Imbued with these hopes and appeals, and by praying to the One God for His blessings on all of us, and by expressing my best wishes to all of you, I hereby declare the International Tropical Timber Organization Conference officially opened.

Thank you.

Annex III

Address by His Royal Highness Prince Bernhard of the Netherlands, on the occasion of the Opening of the Eighth Session of the International Tropical Timber Council.

Hotel Indonesia, Jakarta (Indonesia), 16 May 1990

Mr. Chairman, Your Excellencies, distinguished delegates and observers, ladies and gentlemen,

I am very happy to be able to address the Eighth ITTO Council Meeting. It is the first one held in a producer country in Asia, and since the Asian region is the largest producer of tropical timber for the international trade, I am glad that it is now "Asia's turn" to host the ITTO. It gives me particular pleasure to be in Indonesia again, because I have had many opportunities and changes to appreciate the beauty of this country and the hospitality of its inhabitants, and I have been able to make a great number of friends here.

Turning to the work of ITTO, I feel that the general direction of the activities is good. You have recognised that the key issue is to promote sustainable natural forest management. This is vital because unless the trade in tropical timber is rapidly made sustainable, its future is most uncertain at both producer and consumer ends because of resource depletion (as for instance in Thailand) and the so-called trade boycotts.

Making tropical forest management for timber production sustainable needs efforts by both producers and consumers and is in the interest of both. I would like to say here that, in my firm opinion, all measures prohibiting the import of tropical hardwood are counter-productive and, therefore, do not solve any of the problems we are facing. We must recognise that in most cases the transition will mean that less timber is extracted. Therefore, this transition will not be easy. The loss in revenue which producers will face as a result of this, must be compensated by the consumers as has been proposed by both the European parliament and in the Papua New Guinea tropical forestry action plan.

To make this happen, targets are helpful. WWF has set the target of 1995, by which time the whole international trade in tropical timber should be made sustainable. The Dutch Government is also considering adopting a similar target. Of course we have to admit that sustainability is difficult to define and to measure, but it must be considered at three levels:

- 1) Land-use planning;
- 2) Forest management; and
- 3) Social and economic aspects.

At the third level, the local population and indigenous forest dwellers who suffer the most when the forest is not preserved, should not be forgotten. In essence, sustainable utilisation means not taking more from the forest than it can produce, and not causing ecological or social destruction in the process of extracting timber.

At this meeting, the ITTO mission to Sarawak will present its results. I think that the Malaysian authorities, both in Kuala Lumpur and Sarawak, must be congratulated on having invited ITTO to advise them on the situation. We all look forward to hearing the recommendations of the Mission and hope that they will cover all the issues involved. Perhaps this mission can serve as a model for ITTO's activities in other parts of the world.

Turning to the future: In following the work of the ITTO over the last four years, I have noticed a heavy emphasis on projects. These are

clearly an important part of ITTO's work and indeed more projects are needed. However, I think ITTO can and should also be a forum for policy debate. Debate between the producers and the consumers at a really top level. I ask you to give more attention to this, and discuss the policies of both producers and consumers as they relate to tropical forests. By this, I do not mean interference in the internal affairs of other countries, but I do believe working together in order to achieve a common goal is absolutely necessary.

As you all may know, I am not an economist, but, as far as I can see, one of the problems is that forests are undervalued. They tend to be seen only as a source of timber (and timber for which a poor price is paid!) or of land for agriculture. But what about the waste in these forests? What about all the other plants, and inhabitants of the forests? There are according to scientists, anything between thirty and fifty thousand plants in these forests that have never been properly identified for both their nutritional and medicinal values. And with the population growth in our world they might become absolutely vital to prevent hunger and other crises in this world. So the genetic possibilities in these forests should be given great priority. Sustainable management must take them all into account; and again producers and consumers should work together here: consumers to pay a fair price for forest products and producers to make sure that appropriate policies and institutions are made and, of course, should be respected. There is no more time for inactivity or mutual criticism. The forests which we all love and need are vanishing fast and the world is looking to ITTO to help stem the tide of destruction!

There are not only producers and consumers at ITTO - there are also representatives of WWF and other conservation non-governmental organizations, and the timber trade. This interest of both non-governmental organizations and the trade makes ITTO quite unique; and it is important that the Organization draws upon the skill of both groups, and seeks to work with them.

Mr. Chairman, Your Excellencies, distinguished delegates and observers, ladies and gentlemen,

It is not my role or intention to lecture you on what ITTO should or should not do. This is for you to decide. I hope, however, that you will find these few frank remarks by me, a sympathetic onlooker, useful to you in your deliberations.

Thank you.

Annex IV

AGENDA

{Document: ITTC(VIII)/1}

INTERNATIONAL TROPICAL TIMBER COUNCIL
Eighth Session
Denpasar, Bali, Indonesia
16 - 23 May 1990

Dist. GEN.
ITTC(VIII)/1
12 March 1990
Original: ENGLISH

AGENDA

1. Opening of the Session
 - a) Opening Address by the Chairman
 - b) Statement by the Executive Director
 - c) Other statements
 - d) Address by the Host Government
2. Ascertainment of 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. Criteria and Priority Areas for Programme Development and Project Work
9. Projects:
 - a) Report of the Sixth Sessions of the Permanent Committees
 - b) Consideration of Project Proposals and Priorization of Projects
10. Annual Review and Assessment of the World Tropical Timber Situation
11. Non-Project Work:

Presentation of the Report of the Mission to Sarawak under Resolution 1(VI): The Promotion of Sustainable Forest Management: A Case Study in Sarawak, Malaysia.
12. Annual Report for 1989
13. Review of Contributions to the Administrative Budgets
14. Financial Resources of the Special Account:
 - a) Pre-Project Sub-Account
 - b) Project Sub-Account
 - c) New Contributions to the Special Account
15. Report of the Auditors for 1989

16. Report of the Credentials Committee
17. Rules of Procedure of the Council: Decision on Rule 32
18. Dates and Venue for the Tenth Session of the Council and the Eighth Sessions of the Permanent Committees.
19. Other Business
20. Decisions and Report of the Session

Annex V

DISTRIBUTION OF VOTES FOR MEMBER STATES

(as of the Eighth Session of the Council)

{Documents: ITTC(VIII)/1
ITTC(VIII)/5
ITTC(VIII)/8}

DISTRIBUTION OF VOTES FOR 1990 AS OF THE EIGHTH SESSION OF COUNCIL

<u>Producers</u>	No. of Votes	
	<u>1989</u>	<u>1990</u>
Africa		
Cameroon	34	28
Congo	34	28
Côte d'Ivoire	34	28
Gabon	34	28
Ghana	33	28
Liberia	33	28
Togo	-	27
Asia and Pacific		
India	42	40
Indonesia	154	170
Malaysia	152	148
Papua New Guinea	35	34
Philippines	44	38
Thailand	26	24
Latin America		
Bolivia	38	32
Brazil	189	172
Colombia	-	35
Ecuador	29	23
Honduras	23	17
Panama	-	18
Peru	44	37
Trinidad and Tobago	<u>22</u>	<u>17</u>
Total:	1,000	1,000
 Consumers		
Australia	21	19
Austria	12	11
Canada	17	16
China	41	37
Egypt	15	14
European Economic Community		
Belgium/Luxembourg	25	28
Denmark	14	12
France	55	52
Germany, Federal Republic of	47	48
Greece	14	13
Ireland	12	12
Italy	40	38
Netherlands	40	46
Portugal	-	18
Spain	25	26
United Kingdom of Great Britain & Northern Ireland ..	54	65
Finland	11	10
Japan	334	305
Norway	11	10
Republic of Korea	80	84
Sweden	11	11
Switzerland	11	11
Union of Soviet Socialist Republics	14	13
United States of America	<u>96</u>	<u>101</u>
Total:	1,000	1,000

DISTRIBUTION OF ITTO PRODUCER VOTES AS AT EIGHTH SESSION OF COUNCIL
(Revision 2: 14 May 1990)

Producer Member	Art.10.2 (a) Votes (400)	Forest Resources 1000 ha.	Art.10.2(b) Votes (300)	1986-1988 Averg.Net Expts.\$1000	Art.10.2(c) Votes (300)	Total Votes
AFRICA						
Cameroon	19.05	16,940	7.97	82,159	4.26	28
Congo	19.05	13,690	6.44	80,545	4.18	28
Côte d'Ivoire	19.05	3,295	1.55	245,009	12.70	28
Gabon	19.05	19,905	9.36	130,491	6.77	28
Ghana	19.05	1,321	0.62	76,977	3.99	28
Liberia	19.05	1,330	0.63	60,290	3.13	28
Togo	19.05	253	0.12	0	0.00 +	27
ASIA & PACIFIC						
India	22.22	38,358	18.05	0	0.00 +	40
Indonesia	22.22	73,575	34.62	2,179,746	113.03	170
Malaysia	22.22	15,552	7.32	2,284,417	118.46	148
Papua New Guinea	22.22	14,035	6.60	96,856	5.02	34
Philippines	22.22	6,700	3.15	239,327	12.41	38
Thailand	22.22	3,915	1.84	0	0.00 +	24
LATIN AMERICA						
Bolivia	16.67	29,850	14.04	17,087	0.89	32
Brazil	16.67	300,630	141.44	271,314	14.07	172
Colombia	16.67	39,500	18.58	1,636	0.08	35
Ecuador	16.67	10,910	5.13	18,578	0.96	23
Honduras	16.67	1,484	0.70	0	0.00 +	17
Panama	16.67	2,943	1.38	0	0.00 +	18
Peru	16.67	43,320	20.38	1,089	0.06	37
Trinidad & Tobago	16.67	148	0.07	0	0.00 +	17
TOTAL:	400	637,654	300	5,785,521	300	1,000

Notes: + Net importer of tropical timber.

DISTRIBUTION OF ITTO CONSUMER VOTES AS AT EIGHTH SESSION OF COUNCIL

Consumer Member	Net yearly import volume of broadleaved logs, sawnwood, veneer and plywood in 1000m3 roundwood equivalent				Art.10 Import Votes	Art.10.5	
	1986	1987	1988	Avg 86-88		Basic Votes	Total Votes
Australia	421	425	641	496	8.77	10	19
Austria	45	74	75	65	1.14	10	11
Canada	197	380	380	319 +	5.65	10	16
China	1,274	1,684	1,684	1,547 +	27.38	10	37
Egypt	241	241	241	241 +	4.26	10	14
EEC							
Belgium/Luxembourg	770	858	1,423	1,017	18.00	10	28
Denmark	132	146	54	111	1.96	10	12
France	2,116	2,247	2,700	2,354	41.66	10	52
Germany, Fed. Rep. of	1,748	1,897	2,729	2,125	37.60	10	48
Greece	250	165	182	199	3.52	10	13
Ireland	102	87	87	92 +	1.63	10	12
Italy	1,277	1,464	2,034	1,592	28.17	10	38
Netherlands	1,619	1,677	2,852	2,049	36.27	10	46
Portugal	530	489	347	455	8.06	10	18
Spain	667	908	1,086	887	15.70	10	26
United Kingdom	2,228	2,371	4,650	3,083	54.56	10	65
Finland	21	37	18	25	0.45	10	10
Japan	14,547	18,355	17,125	16,676	295.10	10	305
Norway	15	15	39	23	0.41	10	10
Republic of Korea	3,473	4,441	4,599	4,171	73.81	10	84
Sweden	20	65	32	39	0.69	10	11
Switzerland	71	52	78	67	1.19	10	11
USSR	158	164	178	167	2.95	10	13
USA	4,383	4,837	6,223	5,148	91.09	10	101
TOTAL:	36,305	43,079	49,457	42,947	760	240	1000

Notes: + 1988 observation carried forward from 1987 due to unavailable data.

Annex VI

TEXTS OF MAIN DECISIONS AND RESOLUTIONS

ADOPTED BY THE COUNCIL AT ITS EIGHTH SESSION

{Documents: ITTC(VIII)/12/Rev.3
ITTC(VIII)/13/Rev.1
ITTC(VIII)/14
ITTC(VIII)/15/Rev.1
ITTC(VIII)/16/Rev.1
ITTC(VIII)/10/Rev.1
ITTC(VIII)/17/Rev.1}

INTERNATIONAL TROPICAL TIMBER COUNCIL
Eighth Session
Denpasar, Bali, Indonesia
16-23 May 1990

Dist. GEN.
ITTTC(VIII)/12/Rev.3
23 May 1990
Original: English

DECISION 1(VIII)

CRITERIA AND PRIORITY AREAS FOR
PROGRAMME DEVELOPMENT AND PROJECT WORK

ACTION PLAN AND WORK PROGRAMME FOR ITTO

The International Tropical Timber Council,

Recognizing the objectives of the ITTO as set out in Article 1 of the ITTA,

Recognizing further the importance of formulating a comprehensive Action Plan to cover all activities of the ITTO together with relevant Work Programmes,

Reaffirming its Resolution 1(IV) and Decision 2(VI),

Expressing appreciation for the approval of the Action Plans of the three Permanent Committees contained in documents PCM(VI)/6, PCF(IV)/2, PCI(VI)/3,

Decides to establish a Panel of Experts to integrate the three Action Plans into a comprehensive ITTO Action Plan in accordance with the attached terms of reference. The Panel will be comprised of a balanced representative of consumers and producers, the latter being representatives of the three tropical timber producing regions;

Decides to allocate funds not exceeding US\$60,000 to cover expenses in connection with the work of the Panel;

Requests the Executive Director to enter into consultations with a view to establishing such a Panel and to make all arrangements to prepare the work of the Panel of Experts;

Requests the Panel of Experts to submit its Report to the Council at its Ninth Session;

Requests the Executive Director to prepare a Work Programme for 1991 to implement the Action Plans of the three Permanent Committees.

Terms of Reference

The task of the Panel of Experts is to integrate the three Action Plans as contained in documents PCM(VI)/6, PCF(IV)/2, PCI(VI)/3.

Specifically, the Panel shall:

- a) Harmonize the sections on
 - Introduction
 - Role of ITTO
 - Basic principles
 - Situations and problems,
- b) Consolidate the remaining parts of the three Action Plans, identify possible inconsistencies and overlapping, and make proposals on how these could be amended.

INTERNATIONAL TROPICAL TIMBER COUNCIL
Eighth Session
Denpasar, Bali, Indonesia
16-23 May 1990

Dist. GEN.
ITTC(VIII)/13/Rev.1
23 May 1990
Original: English

DECISION 2(VIII)

PROJECTS AND PRE-PROJECTS

The International Tropical Timber Council,

Having considered, at its Eighth Session, the recommendations of the three Permanent Committees on Projects as contained in documents PCM(VI)/D.1, PCF(VI)/18 and PCI(VI)/D.1,

1. Decides

i) To approve the following Projects:

- | | |
|--------------------------------|---|
| 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 |
| PD 82/90 (M) | Workshop on Issues related to Incentives to Promote
Sustainable Development of Tropical Forests |
| PD 74/90 (F,I) | Better Utilization of Tropical Timber Resources in
order to Improve Sustainability and Reduce Negative
Ecological Impacts |
| PD 75/90 (F) | Development of Genetic Resistance in the Tropical
Hardwood Iroko to the Damaging Insect Pest: <u>Phytolyma</u>
<u>Lata</u> |
| PD 76/90 Rev.1 (F) | Project Formulation Workshop for Establishing a
Network of Genetic Resources Centres for Adapting to
Sea Level Rise |
| PD 77/90 (F) | Establishment of a Pilot Area for Silviculture in
Closed Forests in Congo |
| PD 78/90 (F,I) | Panel Discussion/Seminar on Promotion of a Positive
Image of Sustainable Utilization of Tropical Forests |
| PD 81/90 (F) | Investigation and Application of Forest Management
Systems in Tropical and Sub-Tropical Rain Forests in
the Chore and Bajo Paragua Forest Production Reserves |
| PD 83/90 (F,I) | Research and Development in Logging |

- PD 84/90 (F) The Establishment of a Demonstration Plot for Rehabilitation of Forest Affected by Fire in East Kalimantan {Phase II of PD 17/87 (F)}
- PD 85/90 (F) Technical Assistance for the Master Plan for Forest Plantation
- PD 86/90 (F) International Network for Developing Human Resources in Tropical Forest Management (Phase 1)
- PD 88/90 (F) Sustainable Selective Harvesting of Mahogany in Bolivia
- PD 89/90 (F) Sustainable Forest Management and Human Resources Development in Indonesia (Phase 1)
- PD 63/89 Rev.1 (I) Low-Cost Houses from Small Diameter Trees, Plantation Thinnings and Tree Tops and Branches
- PD 80/90 (I) Second Consultation on the Wood and Wood Products Industry

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

- PD 82/90 (M)
PD 53/89 Rev.1 (F)
PD 71/89 Rev.1 (F)
PD 74/90 (F)
PD 75/90 (F)
PD 76/90 Rev.1 (F)
PD 78/90 (F)
PD 84/90 (F)
PD 86/90 (F) Phase I
PD 89/90 (F) Phase I
PD 12/87 (I)

iii) To authorize financing for immediate implementation as soon as earmarked funds are available in the Special Account, of the following Projects:

- PD 7a/87 Phase II Rev.1 (M)
PD 77/90 (F)
PD 81/90 (F)
PD 83/90 (F,I)
PD 85/90 (F)
PD 88/90 (F)
PD 63/89 Rev.1 (I)
PD 80/90 (I)

iv) To approve an extension of a further one year of Project PD 60/90 (M,F,I) and authorize an additional amount of US\$300,000 to finance its extended implementation.

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

- (a) The Economic Case for Natural Forest Management (US\$219,000),
- (b) The National Biological Conference of Thailand (US\$90,500),
- (c) Realistic Strategies for the Conservation of Biological Diversity in Tropical Moist Forests (US\$190,000).

3. Authorizes financing of the above activity and Pre-Projects for immediate implementation.

4. Decides that the following Projects approved in the earlier Sessions of the Council can be immediately implemented as soon as earmarked funds are available in the Special Account:

PD 1/87 (M)
PD 66/89 (M)
PD 2/87 (F) (partly financed)
PD 37/88 Rev.3 Phase II (I)
PD 43/88 Rev.2 (I)
PD 48/88 Rev.1 (I)
PD 49/88 (I)
PD 65/89 (I)
PD 67/89 (I)

5. Urges Members to consider financing those approved Projects 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. Requests the Executive Director to exert every effort to obtain funds for the priority implementation of project PD 55/89 (F) "Research and Development Activities in the Framework of Forest Management Operations in Côte d'Ivoire Closed Forest: Establishment of a Typological Classification of Forests on the Basis of Silvicultural Operations", and to report to the Council at its Ninth Session.

INTERNATIONAL TROPICAL TIMBER COUNCIL
Eighth Session
Denpasar, Bali, Indonesia
16-23 May 1990

Dist. GEN.
ITTC(VIII)/14
23 May 1990
Original: English

DECISION 3(VIII)

The International Tropical Timber Council,

Recalling ITTO's commitment to promote sustainable tropical forest management, and to provide support for activities to this end,

Noting the submission to the Eighth Session of the Council of the Report by the ITTO Mission to Sarawak, established according to the Council Resolution 1(VI),

Taking note of the extensive coverage of the Report,

Noting that the Government of Malaysia will consider immediate follow-up actions,

Decides to consider the Report at its Ninth Session;

Invites all Member Governments to give full consideration to the Report;

Furthermore,

Commends and extends appreciation to:

- the Federal Government of Malaysia and the State Government of Sarawak for their full cooperation in facilitating the work of the Mission,
- the Members of the Mission for their dedication and commitment in their assessment of Sarawak forestry practices and preparation of its Report,
- the Governments of Australia, Denmark, Finland, Japan, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom for financing the work of the Mission.

INTERNATIONAL TROPICAL TIMBER COUNCIL
Eighth Session
Denpasar, Bali, Indonesia
16-23 May 1990

Dist. GEN.
ITTC(VIII)/15/Rev.1
23 May 1990
Original: English

DECISION 4(VIII)

The International Tropical Timber Council,

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

Noting the Report of the Working Group to formulate recommendations and principles for preparing 'Guidelines for Best Known Practice' in the management of natural tropical forests established in Decision 3(VII),

Further noting that the Working Party was asked to:

- (a) identify the nature of the guidelines, recognizing that guidelines should be diversified and adapted to regional differences,
- (b) consider a paper prepared for the Government of the United Kingdom and other relevant papers,
- (c) develop recommendations and principles for how guidelines are to be prepared,
- (d) advise the Secretariat on the action to be taken for the commissioning and preparation of the guidelines,

Further noting the recommendation of the Permanent Committee on Reforestation and Forest Management contained in document PCF(VI)/4/Rev.1,

Decides:

- (a) to adopt the ITTO Guidelines for the Sustainable Management of Natural Tropical Forests contained in document PCF(VI)/16;
- (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 and conservation of tropical forests and their genetic resources;

Requests the Executive Director to publish the document widely and promote its use throughout the international community, whilst not preventing member countries from pursuing projects proposals, in accordance with the objectives of the ITTA.

INTERNATIONAL TROPICAL TIMBER COUNCIL
Eighth Session
Denpasar, Bali, Indonesia
16-23 May 1990

Dist. GEN.
ITTC(VIII)/16/Rev.1
23 May 1990
Original: English

DECISION 5(VIII)

DECISION ON RULE 32 OF THE RULES OF PROCEDURE

The International Tropical Timber Council,

Recognizing the need to facilitate the participation of the People's Republic of China and the Union of Soviet Socialist Republics in the activities of the Organization;

Recognizing possible benefits accruing thereby for all the Member countries;

Also recognizing the serious constraints that the Organization is currently facing financing its Administrative Budget;

Decides:

1. The official languages of the Organization shall be Chinese, English, French, Russian, and Spanish;
2. Due to the financial constraints all the language services will, for the time being, be limited to English, French and Spanish;
3. Specific approval of the Council shall be required for arranging technical facilities for simultaneous interpretation in Chinese and Russian languages.

Note: In adopting this Decision, the Representatives of the People's Republic of China and the Union of Soviet Socialist Republics made the following Statement:

'In the interest of avoiding measures in respect of Council Decision 5(VIII) which would place additional financial burdens on the Organization, the People's Republic of China and U.S.S.R. do not intend for the remainder of the Agreement and any further extension of the Agreement to initiate efforts to implement the use of their respective languages beyond the provision of arranging technical facilities for simultaneous interpretation for each language at the Council Session.'

INTERNATIONAL TROPICAL TIMBER COUNCIL
Eighth Session
Denpasar, Bali, Indonesia
16-23 May 1990

Dist. GEN.
ITTC(VIII)/10/Rev.1
23 May 1990
Original: English

RESOLUTION 1(VIII)

The International Tropical Timber Council,

Noting the Report by the Executive Director on the situation and payment of the assessed contributions by Members to the Administrative Budgets for the current and previous financial years as contained in document ITTC(VIII)/CRP/2;

Seriously concerned at the failure of some Members to make regular payments to the Administrative Budget;

Seriously concerned also that since the situation will impair the basic administrative and other functions of the Secretariat and thereby adversely affect the growth and development of the International Tropical Timber Organization;

Reminds all Members of their obligation as contained in the International Tropical Timber Agreement, 1983;

Urges defaulting Members to promptly regularize all payments due from them to the Administrative Budget;

Authorizes the Executive Director, should there be a shortfall of fund received for the current administrative budget, to utilize funds derived from payments of arrears and budget savings to finance operations of the Secretariat until the end of 1990. This approval excludes the sum totaling US\$600,000.00 (designated as budget surplus of revenues over expenditures and contingency reserve in the Auditor's Report for 1989) which should be consolidated as a "Special Reserve Fund" to be utilized only as determined by the Council.

INTERNATIONAL TROPICAL TIMBER COUNCIL
Eighth Session
Denpasar, Bali, Indonesia
16-23 May 1990

Dist. GEN.
ITTC(VIII)/17/Rev.1
23 May 1990
Original: English

RESOLUTION 2(VIII)

The International Tropical Timber Council,

Recognizing that the Tenth World Forestry Congress in 1991 and the U.N. Conference on Environment and Development in 1992 are of such importance that ITTO should participate in them;

Being aware that a number of organizations are active in the field of environmental conservation and rational utilization of the tropical forests and that harmonious cooperation between these and ITTO is therefore in order;

Requests the Executive Director to prepare, for submission to the Ninth Session of the Council, a document consolidating background information on the two conferences, the interests of other relevant organizations and their relationship to ITTO's work. The document shall also include options for ITTO's proposed participation in and contribution towards these Conferences. These options may include the possibility of a seminar, a workshop or a round table.

Annex VII

REPORTS OF THE SIXTH SESSIONS OF THE
THREE PERMANENT COMMITTEES

{Documents: PCM(VI)/8
 PCF(VI)/18
 PCI(VI)/6}

1. Opening of the Session

The Sixth Session of the Committee was opened on 16 May 1990 by the Vice-Chairman of the Committee, Mr. David Boulter (Canada), acting as Chairman in the absence of the Chairman, Mr. Samuel Makon Wehiong (Cameroon). The list of participants is reproduced in document PCM,PCF,PCI(VI)/Info.2.

2. Adoption of the Agenda and Organization of Work

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

3. Admission of Observers

The List of Observers admitted by the Committee is reproduced in document PCM,PCF,PCI(VI)/Info.2

4. Market Review and Outlook (Market Discussions)

The two-day Market Discussions took place in a Joint Session of all three Committees. The schedule for the Discussions is attached to the Report of the Permanent Committee on Economic Information and Market Intelligence as Appendix A. As part of the documentation requested for the Market Discussion only fifteen Members submitted Country Market Statements namely Australia, Canada, China, Federal Republic of Germany, Finland, Indonesia, Japan, Malaysia, the Netherlands, Norway, Philippines, Spain, Sweden, United Kingdom and U.S.A. The main theme of the Discussions was "The Development of Value-Added Processing of Tropical Timber Products in the Asia-Pacific Region". Exchanges of views and experiences from Members and from representatives of the timber trade and industry focused on the main theme as well as on various perspectives: Japan, China, Korea, Europe, North America and other in-transit processors.

Two other special topics on which presentations were made during the Discussions were:

- (i) The Forest Resources Situation, the Timber Trade and Industry of Indonesia (A host country presentation), and
- (ii) The Timber Situation and Prospects for India.

The synthesis of the market developments and of the special topics is contained in the General Market Statement which was considered and approved by the Committee and subsequently released to the Press.

The General Market Statement together with Summary Tables of the Tropical Timber Market Forecasts for 1988-90 figures as Appendix B to this Report.

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

Under this item the Secretariat's document ITTC(VIII)/3 "Elements for the 1989 Annual Review" was taken as part of the documentation for the Market Discussion. The Joint Session agreed to recommend to the Council to request the Secretariat to revise its document in the light of the Market Discussions. In this connection, the Council should request all participants to forward to the Secretariat by 1 August 1990 any suggestions for revisions.

6. Criteria and Priority Areas for Programme Development and Project

The Committee had before it the Report of the Panel of Experts appointed to formulate a Draft Action Plan and Programme Work in the field of Economic Information and Market Intelligence (Document PCM(VI)/6). The Chairman of the Expert Panel, Mr. David Boulter, presented the report emphasising the need to view the Draft Action Plan and Elements of the Work Programme as constituting a Strategic Plan to guide the activities of the ITTO. The Panel, he pointed out, had worked to minimise any elements of overlapping in the work of the ITTO in the other two areas of its activities. Whatever activity is envisaged in more than one area should be seen as complementary by reason of the correlation between all three areas of the Organisation's work.

The text of the Draft Action Plan is reproduced as Appendix C to this Report.

The Committee re-stated the view that there was the imperative need for the Draft Action Plans and Work Programmes in all three respective areas of ITTO's work to be integrated into a comprehensive Action Plan and Work Programme for the Organisation.

The Committee recommends, therefore, that the Council establish a small working group to undertake this work and to submit its report to the Council at its Ninth Session.

7. Report on Completed Project Work

The Committee took note of the publication "Wooden Household Furniture: A Study of Major Markets" undertaken under Project PD 7d/88 Rev.1 (M). The Committee acknowledged its appreciation for the collaboration of the ITC (UNCTAD/GATT).

8. Report on Project Work in Progress

The Committee considered a Progress Report (document PCM(VI)/4) prepared by the Secretariat on six projects approved for financing and implementation by the Council. The following points on the six projects emerged from its consideration:

- (i) PD 14/87 (M) MARKET INTELLIGENCE ANALYSIS OF THE WOOD FLOW AS A BASIS FOR AN EARLY WARNING SYSTEM FOR THE TROPICAL TIMBER MARKET

The Committee expressed the hope that the Executing Agency would be able to overcome some of the obstacles and difficulties of classification under the new Harmonised System of the Customs Cooperation Council. The SBH should be further urged to make the right contacts with the European timber trade and industry to secure information on the competitive position of tropical timber vis-a-vis competing non-wood materials.

- (ii) PD 7c/87 Rev.1 (M) STATISTICAL INFORMATION AND MARKET INDICATORS: MARKET NEWS SERVICE FOR TROPICAL TIMBER AND TIMBER PRODUCTS

The Committee heard a presentation from Mr. Gordon Gresham, the ITC Senior Market Adviser, on the work proceeding prior to the start up of the Service in about mid-1990. He briefed the Committee on work done to:

- a) define the geographical coverage of the Service;
- b) evaluate current available data and information from existing sources and publications;
- c) assess coverage of species and grades;
- d) contact various organisations and individuals in both the consuming and producing regions;
- e) set up information and data sources; and
- f) integrate the tropical timber market News Service within the formats of existing MNS Services.

- (iii) PD 61/89 (M) STATISTICAL INFORMATION AND MARKET INDICATORS: STUDY ON THE TRADE AND MARKET FOR TROPICAL HARDWOODS IN JAPAN

The Committee heard a presentation on progress from the Consultant Mr. John Ward. The study will be published in July 1990.

- (iv) 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 TO THE YEAR 2000

The Committee heard a statement from the delegation of China on the delay in funding and implementing the Project. Following a statement of the delegation of France on the consultations between France and China, the Committee decided to recommend to Council to explore all possibilities of securing financing for the implementation of the Project.

(v) PD 66/89 (M)

STUDY OF THE TRADE AND MARKETS FOR
TROPICAL HARDWOODS AND DERIVED
MANUFACTURES IN NORTH AMERICA

The Committee took note of the fact that no pledge of funds had been made to implement the Project. The Committee decided to recommend allocation of funds for this Project.

(vi) PD 1/87 (M)

STRUCTURE OF TROPICAL MARKETS IN
BELGIUM-LUXEMBOURG, FEDERAL REPUBLIC OF
GERMANY, NETHERLANDS AND UNITED KINGDOM
AND METHODS TO STUDY THE MAIN END-USE
SEGMENTS

The Committee took note of the report on this Project and indicated its intention to determine the status of this Project after receiving the report of the FAO Consultant concerning the methodological survey undertaken by the FAO as part of the intended output of this Project.

9. Consideration of Project Proposals

The Committee considered two Project Proposals submitted to it:

(i) PD 7a/87 (M)
Phase II, Rev.1

STATISTICAL INFORMATION AND MARKET
INDICATORS: A: DEVELOPMENT OF THE
MONTHLY BULLETIN, TROPICAL FOREST
PRODUCTS IN WORLD TIMBER TRADE - PHASE
II

The Committee considered the revisions made to the Project in response to the Committee's previous reservations. The Committee decided to recommend to Council the approval of this revised Project for immediate implementation since it would strengthen the ITTO in-house capability and enhance cooperation between the ITTO and the FAO in a priority area of improving the collection and dissemination of economic information and statistical data.

(ii) PD 82/90 (M)

WORKSHOP ON ISSUES RELATED TO
INCENTIVES TO PROMOTE SUSTAINABLE
DEVELOPMENT OF TROPICAL FORESTS

In presenting this Project, the Representative of Japan, the sponsor of the Project, informed the Committee of consultations his delegation had undertaken to seek a consensus on the Project Proposals. He proposed that if the Committee were to approve the Project, the original timing of the Workshop should be re-scheduled as a satellite activity to be organised in conjunction with the Tenth Session of the Council in 1991. This new date would have the merit of making the proposed Pre-Project Report ("Incentives in Producer and Consumer Countries to Promote Sustainable Development of Tropical Forests) part of the documentation for the Workshop.

The Committee considered the Project and decided to recommend it to Council for implementation on the understanding that:

- a) The Workshop takes place in conjunction with the Tenth Session of the ITTC in 1991;
- b) The Workshop should not prejudge the conclusions of the Pre-Project activity. Consequently, the following sentence should be deleted from Paragraph 11 (I) - Objectives of the Project Document: "The output of the Project should reinforce the findings and recommendations to be generated from the Pre-Project currently under implementation: Incentives in Producer and Consumer Countries to Promote Sustainable Development of Tropical Forests [PCM,PCF,PCI(V)/1/Rev.3]"
- c) Invitations should be extended to interested international organisations such as FAO, to participate in the Workshop.

The Tabular Technical Evaluation of the two Projects is reproduced as Appendix D to this Report.

10. Report on Pre-Project Work in Progress

The Committee took note of the Progress Report on two Pre-Projects:

- (i) The Conservation Status of Tropical Timbers in Trade (being undertaken by the World Conservation Monitoring Centre in Cambridge, U.K.);
- (ii) Incentives in Producer and Consumer Countries to Promote Sustainable Development of Tropical Forests (being undertaken by the Oxford Forestry Institute in co-operation with the Timber Research and Development Association, U.K.).

11. Decision on Fellowship Applications Under Project PD 60.89 (F,M,I)

A Selection Panel composing the Vice-Chairman of the Council, and the three Chairmen of the Permanent Committees reviewed applications so far received for fellowships.

The Selection Panel's recommendations appear under the appropriate item of the Report on the Permanent Committee on Forest Industry.

12. Date and Venue of the Seventh Session

The decision on this item would be taken by the Council.

13. Other Business

Under this item, the Committee considered a Project Idea entitled "Economic Analysis of Forestry Issues" submitted by the World Bank. The Committee considered the document. It welcomed the opportunity for the ITTO to undertake some joint activities with the World Bank. The Committee, however, felt that the Project Idea, as at present formulated, could be better studied if the broader economic issues were further elaborated and submitted as a project proposal. The Secretariat was,

therefore, requested to urge the World Bank to reformulate the proposal accordingly.

The Committee heard a statement from the Representative of China on the organisation of the Market Discussions. He reiterated his Government's position of principle over the issue of Taiwan. He affirmed that in all matters relating to the Taiwan Province of China, the Government of the People's Republic of China should be consulted beforehand. The delegation expressed its appreciation for the fruitful and constructive outcome of the Market Discussions.

The Secretariat assured the delegation of China that it had taken note of this statement of policy and would continue to respect the position of the Government of the People's Republic of China on the Taiwan issue.

14. Recommendations to the Council

The Committee made the following recommendations:

- (i) That the text of the Draft Action Plan and Work Programme in the field of Economic Information and Market Intelligence be approved;
- (ii) That a Working Group be established to formulate an overall ITTO Action Plan and Work Programme on the basis of the Draft Action Plans and Work Programmes in all the three areas of ITTO activity; and that funds be allocated for the work of the Group which should submit its Report to the Council at its Ninth Session;
- (iii) That PD 7a/87 (M) Phase II, Rev.1 be approved for implementation;
- (iv) That PD 82/90 (M), as revised, be approved for implementation;
- (v) That funds (\$99,500) be allocated to implement PD 42/88 Rev.1 (M);
- (vi) That funds (\$181,460) be allocated to implement PD 66/89 (M).

15. Report of the Session

The Committee approved this Report for submission to the Council.

APPENDIX A

SCHEDULE OF 1990 MARKET DISCUSSIONS

Thursday 17 May :

09:00 - 09:30	Introductory Statement
09:30 - 10:00	Brief Presentations of Country Market Statements (additions and updatings only)
10:00 - 10:30	Coffee Break
10:30 - 12:30	Trends in Trade of Tropical Timber Products in Asia/Pacific Region Speaker: - Mr. Denis Cullity, Chairman of Westralian Forest Industries, Ltd., Western Australia
12:30 - 14:30	Lunch Break
14:30 - 15:50	<u>Japanese Perspective</u> - Development of Value-Added Processing of tropical timber products: Introductory Statements by Discussion Leaders followed by open discussions Discussion Leaders: - Mr. Y. Mangyoku, Chairman, South Sea Logs Section of Japan Lumber Importers' Association - Dr. Philip L.K. Ling, Honorary Secretary, Sarawak Timber Association
15:50 - 16:10	Coffee Break
16:10 - 17:10	<u>Korean Perspective</u> - (procedure as for <u>Japanese Perspective</u>) Discussion Leader: - Mr. P. K. Shim, Managing Director of Korean Plywood Industry Association

17:10 - 18:00

Chinese Perspective - (procedure as for
Japanese Perspective)

Discussion Leader:

- China: Mr. Chen Xuhe, Deputy Director
and Senior Engineer, Research Institute
of Wood Industry, Chinese Academy of
Forestry

Evening

Drafting Committee Meeting

Friday 18 May

09:00 - 10:00

Host Country Presentation

"The Forest Resources Situation, the
Timber Trade and Industry of
Indonesia".

Speaker:

- Mr. Bob Mohamed Hasan, President of
the Indonesia Forestry Community,
Indonesia

10:00 - 10:45

Development of Value-Added Processing:
Other In-Transit

Processors

Discussion Leaders:

- Mr. Ho Mun, Chairman, Managing
Director, Kwong Man Sawmill Co. Pte.
Ltd., Singapore

- Mr. J.W. Maner, President, Lilly
Coatings (Far East) Ltd., Timber Trade
and Industry Expert in the Far East

10:45 - 11:00

Coffee Break

11:00 - 12:00

Development of Value-Added Processing:
European and North American
Perspectives

Discussion Leaders:

- Europe: Mr. Morten Björner,
Senior Vice-President, UCBT

- North America: Mr. John V. Ward,
International Trade Consultant,
Washington D.C.

- North America: Mr. Richard C. Newman,
President, Plywood Tropics Ltd.,
Portland, Oregon, Member of the Board
of Directors of IHPA

12:00 - 13:00

Drafting Committee Meeting

12:30 - 14:30

Lunch Break

14:30 - 15:30

Special Topic:

The Timber Situation and Prospects for
India

Speaker:

- Mr. K.M. Chadha, Joint Secretary,
Ministry of Environment and Forests,
India

15:30 - 15:50

Coffee Break

15:50 - 17:30

Consideration and Adoption of the
Market Statement prepared by the
Drafting Committee.

APPENDIX B

GENERAL TROPICAL TIMBER MARKET STATEMENT

1. The sound quantitative data base which was established by ITTO shows little change from previous years in that they represent about 94% of total net exports of member nations and about 91% of total world exports.
2. The annual value of international trade in tropical wood products (logs-sawnwood-plywood-veneer-added value products) has increased to over \$7 billion in 1989 about 10.5% increase over the previous record of \$6.4 billion in 1987. Net reduction in the volume of logs traded has been offset by an increase in volumes of sawnwood-plywood-veneer and additionally by more added value goods with higher unit selling prices.
3. Tropical hardwood log exports which reached a recent high of 28.9 million cubic meters in 1978 had fallen to 22.9 million cubic meters in 1988, but actually fell to 20.5 million m3 in 1989 compared to the previous forecast of 24 million m3.

Producers of tropical sawn-hardwood exports which had risen by 2.4% in 1988 also showed a small increase of 1% to 9.42 million m3 against a forecast of 10 million m3. 1990 is forecast to show similar figures.

The previous report for 1989 tropical plywood gave a total of 7.5 million m3 for 1988 from incomplete figures. This was subsequently amended to 8.79 million m3 for that year increasing by 14% to 10 million m3 in 1989 with a similar figure forecast for 1990.

4. The trend continues to reflect more clearly the rapidly increasing desire by most producing countries to obtain higher values for their forest products thus providing additional and improved employment prospects and conditions, and an additional earning capacity for more of their people. This trend is particularly noticeable in the Asia/Pacific region where planned development is proceeding apace.

An excellent example of this would be Papua New Guinea who intend to replace lost revenue by developing its vast forest resources with greater on-shore processing. This will provide a valuable addition to the resources in Asia/Pacific region in certain species.

5. This pattern will continue both in the short and long-term as other regions follow the same pattern of development as Asia/Pacific. Endeavors are being made to take the processes further into more sophisticated products and the technological advances enable more progress to be made. Whilst producer countries welcome this change in technological advance, it is essential that training to produce the quality required is provided, likewise more sophisticated marketing techniques will be necessary to balance supply to demand.

In some consuming countries a greater diversity is developing to small quantity custom produced goods to meet the changing pattern of supply and demand.

6. Whilst the short term market trends show a slight upward movement from the plateau established, there is a change in individual country consumption with demand pattern changes being more marked than in recent years. The market for semi-processed goods is different from the previous pattern for logs and sawnwood in the sense that it is presenting greater risks to producer countries, risks that have traditionally been the natural function of the timber trade in the consuming countries.
7. The general economic level of activity and consequent growth continue to moderate in both North America and Europe but shows increases in other areas notably Japan, whose general economic activity continues to expand at a steady pace. The moderation in Europe and North America was particularly noticeable in the second half of 1989 with one notable exception, the Federal Republic of Germany, which continues to expand.

Although there was an increase in imports by the consuming countries some of this import was undoubtedly caused by purchases ahead of export taxes on sawn goods from South East Asia. This has resulted in a greater carry-over of stock into 1990 which in certain areas is being sold on the market at prices which do not reflect buyers' replacement costs. In the Asia/Pacific region economic activity remains strong and increasing with a resultant increase in the demand for wood products taking some of the slack from export markets. Those countries in this area with low forest inventories are taking materials from those relatively richer in resources. This trend to a higher domestic demand and an intra-regional export trade will undoubtedly continue.

8. The reason for the use of tropical hardwood has been the combination of the quality and the value of the raw material. That is why tropical timbers maintain a strong share in the market. There are nonetheless very few which could not be substituted by other possible inferior and less environmentally friendly non-wood materials.
9. Uncertainty in the market was most marked in 1989 again notably in the second half of the year. At the time when demand was decreasing, rumours and counter rumours about continuity of supply and increasing export taxes on sawn wood in South East Asia had a destabilising effect with many end users turning to wood and non-wood materials from sectors which offered greater stability in supply.
10. The environmental issue continues to be increasingly at the forefront of public concern. Whilst some groups maintain constructive dialogue over the issue others appear set on a course of advocating a boycott. As was affirmed by His Royal Highness Prince Bernhard of The Netherlands, President of WWF Netherlands, at the Opening of the Eighth Session of the International Tropical Timber Council: "All measures prohibiting the import of tropical hardwood are counter productive and therefore do not solve the problem of the tropical forest". A similar view was also expressed by His Excellency the Minister of Foreign Trade of The Netherlands on the same occasion.

This opinion is also reiterated in several quarters including the U.K. House of Lords Select Committee on the European Communities - Tropical Forests in their Eleventh Report.

The reforestation issue was addressed by His Excellency President Soeharto of Indonesia, in his address at the Opening Ceremony, when he outlined Indonesia's commitment to and implementation of sound forest management.

Furthermore, consuming countries such as China, Korea and India are taking firm steps to meet the challenge by instituting and expanding reforestation schemes.

The ITTO has a significant role to play in providing more detailed and authoritative information about the growing attention now being paid to the question of sustainable yield.

This could support the information of individual country efforts on this matter. Destabilization of trading from whatever source is counter productive and is to be deplored.

11. The trade associations in most consuming areas are using their best endeavours to provide positive assistance to producer countries to show that these countries are making the best efforts to utilize their forest resources effectively and sustainably.

The Japan Lumber Importers' Association (JLIA) and the Japan Plywood Manufacturers' Association (JPMA) have provided funds to ITTO. The JPMA are also sponsoring through the ITTO a World Conference on Tropical Plywood in the Asia/Pacific region to be held after the Ninth Session of the ITTC in Yokohama.

In North America, the International Hardwood Products Association (IHPA) has fulfilled its undertaking to commit resources to promote the preservation of the tropical forest through, conservation, utilization, reforestation and education (CURE) by sponsoring a Workshop together with the Smithsonian Institution and attended by authorities representing forestry experts, economists, and environmental groups to formulate a consensus statement on the tropical forest situation.

The European Timber Importers (U.C.B.T.) have endeavoured to establish a statutory surcharge on all imports of tropical woods but for a variety of reasons have not been successful so far.

12. It is recognised in all consumer countries that it is essential in producing countries that the level of income they obtain from their forest products must be at a level to enable them to maintain their productive forest resources for all times. The producer countries, by increasing export taxes and using this revenue to promote sound forest polices, show they are determined to meet the situation.
13. The ITTO is seeking to establish that it is the recognised forum to address the important issues in the tropical timber sector. It is the only international forum in which producer and consumer nations working together with conservation NGOs and trade and industry can meet on common ground to solve the problems which have arisen from the past. It will continue to build upon the sound beginnings it has made.

Tropical Timber Market Forecasts 1989-1990

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

ITTO
Permanent Committees
6th 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			Production			Imports - Importations			Exports - Exportations		
	1988	1989	1990	1988	1989	1990	1988	1989	1990	1988	1989	1990
1	2	3	4	5	6	7	8	9	10	11	12	13
Cameroon */	422	446	NA	493	518	NA	0	0	NA	71	72	NA
Congo												
Cote d'Ivoire	234	234	235	780	781	784	0	0	0	546	547	549
Gabon												
Ghana	269	265	159	439	411	326	0	0	0	170	146	167
Liberia	88	115	134	103	137	164	0	0	0	15	22	30
ITTO AFRICA TOTAL												
Volume change												
Percentage change												
Stock change a/												
India												
Indonesia	6876	5810	6000	9750	9210	9500	0	0	0	2874	3400	3500
Malaysia	2762	2963	2975	6600	7100	7200	250	275	275	4088	4412	4500
Papua New Guinea												
Philippines	404	382	848	1033	832	848	0	0	0	629	450	0
Thailand	2920	NA	NA	2048	NA	NA	1059	NA	NA	187	NA	NA
ITTO ASIA & PACIFIC TOTAL												
Volume change												
Percentage change												
Stock change a/												
Bolivia	14	19	19	51	68	68	0	0	0	36	49	49
Brazil */	NA	NA	NA	7800	NA	NA	NA	NA	NA	NA	NA	NA
Ecuador	420	420	420	420	420	420	0	0	0	0	0	0
Honduras	2	3	3	2	3	3	0	0	0	0	0	0
Panama												
Peru	571	500	500	572	500	500	0	0	0	1	1	1
Trinidad & Tobago												
ITTO LATIN AMERICA TOTAL												
Volume change												
Percentage change												
Stock change a/												

a/ Not all countries provide data.

Domestic requirements minus apparent consumption (P+I-E)

a/ Tous les pays ne fournissent pas les données.

Besoins nationaux moins consommation apparente (P+I-E).

ITTO
Permanent Committees
6th SESSION

PRODUCERS
SAWN HARDWOOD (TEMPERATE ZONE)
(including boxboards)

PRODUCTEURS
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											
	1988	1989	1990	1988	1989	1990	1988	1989	1990	1988	1989	1990
1	2	3	4	5	6	7	8	9	10	11	12	13
Cameroon */	0	0	NA	0	0	NA	0	0	NA	0	0	NA
Congo												
Cote d'Ivoire	0	0	0	0	0	0	0	0	0	0	0	0
Gabon												
Ghana	0	0	0	0	0	0	0	0	0	0	0	0
Liberia	0	0	0	0	0	0	0	0	0	0	0	0
ITTO AFRICA TOTAL												
Volume change												
Percentage change												
India												
Indonesia	0	0	0	0	0	0	0	0	0	0	0	0
Malaysia	0	0	0	0	0	0	0	0	0	0	0	0
Papua New Guinea												
Philippines	0	0	0	0	0	0	0	0	0	0	0	0
Thailand	0	0	0	0	0	0	0	0	0	0	0	0
ITTO ASIA & PACIFIC TOTAL												
Volume change												
Percentage change												
Bolivia	0	0	0	0	0	0	0	0	0	0	0	0
Brazil */	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Ecuador	0	0	0	0	0	0	0	0	0	0	0	0
Honduras	0	0	0	0	0	0	0	0	0	0	0	0
Panama												
Peru	0	0	0	0	0	0	0	0	0	0	0	0
Trinidad & Tobago												
ITTO LATIN AMERICA TOTAL												
Volume change												
Percentage change												

ITTO
Permanent Committees
6th SESSION

PRODUCERS
SAWN HARDWOOD (TROPICAL ZONE)
(including boxboards)

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

WORKSHEET No. 2b

(1000 m3(s))

Country	Domestic requirements			Production			Imports - Importations			Exports - Exportations		
	Besoins nationaux											
	1988	1989	1990	1988	1989	1990	1988	1989	1990	1988	1989	1990
1	2	3	4	5	6	7	8	9	10	11	12	13
Cameroon */	422	446	NA	493	518	NA	0	0	NA	71	72	NA
Congo												
Cote d'Ivoire	234	234	235	780	781	784	0	0	0	546	547	549
Gabon												
Ghana	269	265	159	439	411	326	0	0	0	170	146	167
Liberia	88	115	134	103	137	164	0	0	0	15	22	30
ITTO AFRICA TOTAL												
Volume change												
Percentage change												
India												
Indonesia	6876	5810	6000	9750	9210	9500	0	0	0	2874	3400	3500
Malaysia	2762	2963	2975	6600	7100	7200	250	275	275	4088	4412	4500
Papua New Guinea												
Philippines	404	382	848	1033	832	848	0	0	0	629	450	0
Thailand	2920	NA	NA	2048	NA	NA	1059	NA	NA	187	NA	NA
ITTO ASIA & PACIFIC TOTAL												
Volume change												
Percentage change												
Bolivia	14	19	19	51	68	66	0	0	0	36	49	49
Brazil */	NA	NA	NA	7800	NA	NA	NA	NA	NA	NA	NA	NA
Ecuador	420	420	420	420	420	420	0	0	0	0	0	0
Honduras	2	3	3	2	3	3	0	0	0	0	0	0
Panama												
Peru	571	500	500	572	500	500	0	0	0	1	1	1
Trinidad & Tobago												
ITTO LATIN AMERICA TOTAL												
Volume change												
Percentage change												

ITTO
Permanent Committees
6th SESSION

PRODUCERS
HARDWOOD LOGS

PRODUCTEURS
GRUMES DE FEUILLUS

WORKSHEET No. 3

(1000 m3(r))

Country	Domestic requirements			Production			Imports - Importations			Exports - Exportations		
	Besoins nationaux											
	1988	1989	1990	1988	1989	1990	1988	1989	1990	1988	1989	1990
1	2	3	4	5	6	7	8	9	10	11	12	13
Cameroon */	1517	1500	NA	1977	2000	NA	0	0	0	460	500	NA
Congo												
Cote d'Ivoire	2041	2000	2052	2542	2500	2550	0	0	0	501	500	498
Gabon												
Ghana	798	748	804	1137	950	1304	0	0	0	339	202	500
Liberia	326	365	401	1007	1186	1305	0	0	0	681	821	904
ITTO AFRICA TOTAL												
Volume change												
Percentage change												
Stock change a/												
India												
Indonesia	27566	31100	31200	27566	31100	31200	0	0	0	0	0	0
Malaysia	15506	16077	17077	36000	34000	34000	77	77	77	20571	18000	17000
Papua New Guinea												
Philippines	3143	3190	4065	3159	3190	4065	0	0	0	16	0	0
Thailand	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
ITTO ASIA & PACIFIC TOTAL												
Volume change												
Percentage change												
Stock change a/												
Bolivia	26	35	35	92	123	123	0	0	0	66	88	88
Brazil */	NA	NA	NA	25200	NA	NA	NA	NA	NA	NA	NA	NA
Ecuador	60	60	60	120	120	120	0	0	0	60	60	60
Honduras	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Panama												
Peru	1098	900	900	1098	900	900	0	0	0	0	0	0
Trinidad & Tobago												
ITTO LATIN AMERICA TOTAL												
Volume change												
Percentage change												
Stock change a/												

a/ Not all countries provide data.

Domestic requirements minus apparent consumption (P+I-E)

a/ Tous les pays ne fournissent pas les données.

Besoins nationaux moins consommation apparente (P+I-E).

ITTO
Permanent Committees
6th SESSION

PRODUCERS
HARDWOOD LOGS

PRODUCTEURS
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		
	1988	1989	1990	1988	1989	1990	1988	1989	1990	1988	1989	1990
1	2	3	4	5	6	7	8	9	10	11	12	13
Cameroon */	0	0	0	0	0	0	0	0	NA	460	500	NA
Congo												
Cote d'Ivoire	0	0	0	0	0	0	0	0	0	501	500	498
Gabon												
Ghana	0	0	0	0	0	0	0	0	0	339	202	500
Liberia	0	0	0	0	0	0	0	0	0	681	821	904
ITTO AFRICA TOTAL												
Volume change												
Percentage change												
India												
Indonesia	0	0	0	0	0	0	0	0	0	0	0	0
Malaysia	0	0	0	0	0	0	77	77	77	20571	18000	17000
Papua New Guinea												
Philippines	0	0	0	0	0	0	0	0	0	16	0	0
Thailand	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
ITTO ASIA & PACIFIC TOTAL												
Volume change												
Percentage change												
Bolivia	0	0	0	0	0	0	0	0	0	66	88	88
Brazil */	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Ecuador	0	0	0	0	0	0	0	0	0	60	60	60
Honduras	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Panama												
Peru	0	0	0	0	0	0	0	0	0	0	0	0
Trinidad & Tobago												
ITTO LATIN AMERICA TOTAL												
Volume change												
Percentage change												

ITTO
Permanent Committees
6th SESSION

PRODUCERS
PLYWOOD a/

PRODUCTEURS
CONTREPLAQUES a/

WORKSHEET No. 5

(1000 m3)

Country	Domestic requirements			Production			Imports - Importations			Exports - Exportations		
	Besoins nationaux											
	1988	1989	1990	1988	1989	1990	1988	1989	1990	1988	1989	1990
1	2	3	4	5	6	7	8	9	10	11	12	13
Cameroon */	NA	NA	NA	NA	NA	NA	NA	NA	NA	30	32	NA
Congo												
Cote d'Ivoire	33	33	34	53	59	62	0	0	0	20	26	28
Gabon												
Ghana	25	21	26	26	22	27	0	0	0	1	1	1
Liberia	8	5	6	12	13	15	0	0	0	4	8	9
ITTO AFRICA TOTAL												
Volume change												
Percentage change												
Stock change b/												
India												
Indonesia	0	1700	1600	6800	6900	6900	0	0	0	6800	7200	7200
Malaysia	1251	1382	1415	1216	1338	1398	1063	1116	1142	1028	1072	1125
Papua New Guinea												
Philippines	180	260	265	500	585	590	1	0	0	321	325	325
Thailand	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
ITTO ASIA & PACIFIC TOTAL												
Volume change												
Percentage change												
Stock change b/												
Bolivia	10	13	13	18	23	23	0	0	0	8	10	10
Brazil */	NA	NA	NA	1360	NA	NA	NA	NA	NA	NA	NA	NA
Ecuador	60	60	60	120	120	120	0	0	0	60	60	60
Honduras	6	7	7	9	10	11	0	0	0	3	3	4
Panama												
Peru	40	39	35	40	39	35	0	0	0	0	0	0
Trinidad & Tobago												
ITTO LATIN AMERICA TOTAL												
Volume change												
Percentage change												
Stock change b/												

NA = Not available.

a/ Veneer and core plywood.

b/ Not all countries provide data.

Domestic requirements minus apparent consumption (P+I-E)

NA = Non disponible.

a/ Contreplaques me et plis.

b/ Tous les pays ne fournissent pas les donnees.

Besoins nationaux moins consommation apparente (P+I-E).

ITTO
Permanent Committees
6th SESSION

CONSUMERS
SAWN HARDWOOD (TOTAL)
(including boxboards)

CONSUMATEURS
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											
	1988	1989	1990	1988	1989	1990	1988	1989	1990	1988	1989	1990
1	2	3	4	5	6	7	8	9	10	11	12	13
Australia	1938	1885	1780	1720	1678	1575	241	230	230	23	23	25
China	NA	NA	NA	NA	NA	NA	44	NA	NA	2	NA	NA
Japan	4709	4960	4808	2797	2803	2761	1922	2173	2063	10	16	16
Korea, Republic of	1714	1706	1755	1062	1109	1159	668	615	615	8	10	10
ITTO ASIA & PACIFIC TOTAL	NA	NA	NA	NA	NA	NA	2875	NA	NA	43	NA	NA
Volume change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Percentage change	..	NA	NA	..	NA	NA	..	NA	NA	..	NA	NA
Stock change c/	NA	NA	NA									
Austria a/	282	310	310	228	260	260	141	142	140	88	90	90
Egypt												
Belgium)	674	660	660	250	250	250	523	510	510	119	120	120
Luxembourg)				20	20	20						
Denmark *	333	333	333	400	400	400	70	70	70	137	137	137
Finland	83	83	83	70	70	70	30	30	30	17	17	17
France	3605	3635	3615	3675	3705	3705	540	540	510	610	610	600
Germany, Fed. Rep. of b/	2092	2170	2150	1576	1620	1620	909	900	900	386	350	370
Greece	288	293	298	230	235	240	62	62	62	4	4	4
Ireland	50	50	50	6	6	6	58	58	58	14	14	14
Italy	2500	2500	2500	1100	1100	1100	1459	1450	1450	59	50	50
Netherlands	949	950	900	280	280	280	806	920	800	247	250	230
Norway	50	50	50	10	10	10	40	40	40	0	0	0
Portugal	289	260	260	278	250	250	45	40	40	34	30	30
Spain	1258	1336	1465	535	546	575	732	800	900	9	10	10
Sweden	270	270	270	210	210	210	89	89	89	18	18	18
Switzerland	288	300	310	198	200	200	147	150	160	57	50	50
United Kingdom	1268	1245	1210	264	275	300	1010	995	915	11	15	15
ITTO EUROPE TOTAL	14279	14445	14464	9330	9437	9496	6661	6796	6674	1810	1765	1755
Volume change	..	166	19	..	107	59	..	135	-122	..	-45	-10
Percentage change	..	1.2	0.1	..	1.1	0.6	..	2.0	-1.8	..	-2.5	-0.6
Stock change c/	98	-23	49									
U.S.S.R.							107	100	100			
Canada	1440	1517	1500	1463	1350	1450	606	600	600	601	450	500
United States	16020	14700	14900	18080	16400	16800	920	900	900	2980	2600	2800
ITTO NORTH AMERICA TOTAL	17460	16217	16400	19543	17750	18250	1526	1500	1500	3581	3050	3300
Volume change	..	-1243	183	..	-1793	500	..	-26	0	..	-531	250
Percentage change	..	-7.1	1.1	..	-9.2	2.8	..	-1.7	0.0	..	-14.8	8.2

a/ Includes sleepers.

b/ Includes trade with German Democratic Republic.

c/ Not all countries provide data.

a/ Y compris les traverses.

b/ Y compris le commerce avec la République démocratique allemande

c/ Tous les pays ne fournissent pas les données.

ITTO
Permanent Committees
6th 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			Production			Imports - Importations			Exports - Exportations		
	Besoins nationaux											
	1988	1989	1990	1988	1989	1990	1988	1989	1990	1988	1989	1990
1	2	3	4	5	6	7	8	9	10	11	12	13
Australia	NA	NA	NA	NA	NA	NA	0	0	NA	23	23	25
China	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Japan	1206	1389	1516	821	959	1089	395	446	443	10	16	16
Korea, Republic of	39	38	39	21	22	23	25	25	25	7	9	9
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	102	107	105	87	89	89
Egypt												
Belgium)	NA	NA	NA	NA	NA	NA	269	260	260	59	60	60
Luxembourg)												
Denmark *	NA	NA	NA	NA	NA	NA	43	43	43	127	127	127
Finland	83	83	83	70	70	70	20	20	20	17	17	17
France	2636	2725	2755	3175	3215	3230	54	105	110	593	595	585
Germany, Fed. Rep. of b/	NA	NA	NA	NA	NA	NA	370	400	400	342	320	340
Greece	187	192	197	140	145	150	50	50	50	3	3	3
Ireland	NA	NA	NA	NA	NA	NA	58	58	58	14	14	14
Italy	2036	2050	2050	1100	1100	1100	995	1000	1000	59	50	50
Netherlands	340	340	320	210	210	210	170	120	150	50	40	40
Norway	46	46	46	10	10	10	36	36	36	0	0	0
Portugal	181	125	145	188	130	150	24	20	20	31	25	25
Spain	938	1029	1158	528	539	568	419	500	600	9	10	10
Sweden *	NA	NA	NA	NA	NA	NA	74	74	74	17	17	17
Switzerland	263	275	290	198	200	200	120	125	140	55	50	50
United Kingdom	556	567	580	246	257	285	318	315	295	8	10	10
ITTO EUROPE TOTAL	NA	NA	NA	NA	NA	NA	3122	3233	3361	1471	1427	1437
Volume change	..	NA	NA	..	NA	NA	..	111	128	..	-44	10
Percentage change	..	NA	NA	..	NA	NA	..	3.6	4.0	..	-3.0	0.7
U.S.S.R.							0	0	0			
Canada												
United States							665					
ITTO NORTH AMERICA TOTAL												
Volume change												
Percentage change												

a/ Includes sleepers.

b/ Includes trade with German Democratic Republic.

a/ Y compris les traverses.

b/ Y compris le commerce avec la Rpublique dmocratique allemande

ITTO
Permanent Committees
6th SESSION

CONSUMERS
SAWN HARDWOOD (TROPICAL ZONE)
(including boxboards)

CONSUMATEURS
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		
	1988	1989	1990	1988	1989	1990	1988	1989	1990	1988	1989	1990
	2	3	4	5	6	7	8	9	10	11	12	13
Australia	NA	NA	NA	NA	NA	NA	241	230	NA	0	0	0
China	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Japan	3503	3571	3292	1976	1844	1672	1527	1727	1620	0	0	0
Korea, Republic of	1675	1668	1716	1041	1087	1136	643	590	590	1	1	1
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	35	35	1	1	1
Egypt												
Belgium)	NA	NA	NA	NA	NA	NA	254	250	250	60	60	60
Luxembourg)				NA	NA	NA						
Denmark *	NA	NA	NA	NA	NA	NA	27	27	27	10	10	10
Finland	0	0	0	0	0	0	10	10	10	0	0	0
France	969	910	860	500	490	475	486	435	400	17	15	15
Germany, Fed. Rep. of	NA	NA	NA	NA	NA	NA	539	500	500	44	30	30
Greece	101	101	101	90	90	90	12	12	12	1	1	1
Ireland	NA	NA	NA	NA	NA	NA	0	0	0	0	0	0
Italy	464	450	450	0	0	0	464	450	450	0	0	0
Netherlands	609	610	580	70	70	70	636	800	650	197	210	190
Norway	4	4	4	0	0	0	4	4	4	0	0	0
Portugal	108	135	115	90	120	100	21	20	20	3	5	5
Spain	320	307	307	7	7	7	313	300	300	0	0	0
Sweden *	NA	NA	NA	NA	NA	NA	15	15	15	1	1	1
Switzerland	25	25	20	0	0	0	27	25	20	2	0	0
United Kingdom	712	678	630	18	18	15	692	680	620	3	5	5
ITTO EUROPE TOTAL	NA	NA	NA	NA	NA	NA	3539	3563	3313	339	338	318
Volume change	..	NA	NA	..	NA	NA	..	24	-250	..	-1	-20
Percentage change	..	NA	NA	..	NA	NA	..	0.7	-7.0	..	-0.3	-5.9
U.S.S.R.							107	100	100			
Canada												
United States							255					
ITTO NORTH AMERICA TOTAL												
Volume change												
Percentage change												

a/ From imported tropical zone sawlogs.

b/ Includes sleepers.

a/ A partir de grumes importees de la region tropicale.

b/ Y compris les traverses.

ITTO
Permanent Committees
6th SESSION

CONSUMERS
HARDWOOD LOGS

CONSUMATEURS
GRUMES DE FEUILLUS

WORKSHEET No. 3

(1000 m3(r))

Country	Domestic requirements			Production			Imports - Importations			Exports - Exportations		
	Besoins nationaux											
	1988	1989	1990	1988	1989	1990	1988	1989	1990	1988	1989	1990
1	2	3	4	5	6	7	8	9	10	11	12	13
Australia a/	4360	4194	4150	4360	4194	4150	0	0	0	0	0	0
China	NA	NA	NA	NA	NA	NA	934	NA	NA	113	NA	NA
Japan	15477	15961	15602	2415	2095	2064	13065	13869	13541	3	3	3
Korea, Republic of	4134	4003	4361	30	32	34	4120	3988	4346	0	0	0
ITTO ASIA & PACIFIC TOTAL	NA	NA	NA	NA	NA	NA	18119	NA	NA	116	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	341	389	390	424	465	465	60	60	60	137	135	135
Egypt												
Belgium)	828	875	875	700	750	750	286	275	275	233	225	225
Luxembourg)				75	75	75						
Denmark *	445	450	450	353	355	355	117	120	120	25	25	25
Finland	1411	1510	1495	1406	1469	1437	35	44	61	3	3	3
France	8400	8465	8445	9680	9995	9795	891	870	850	2171	2400	2200
Germany, Fed. Rep. of	3692	3860	3840	3107	3300	3300	786	820	800	226	260	260
Greece	399	403	423	206	210	230	195	195	195	2	2	2
Ireland	9	9	9	13	13	13	1	1	1	5	5	5
Italy	2380	2380	2380	600	600	600	1780	1780	1780	0	0	0
Netherlands	520	490	490	265	265	265	300	260	260	45	35	35
Norway	18	19	20	24	25	26	0	0	0	6	6	6
Portugal	714	740	724	200	200	200	520	550	530	6	10	6
Spain	2055	2130	2230	930	950	1000	1145	1200	1250	20	20	20
Sweden	450	450	450	500	500	500	20	20	20	70	70	70
Switzerland	312	310	280	400	400	400	105	110	100	193	200	220
United Kingdom	595	605	650	543	565	615	67	55	50	15	15	15
ITTO EUROPE TOTAL	22569	23085	23151	19426	20137	20026	6308	6360	6352	3157	3411	3227
Volume change	..	516	65	..	711	-111	..	52	-8	..	254	-184
Percentage change	..	2.3	0.3	..	3.7	-0.6	..	0.8	-0.1	..	8.0	-5.4
Stock change b/	-8	-1	0									
U.S.S.R.							178	160	150			
Canada							581	550	560	209	200	210
United States							55	100	100	920	1200	900
ITTO NORTH AMERICA TOTAL							636	650	660	1129	1400	1110
Volume change							..	14	10	..	271	-290
Percentage change							..	2.2	1.5	..	24.0	-20.7

a/ Excluding veneer logs.

b/ Not all countries provide data.

Domestic requirements minus apparent consumption (P+I-E)

a/ Non compris les grumes de placage.

b/ Tous les pays ne fournissent pas les données.

Besoins nationaux moins consommation apparente (P+I-E).

ITTO
Permanent Committees
6th SESSION

CONSUMERS
PLYWOOD a/

CONSUMMATEURS
CONTREPLAQUES a/

WORKSHEET No. 5

(1000 m³)

Country	Domestic requirements Besoins nationaux			Production			Imports - Importations			Exports - Exportations		
	1988	1989	1990	1988	1989	1990	1988	1989	1990	1988	1989	1990
	2	3	4	5	6	7	8	9	10	11	12	13
Australia	190	194	190	120	127	125	72	69	67	2	2	2
China	3721	NA	NA	827	NA	NA	424	NA	NA	8	NA	NA
Japan	9157	9400	9300	7291	6709	6500	1906	3098	3100	16	16	16
Korea, Republic of	1223	1453	1523	1267	1231	1196	255	500	600	116	100	100
ITTO ASIA & PACIFIC TOTAL	14291	NA	NA	9505	NA	NA	2656	NA	NA	142	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/	2271	NA	NA									
Austria *	49	49	49	18	18	18	52	52	52	21	21	21
Egypt	0	0	0	0	0	0	0	0	0	0	0	0
Belgium-Luxembourg	257	214	214	62	64	64	330	290	290	135	140	140
Denmark *	130	130	130	30	30	30	158	160	160	58	60	60
Finland	122	131	129	610	634	627	7	9	10	495	512	508
France	683	710	717	483	497	512	374	393	390	174	180	185
Germany, Fed. Rep. of	779	860	880	370	360	365	560	600	620	147	100	105
Greece	82	83	83	95	100	100	2	3	3	15	20	20
Ireland	20	20	20	0	0	0	22	22	22	2	2	2
Italy	461	470	470	410	420	420	151	150	150	100	100	100
Netherlands	570	540	490				622	590	540	53	50	50
Norway	81	80	85	7	7	7	76	75	80	2	2	2
Portugal	21	24	29	21	24	29	1	0	0	1	0	0
Spain	114	118	118	140	140	140	17	18	18	43	40	40
Sweden	197	203	206	69	70	90	146	155	140	20	20	20
Switzerland	145	150	150	25	30	30	132	130	130	12	10	10
United Kingdom	1482	1300	1225	18	20	20	1603	1225	1200	24	20	20
ITTO EUROPE TOTAL	5193	5082	4995	2358	2414	2452	4253	3872	3805	1302	1277	1283
Volume change	..	-111	-87	..	56	38	..	-381	-67	..	-25	6
Percentage change	..	-2.1	-1.7	..	2.4	1.6	..	-9.0	-1.7	..	-1.9	0.5
Stock change b/	-116	73	21									
U.S.S.R.	1754	1830	1874	2143	2220	2280	27	29	14	416	419	420
Canada	1890	1815	1720	2162	2070	2000	67	60	60	347	320	330
United States	19810	18700	19100	19280	18500	18900	1500	1400	1500	970	1200	1300
ITTO NORTH AMERICA TOTAL	21700	20515	20820	21442	20570	20900	1567	1460	1560	1317	1520	1630
Volume change	..	-1185	305	..	-872	330	..	-107	100	..	203	110
Percentage change	..	-5.5	1.5	..	-4.1	1.6	..	-6.8	6.8	..	15.4	7.2

a/ Veneer and core plywood.

b/ Not all countries provide data.

Domestic requirements minus apparent consumption (P+I-E)

a/ Contreplaques me et plis.

b/ Tous les pays ne fournissent pas les donnees.

Besoins nationaux moins consommation apparente (P+I-E).

APPENDIX C

CRITERIA AND PRIORITY AREAS FOR PROGRAMME DEVELOPMENT
AND PROJECT WORK

ACTION PLAN AND WORK PROGRAMME IN THE FIELD OF
ECONOMIC INFORMATION AND MARKET INTELLIGENCE

1. INTRODUCTION

The heightened sense of urgency and concern which has gripped the international community over the problem of tropical forest deforestation has led to calls for international action to address the causes. An international strategy has been enunciated which advocates sustainable development of tropical forests as the directive principle underlying all programmes of action.

Against the background of this overall implementation strategy there is need for closer definition of programmes and priorities within and among the many multilateral agencies involved in this level of international cooperation. From the institutional perspective, the need for an Action Plan is to enable proposals to be arranged in a strategic structure for the purposes of debate and discussions. In the area of tropical forestry this should start with the basic rationale for sustainable development of tropical forest which implies that the forest resource must both be used and conserved and this through the "down stream" process or stages of operation and management of the commercial commodity, tropical timber. Within the ITTO discussion will enhance and strengthen the unique feature of the ITTO as a forum for all the partners in the development of tropical forests to engage in coordinating and harmonizing policy measures aimed at a world strategy for tropical forest utilization and management for sustainable development. From the discussion might emerge a consensus on what course of action to be taken in order to carve an effective role for the ITTO among the many existing multilateral agencies. To generate greater commitment to an Organization especially in terms of political support and financial resources it is vital to create conditions in an Organization where collective policies are clearly formulated in all transparency and open consensus reached on their rationale, priorities and parameters for action.

The present Draft Action Plan presents the activities of the ITTO in the field of Economic Information and Market Intelligence. It provides a framework for formulation of the Programme of Work. Projects translate plans into action and serve as a means for mobilizing and allocating resources between programme activities.

The Plan and the Programme Elements are derived from the constitutional role and mandate of the ITTO taking into account the policy orientations determined at various times by the Council as the highest policy-making organ and its subsidiary bodies. The functions of ITTO as stipulated in the ITTA are determined by the Council and, basic operational instruments of the Organization in this case the Permanent Committees. Its functions are pivotal in determining the implementation and management of policies and activities in any area. Beyond the objectives and functions which inform the action proposals the principles on which the Plan is formulated are laid bare. The implementation strategies by which the objectives are achieved are informed by the overriding world strategy for tropical forest utilization and management for sustainable development. This devolves on ITTO to ensure sustainable commercial and economic production of tropical timbers based on sound ecological resource management.

2. ROLE OF ITTO

Although the ITTO was conceived essentially as a Commodity Organization, by the time of concluding the ITTA 1983 the tropical forest issue had created a new international conjuncture which made it imperative to situate the trade in tropical timber in its wider development context with environmental implications. Hence the constitutional role of the ITTO as they relate to activities in the area of economic information and market intelligence as outlined in ITTA are:

- a) To provide an effective framework for cooperation and consultation between tropical timber producing and consuming members with regard to all relevant aspects of the tropical timber economy;
- b) To promote the expansion and diversification of international trade in tropical timber and the improvement of structural conditions in the tropical timber market, by taking into account, on the one hand, a long term increase in consumption and continuity of supplies, and, on the other, prices which are remunerative to producers and equitable for consumers, and the improvement of market access;
- c) to promote and support research and development with a view to improve forest management and wood utilization;
- d) to improve market intelligence with a view to ensuring greater transparency in the international tropical timber market;
- e) to improve marketing and distribution of tropical timber exports of producing members;
- f) to encourage the development of national policies aimed at sustainable utilization and conservation of tropical forests and their genetic resources and at maintaining the ecological balance in the regions concerned.

Under the Council's overall policy direction and programme coordination and management the Permanent Committee on Economic Information and Market Intelligence has been assigned specific functions as the information, data and statistical monitoring, arm of the Organization. They are, as spelt out in Articles 25 of the ITTA,

- a) to keep under review the availability and quality of statistics and other information required by the Organization;
- b) to analyze the statistical data and specific indications as identified in Annex C to the Agreement for the monitoring of international tropical timber trade;
- c) to keep under continuous review the international tropical timber market, its current situation and short-term perspectives on the basis of the data collected and other relevant information;
- d) to make recommendations to the Council on the need for, and nature of, appropriate studies on tropical timber market, and monitor and review studies commissioned by the Council;

- e) to carry out any other task related to the economic, technical and statistical aspects of tropical timber assigned to it by the Council;
- f) to assist in the provision of technical cooperation to producing members to improve their relevant statistical services.

3. BASIC PRINCIPLES

In formulating the Draft Action Plan, besides taking into account the constitutional functions and operational instruments of the Organization, certain guiding principles serve as a frame of reference within which to establish programme policies and a system of monitoring them. They provide criteria for deciding on the use of and limitations to the allocation of resources. It is recognized that:

- a) the thrust of ITTO's activities should support national strategies or efforts;
- b) the unique forum of the ITTO for consultations grouping all the major actors in the tropical timber economy should be used in the formulation of agreed collective policies and principles of action. By this harmonizing or coordinating role in policy formulation and working with Governments, the objectives of ITTO may be attained;
- c) ITTO action should be essentially to work with Governments, encourage, stimulate, facilitate, convince and coordinate;
- d) ITTO action should take place in full conformity with the collective policies defined and agreed; and with the criteria established for projects;
- e) there is need for the ITTO to influence Governments to assume their obligations in the ITTO and consequently to assume their political and fiscal responsibility for carrying out collective policies, not only domestically or multilaterally but also in their bilateral relationships. Similar efforts should be made to interact with and influence other multilateral, and non-governmental organizations involved in the tropical forestry;
- f) to avoid unnecessary duplication, there is the need for coordination and cooperation with other international organizations, national institutions, trade and industry associations, Conservation NGOs, universities and research institutes. Nonetheless in its technical cooperation with members or other relevant organizations the impact of ITTO should not be diluted. The Organization should not appear as a mere source of funds but should be involved substantively in managing implementation of ITTO sponsored activities. Some countries tend to consider the ITTO as merely one among many agencies dispensing assistance, rather than as an intimate partner involved with the activities under its mandate;
- g) there is need to develop the institutional structure of the Permanent Committee in order to make it the appropriate focal point to expand the Organization's role and impact;

- h) the image and prestige of the Organization must be positively enhanced in order that Governments take more notice of its policies and use its facilities and resources accordingly;
- i) projects programmes should be given focus and priority in areas where ITTO can make an effective contribution, thus creating a role or recognizable identity for the Organization itself through producing concrete results in carefully selected areas.

4. SITUATION ANALYSIS

In the face of expanding tropical deforestation, desertification, and climatic change the tropical forest base and its resources are in the process of accelerating depletion or degradation. The tropical timber economy cannot continue to stumble through such mishaps to the great detriment of sustainable development. The forests will have to be managed in environmentally and economically sustainable ways. The aim is to make forest growing and conservation economically viable. Great efforts are needed to reverse the current trends in resource depletion and destruction and to promote development without destroying the natural resource asset. The overriding strategy must be sustainable development - that is integrating resource and environmental considerations fully and effectively with the operations of the trade. This has been adequately recognized as fundamental for any long-term strategy.

Tropical developing countries face many problems and challenges which affect the prospects for sustainable development. The potential for sustainable development of the tropical forests varies greatly between regions and countries. South East Asia has a high potential in both resources and productivity. Latin America, outside Brazil, has low resource but high productivity potential. Africa is comparatively low in both. But the physical resource base is deteriorating in almost all three continents or producing regions.

It is generally recognized that the tropical timber economy is characterised by instability due not only to the resource destruction and depletion but also to large currency fluctuations, and non-uniform trade policies, to cite but a few. Under these circumstances the need for the best possible market information is great if the tropical forest growing, processing and marketing sectors are to be able to maximize their contribution to market efficiency.

Producing countries rarely have access to a comprehensive and timely consumer market data needed to make rational decisions on production and effective marketing strategies. Governments in the tropical producing countries, although usually responsible for the majority of the tropical resource, have insufficient data to assess trends in demand and prices, and thus to accurately evaluate alternative management and development strategies for the forest resource.

Consuming countries are also affected by the dearth of market information on the supply of tropical forest products, and are disadvantaged by the inadequate transfer of market signals to producers of

tropical forest products, particularly where rapid changes in demand patterns arising from external causes are present in the market.

Furthermore there is world-wide concern in the debate over the rate, and means of utilization of the tropical forests. It would help the debate to secure good information on what the resource is potentially worth in the market, so that the real costs and benefits of alternative management strategies can be calculated. To address the issue of utilization and conservation an essential ingredient in the dialogue will be better information on markets leading to better productivity and profitability. This will allow greater value and revenue to be obtained from the resource, which in turn should lessen the pressure on wasteful utilization of the resource.

Admittedly, improvement in market information and intelligence alone will not rectify the major resource misallocations and adverse environmental trends in tropical forests. However long-term supply and demand forecasting based on good information on the resource, technological change, consumption and market trends is a sound way of improving the decisions and planning in tropical forest management and utilization. An efficient system of market information will provide a vital ingredient in the dialogue within the forum of the ITTO aimed at reconciling views and policies on how the tropical forests must be managed. The process will seek answers to pivotal questions such as: how prices and values for tropical forest products are formed in international markets; how increased market transparency and efficiency can affect values; how the longer term supply/demand balance is likely to affect both suppliers and consumers of tropical forest products.

The ITTO has a mandate to explore and improve market intelligence and the efficiency of the tropical timber market. The range of functions in the field of economic information and market intelligence, within the context of the objectives of the ITTA (Article 1), can be identified under the provisions of Article 25 (1) and (5), Article 27 and Article 28. Annex C of the ITTA identifies the elements of data and information required for improving market intelligence. These provisions of the Agreement indicate the broad areas of action which may be outlined as follows:

- (i) Collection, collation, analysis, exchange and dissemination of information including improvements and harmonization of statistical information and data;
- (ii) Current market developments and short-term prospects, including problems relating to the international trade;
- (iii) Medium and long-term trends and prospects in order to provide a more comprehensive understanding of markets for tropical timber;
- (iv) Selected tasks related to the economic, technical and statistical aspects of tropical timber as assigned by the Council;

- (v) The provision of technical assistance to producing Members to develop or improve their relevant statistical capabilities, and in promoting the transfer of the requisite research know-how so that ultimately the national statistical services can function efficiently without external assistance.

Basic to this method of work is the coordinating and harmonizing functions of the Secretariat in addition to its own research role in organizing studies, relevant documents, training programmes and project management. It is in recognition of this role that the Council at its Second Session directed that the Secretariat should build up its in-house capability in market intelligence. This will assist the ITTO to integrate its own efforts and activities closely and meaningfully with those of other collaborating agencies.

The scope of work outlined above depends for its efficiency on the cooperation of Member Governments or other agencies, their willingness and capability to provide information, and the reliability, timeliness and regularity of the information flow. Whilst a good number of UN agencies such as FAO, ECE Timber Committee, UNCTAD, UNIDO, national agencies and research institutions contribute to the mass of information needed, there are certain data which are either not available at source because of their complexity or which cannot be divulged for reasons of confidentiality. Such is the case, for example, with data on prices and stocks. The former belongs to the opaque area of price-species and price-specifications relationships and the price forming mechanisms which can vary according to regions, species, qualities and specifications. In the case of the data which are available, there are gaps and deficiencies relating to coverage, details and specificity. The resources and expertise are rarely adequate to bridge the gap in information provided from certain sources. The difficulties faced by producing developing countries in this regard are due variously to lack of technical capability and needed equipment, the indifferent quality of national statistics and statistical systems, and the need to build up an efficient and reliable information database. Hence the mandate to provide technical assistance as necessary to develop their statistical services.

Significant among these problems is the task of securing adequate resources in terms of manpower and finances to establish ITTO's internal statistical capability. ITTO needs additional resources of funds to establish the equipment (computer software and hardware) and provide the professional and technical personnel to manage the equipment and cope with the load of work.

5. OBJECTIVES

GENERAL

In the area of economic information and market intelligence the ITTO's general objectives are:

- a) to promote and enhance the sustainable production, consumption and trade of tropical timber products with due regard to the environment, through the provision of sound economic information and market intelligence;

- b) to improve market intelligence with a view to creating greater transparency in the international tropical timber markets;
- c) to promote an equitable and remunerative trade in tropical timber.

SPECIFIC

The specific objectives are:

- a) to establish a greater market transparency by developing more timely and effective dissemination of detailed market information;
- b) to encourage and, as appropriate, strengthen the capabilities of members to fulfil their obligations by furnishing country statements, and relevant statistical and other information;
- c) to build up ITTO's in-house statistical capability through a programme of computer systems development and by promoting a comprehensive compilation analysis and dissemination of relevant statistics and information;
- d) to strengthen the institutional basis and performance of the ITTO by establishing appropriate consultative mechanisms to complement the work of the Permanent Committee.

6. STRATEGIES

A number of policy approaches or strategies are indentified as essential to the work in the area of economic information and market intelligence. These are:

- a) make the ITTO the recognised forum for achieving consensus on the range of policy issues which would guide the overall strategy of sustainable development of tropical forests. Through cooperation among members, it should be possible to identify issues of priority on the basis of information collected and analysed;
- b) provide information on the socio-economic aspects of forestry and the importance of integrating local people's own perceptions and priorities into policy-making and project planning;
- c) on the basis of studies, mobilize opinion world-wide to promote trade policies and create market transparency which will bring about the maximum sustainable benefits to both consumers and producers;
- d) ensure effective coordination of the work of the ITTO, national and international organisations, by taking measures, including establishing a network of cooperating institutions, local consultants and correspondents, to fill gaps in data collection, market information and policy analysis;

- e) provide and strengthen the national statistical and analytical capability of the developing member countries through a programme of technical assistance, and training in statistical work and economic analysis;
- f) develop manpower from the producing countries equipped with the skills of project identification and formulation and thus ensure efficient project preparation, implementation and management.

7. PROGRAMME OF WORK

The broad objective of the Work Programme is to improve market intelligence and the efficiency of the international tropical timber and forest products market. Statistics are basic to market development. Improving existing data on production, consumption, stocks, prices, and trade enhances market development activities. It enables countries and organizations to plan. There is already in existence a considerable infrastructure of data bases in institutions and international agencies, market development associations, national and international research associations in several parts of the world especially in developed market economy consuming countries. Their collaboration will be sought in implementing relevant programmes. Furthermore the major problem or defect in information collection has been the inadequate capability of the statistical services of the producing countries. Technical assistance in establishing and developing their statistical system is a major programme of high priority.

In addition to routine dissemination of statistical information there should be carried out special data surveys such as end-use surveys of interest to both producers and consumers. Closely related to the statistical activities are the analytical activities in the form of studies such as regular analyses of the world timber market outlook based on national estimates by member countries. These studies may examine the outlook for production, consumption and trade. Other studies could be ad-hoc, focusing on specific issues or problems of general interest to members or issues related to market development. There could also be studies which involve analyses of longer term and recent trends in timber consumption by economic region and which focus on relevant economic and technological factors which influence consumption trends. Studies on specific end-uses of interest to specific parties may also be carried out.

Although activities in the field of statistics and market transparency are useful they must ultimately be designed to serve the objective of strengthening ITTO's institutional machinery. Since ITTO, as a commodity organization, has no power of economic intervention its consultative forum grouping producers, consumers and NGOs in conservation, trade and industry should be used to deal with market development issues necessary for a comprehensive overview of the tropical timber economy - such broad range of issues facing the economy and world timber trade as increased stability and predictability in the world markets; improving market transparency or forecasting the future development of the timber situation and measures to safeguard mutual interests.

The Programme of Work in this Draft Action Plan is grouped under five areas:

- 1) **Information Collection, Analysis and Dissemination.** There is a priority need to develop ITTO's in-house capability, computer systems development and database links with other databases and sources of information;
- 2) **Technical Assistance in Establishment and Improvement of Statistical and Analytical Services.** This is a priority need if the producing members are to fulfil their obligations to provide much needed information, and to be able to participate and share in the work of the Organization in information collection and exchange. Under this programme may be mentioned the programme of manpower development in skills related to market intelligence and project design and formulation;
- 3) **Consultative Forum.** This provides for the exchange of views and consultations between producers, consumers trade and environmental organizations and other parties on the tropical timber market situation and outlook;
- 4) **Situation, Trends and Prospects Studies.** These analytical studies cover short to long-term studies in order to improve knowledge of trade conditions and prospects for tropical timber; and
- 5) **Policy-Oriented Studies.** These are studies aimed at strengthening the role of ITTO in collective policy formulation and coordination.

ELEMENTS OF THE WORK PROGRAMME

Details of the Programme of Work for each of the Programme Areas indicated above are as follows:

Programme Area 1: Information Collection, Analysis and Dissemination

Element 1.1 ITTO In-House Capability

Activities

- Develop, as a continuing task, the computer systems and equipment infrastructure in the ITTO Secretariat;
- Collect statistical data and other economic information on tropical timber - both that prepared by others and those gathered by ITTO, and develop needed information such as the on-going ITTO/ITC Market News Service; if required, modify the form of this information to meet the interests and needs of member countries and disseminate it;
- Develop sub-sets of information on tropical timber from the information developed by others;
- Identify and fill existing gaps in information gathered and, where necessary, assist in the improvement by others where these gaps exist. An area of improvement of existing data is on stocks, prices,

end-uses and further processed products. Securing better and more reliable statistics in these sectors which will assist market development organizations in designing, implementing and evaluating current and future projects and programmes aimed at increasing timber consumption;

- Secure the cooperation of member countries, in fulfilment of their obligation under the Agreement to provide timely, comprehensive, regular, reliable and qualitative responses to enquiries for statistical and market information; in this regard formulate proposals to establish contacts with national correspondents or agencies selected and assigned the responsibility for ensuring returns on questionnaires with a view to improving, where necessary, the punctuality and completeness of replies;
- Promote sound statistical methods : generate compatible statistical information at places where they are easily available and can be cross-checked;
- Develop common standards of measurement and classification with priority to the most traded assortments including further processed products.

Duration

Continuing.

Element 1.2 : Publication of Joint ITTO/FAO Bulletin and other Publications

Activity

By cooperation between ITTO and FAO proposals are under consideration to develop and publish an improved version of the existing FAO Monthly Bulletin on Tropical Forest Products in World Timber Trade and a periodic Analytical Supplement to improve information on trade volume and prices including details on species and trade analysis.

Other publications may be decided as resources and needs permit.

Duration

Continuing.

Element 1.3 : **Coordinating machinery for activities in the economic, statistical and marketing areas**

Activities

- To obtain in a standard pattern information already held by member countries and collaborating organizations and use its data bank as a clearing house for information on forest resources, industries and international trade relevant to the work of ITTO;
- Encourage member countries or groupings of member countries to carry out joint activities such as establishing in-market trade information centres to generate useful information for themselves and for ITTO;
- Establish a data bank on suppliers and buyers of tropical timber products in cooperation with the ITC.

Duration

Continuing.

Element 1.4 : **Establishment of Consultative Group of Experts on Economic Information and Market Information**

Activities

Establish an ITTO Consultative Group of Experts. This Consultative Group of Experts selected in their personal capacity will serve as an Advisory body in ITTO on all matters concerning economic information and market intelligence. Their advice and technical expertise will strengthen the role of the Permanent Committees, the Council and the Secretariat's in-house capability.

The Group will meet as required, but at least once a year, and will be serviced by the Secretariat.

Duration

Continuing - 3 years tenure of memberships with possibilities of renewal in order to ensure continuity and efficiency.

Programme Area 2 : **Technical Assistance in Establishment and Improvement of Statistical Services**

Activities

- Assist in the development of the statistical services in the producing member countries through the transfer of technical know-how, economic and statistical methods and experience in statistical skills. This will include the provision of statistical equipment for data collection, methods of data collection, collation, analysis and dissemination of statistical and other information in the forest and forest products sector.

- With the assistance of member countries and other competent organizations, provide technical assistance to developing member countries to improve their statistical gathering, reporting and disseminating systems compatible with ITTO requirements;
- Invite producing member countries to indicate their needs in statistical services development;
- Urge member countries to furnish information on their technical assistance programmes designed to assist producing countries in this area;
- Through ITTO's Fellowship Programme, develop manpower skills in statistical services;
- Organize, in collaboration with FAO and other interested donors, seminars/workshops at the sub regional or regional level for the benefit of interested countries;
- Prepare manuals, in collaboration with the FAO, containing description of standard practices in forestry statistics to guide the work of forestry economists and statisticians;
- Organize periodic conferences of Forestry Statisticians and Economists under ITTO sponsorship for the sharing of experience and the exchange of views on matters of common concern;
- By collaboration with FAO, ECE, and donor agencies, formulate a programme of assistance by which forest economists and statisticians of developing countries will be invited at the expense of a donor country to participate in Conferences of professional interest to them.

Duration

Continuing

Programme Area 3 : Consultative Forum - Market Review and Outlook

Activities

- Plan and organize the annual Market Discussions on the production, supply, trade and consumption of forest products, market developments and short-term prospects;
- prepare the Annual Review in accordance with Article 28 of the ITTA;
- urge member countries to submit on a priority basis country market statements to facilitate analysis of the international situation;
- secure the active and full participation of experts involved in the timber trade and industry in the discussions;
- arrange the discussion of any special subjects of relevance to an assessment of the tropical timber economy;

- prepare an authoritative ITTO Statement on the Market developments and short-term prospects and with time develop ITTO into a forum which can play the role of "Spokesman" for the members and associated organizations reflecting their concerted positions on issues of importance to the tropical timber economy.

Duration

Continuing.

Programme Area 4 : Situation, Trends and Prospects Studies

Element 4.1: Situation and Outlook Studies

Activities

- Undertake studies of the present supply and demand and performance of tropical timber markets in the major regions;
- Undertake end-use studies and update these in order to monitor changes in the market on a regular periodic cycle;
- Other subjects will include:
 - (i) The availability and market acceptance of lesser known species;
 - (ii) Image or Profile Studies covering an analysis of perceptions of tropical hardwood products vis-à-vis other wood products.

Duration

Continuing.

Element 4.2 : Medium to Long-Term Trends and Prospects

Activities

- Prepare a study on the long-term supply and demand of tropical timber in the world as a guide to sectoral planning by producing countries;
- Identify potential markets and provide information relating to the structure, market relationships, product requirements, competition and the prospects for specific products;
- Conduct regular market studies in order to provide a more open and comprehensive understanding of markets for tropical timbers;
- Investigate such topics of interest as: production and trade of added-value goods; the emergent furniture industries of South East Asia; the domestic markets for timber products in producing countries;

- Encourage production and consumption studies which will:
 - a) identify for a particular area products and services needed from the forest, considering such factors as population density, topography, climate etc.;
 - b) find out what resources the forest can provide sustainably;
 - c) identify necessary measures to counteract shortages and barriers as well as potentials for export of wood or other goods to other districts/countries;
 - d) determine the relationship between population growth, demand, trade, economic development and deforestation.

Duration

Continuing.

Programme Area 5: **Policy-Oriented Studies**

Activities

- Carry out and encourage sound studies aimed at providing knowledge to satisfy information needs and to guide planning and the formulation of policies on issues of importance to the tropical timber economy;
- Evaluate the implications to trade in forest products derived from legitimate land conversion activities, natural disasters, etc. of policies which limit trade to products from only sustainably managed forests;
- Determine the economic comparative advantage held by tropical producing countries in further processing tropical timbers;
- Assess trade restrictions affecting tropical timbers and their impact;
- Analyse sustainable development and its impact on the tropical timber trade;
- Evaluate the importance of the tropical timber sector in the economies of the producing countries;
- Examine the economic feasibility and market acceptance of fast-growing species;
- Evaluate the relative economics of natural and plantation forest management and the corresponding environmental impact assesment;
- Assess transport difficulties facing producer countries.

Duration

Continuing.

APPENDIX D

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

ITTC(VIII)/D.1
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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 7a/87 (M) PHASE II Rev.1	a,b,c,d,e,g		a,d,e	a,b,c,d,e	\$220,010	2 years	Global	4
PD 82/90 (M)	a,c,f,h		a,b,c,d,e	a,b,c,d,e	\$100,000	1 year	Global	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.

PERMANENT COMMITTEE ON REFORESTATION
AND FOREST MANAGEMENT
Sixth Session
Denpasar, Bali, Indonesia
16 - 23 May 1990

Dist. GEN.
PCF(VI)/18
23 May 1990
Original: ENGLISH

REPORT TO THE INTERNATIONAL TROPICAL
TIMBER COUNCIL

SIXTH SESSION OF THE PERMANENT COMMITTEE ON
REFORESTATION AND FOREST MANAGEMENT

16 - 23 MAY 1990

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"Best Practices" and Sustainability in the Sustainable
Management of Tropical Forests (Document PCF(VI)/4 Rev.1)
- Annex II ITTO Guidelines for the Sustainable Management of
Natural Forests (Document PCF(VI)/16)

REPORT

1. Introduction

The Sixth Session of the Committee was opened, on May 16, 1990, in a joint session of the three Permanent Committees, by the Chairmen of the Permanent Committee on Economic Information and Market Intelligence in a meeting which addressed Agenda Items 1 - 3. Agenda Items 4 and 5 were also considered in joint sessions of the three Committees. The deliberations of the Committee on the rest of the Agenda Items were led by its Chairman, Mr. Enrique Toledo, Peru. A list of participants is provided in document PCM,PCF,PCI(VI)/Info.2/Add.1.

2. Adoption of Agenda and Organization of Work

At its first meeting on 16 May 1990 the Committee adopted the agenda of its Sixth Session as contained in Document PCF(VI)/1.

3. Admission of Observers

The list of Observers admitted by the Committee is contained in document PCM,PCF,PCI(VI)/Info.3 and PCM,PCF,PCI(VI)/Info.3/Add.1.

4. Market Review and Outlook (Joint Session)

The two-day Market Discussions took place in a Joint Session of all three Committees. The schedule for the Discussions is attached to the Report of the Permanent Committee on Economic Information and Market Intelligence as Appendix A. As part of the documentation requested for the Market Discussion, only fifteen Members submitted Country Market Statements, namely Australia, Canada, China, Federal Republic of Germany, Finland, Indonesia, Japan, Malaysia, the Netherlands, Norway, Philippines, Spain, Sweden, United Kingdom and U.S.A. The main theme of the Discussions was "The Development of Value-Added Processing of Tropical Timber Products in the Asia-Pacific Region". Exchanges of views and experiences from Members and from representatives of the timber trade and industry focused on the main theme as well as on various perspectives: China, Japan, Korea, Europe, North America and other in-transit processors.

Two other special topics on which presentations were made during the Discussions were:

- (i) The Forest Resources Situation, the Timber Trade and Industry of Indonesia (A host country presentation), and
- (ii) The Timber Situation and Prospects for India.

The synthesis of the market developments and of the special topics is contained in the General Market Statement which was considered and approved by the Committee and subsequently released to the Press.

The General Market Statement together with Summary Tables of the Tropical Timber Market Forecasts for 1988-90 figure are attached as Appendix B to the Report of the Permanent Committee on Economic Information and Market Intelligence.

5. Annual Review and Assessment of the World Tropical Timber Situation (Joint Session)

Under this item the Secretariat's document ITTC(VIII)/3 "Elements for the 1989 Annual Review" was taken as part of the documentation for the Market Discussion. The Joint Session agreed to recommend to the Council to request the Secretariat to revise its document in the light of the Market Discussions. In this connection, the Council should request all participants to forward to the Secretariat by 1 August 1990 any suggestions for revisions.

6. Criteria and Priority Areas for Programme Development and Project Work

The Secretariat reported on the implementation of the Programme of Work for ITTO in the Field of Reforestation and Forest Management, contained in document PCF(V)/3-4 Rev. 2. The Committee took note that action has been initiated in six of the eight action areas of the Work Programme.

- a) The Committee considered document PCF(VI)/4, Report of the Working Group on Guidelines for Best Practice and Sustainability in the Sustainable Management of Tropical Forests (Action 1 of PCF(V)/3-4 Rev. 2), prepared in accordance with Council Decision 3(VII). The Committee discussed and revised the document which contains valuable recommendations, considerations and conclusions and decided to submit the revised document, PCF(VI)/4 Rev.1, to the Eighth Session of the Council. (Annex I of this Report.)
- b) The Committee agreed fully upon the synopsis of the revised document consisting of a set of principles and possible actions, including the appendices 1-6, and decided to present these as a separate document, after having added an introductory paragraph, for approval to the Council. This document is entitled Guidelines for the Sustainable Management of Natural Tropical Forests and has reference number PCF(VI)/16. (Annex II of this Report.)

The Committee further considered the recommendations which were contained in the report of the Working Group and decided on those recommendations which should be submitted to the Council under agenda item 16.

- c) The Committee considered document PCF(VI)/13, The Economic Case for Natural Forest Management (Action 2 of PCF(V)/3-4 Rev. 2), prepared by the Forest Research Institute of Malaysia (FRIM) and decided to submit the proposed programme to the Eighth Session of the Council with recommendation that it be endorsed and that US \$ 219 000 be allocated for its execution.

- d) The Committee took note that ITTO had still not actively taken part in any TFAP country missions in Member Countries, but that the Secretariat had participated in the Round-table Meeting on Papua New Guinea.
- e) ITTO Secretariat is, in meetings and functions and in contacts with the press, continuously advocating the need for support to sustainable forest management. ITTO is giving widest possible distribution to its publications and has at three occasions invited the public and media to take part in seminar and workshops.
- f) The Committee took note that the Executive Director has written to all Member Governments and requested that they suggest demonstration areas for successful forest management models, to be included in an ITTO net-work of such areas, and urged all Members to submit, to the Secretariat, proposals to be considered for inclusion as ITTO demonstration models.
- g) The Committee took note that Dr. Jean Clement has prepared a Paper outlining ITTO's research needs in the field of sustainable natural forest management, to be presented at next IUFRO World Congress. The Committee thanked Dr. Clement for his effort.

The Paper will be circulated to delegations by the Secretariat as soon as it is received in Yokohama.

- h) The Committee took note of document PCF(VI)/12, Development of Human Resources for Sustainable Management of Tropical Forests, prepared by Dr. Tho Yow Pong of the Forest Research Institute, Malaysia and thanked Dr. Tho for this contribution. The Committee decided to defer consideration on this item till next Committee Session in November 1990.
- i) The Committee took note of document PCF(VI)/5, Incentives for Tropical Forest Management. The Committee decided, considering that the Seminar on Sustainable Development of Tropical Forests, scheduled for 19 November, 1990 was to address the question of incentives for tropical forest management, to participate in the Seminar instead of setting aside time from the Committee Session for the discussion on incentives. It was further decided that the question of incentives for tropical forest management will be discussed again at the Seventh Session in November 1990, based on a revised paper by the Secretariat taking into account the proceedings of the Seminar.
- j) The wording of certain paragraphs in the documents prepared for this Agenda Item has elicited reservations, particularly in matters concerning respect for the sovereignty of the member states of the Organization.
- k) The Committee requested the Chairman to confer with the Chairmen of the other two Permanent Committees to secure coordination of the Action Plan and Work Programme in the field of Reforestation and Forest Management with the Plans and Programmes of these two other Committees.

7. Report on Completed Projects

Two Projects and the First Phase of a third Project have been completed since the Fifth Session of the Committee.

The Committee took note of document PCF(VI)/9, Draft Report on Project PD 2/87 (F), Rehabilitation of Logged-over Forests in Asia/Pacific Region, Phase 1, and recommends that it be released for general distribution.

The Committee took note of document PCF(VI)/15, Draft Report on Project PD 17/87 (F), Investigation of the Steps Needed to Rehabilitate the Areas of East Kalimantan Seriously Affected by Fire, and recommends that it be released for general distribution.

The Committee took note of document PCF(VI)/7, Report on Project PD 57/88 (F,I), Seminar on Sustainable Development of Tropical Forests, and recommends that it be accepted as report on the Project and released for general distribution.

8. Review of Project Work in Progress

A status report by the Secretariat, on the twelve Projects, in the field of Reforestation and Forest Management, which have been approved by the Council but which are still not completed, contained in document PCF(VI)/8, was considered by the Committee.

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

The Forest Agency of Japan made available partial financing (US \$ 240 000) for this Project from its 1988/89 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. The Draft Report on the Sub-project is contained in document PCF(VI)/9.

At the Seventh Session of the Council, in November 1989, the Government of Japan pledged a further contribution of US \$ 200 000 for the continued implementation of the Project.

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

The Project was approved by the Third Session of the Council in November 1987 and slightly amended by the Fourth Session in June 1988.

The Agreement regulating the execution of the Project was signed by ITTO and the Government of Malaysia on 8 August, 1988 and the Project

became operational at that date, with the Forestry Department of Peninsular Malaysia as Executing Agency.

Three Progress Reports covering the period August 1988 - December 1989 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, 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 established in two of the areas and are well advanced in the other two.

The general progress is well ahead of schedule.

3) PD 15/87 **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 the Project will start as soon as the Governments of Gabon and the Netherlands have signed a Memorandum of Understanding concerning cooperation in tropical forest research, education, training and extension. This Memorandum is still under negotiation between the two Governments.

4) PD 24/88 **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 three 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 last 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.

The Project has made a good start and activities are progressing according to plans.

- 5) PD 34/88 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.

Preparation for the start of the field work are in progress.

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

- 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. The Council did not, at that time, make available financing, but authorized immediate implementation as soon as earmarked funds were made available for the Project.

Full financing for the Project has still not been secured.

It was pointed out that the Project may need to be up-dated and broadened and that a special project mission may be needed for this. As there was no representative from Cameroon present at the Session, no decision was taken. Instead the Secretariat was requested to clarify the situation with the originators of the 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.

This Project has, by the Council, been awarded highest priority with regard to allocation of un-earmarked funds in the Special Account. Partial funding is available.

- 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 United States Department of Agriculture Forest Service pledged full financing for the Project and an announcement has gone out inviting applications for the internships.

- 9) PD 68/89 Rev.1 (F) **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 for the implementation of the Project has been prepared by the Secretariat and submitted for the consideration of the Government of Brazil on 15 February, 1990.

- 10) PD 69/89 Rev.1 (F) **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.

A draft Agreement for the implementation of the Project has been prepared by the Secretariat and was submitted for consideration to the

Authorities in Brazil on 14 November, 1989. A revised Agreement was received from the Government of Brazil on May 10, 1990.

11) PD 71/89 Rev.1 (F) **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. The Council authorized the Executive Director to start implementation as soon as earmarked funds, meeting the total ITTO contribution, are available in the Special Account. Such funds are still not available.

12) PD 72/89 (F) **Seminar on Sustainable Development of Tropical Forests:**

The Project was approved by the Seventh Session of the Council and funds were made available for immediate implementation.

The Seminar was held on 19 May, 1990 in conjunction with the Eighth Session of the Council and the Sixth Sessions of the Permanent Committees. Five papers, concentrating on possible incentives to promote sustainable forest management, were presented. The Seminar was attended by approximately 120 delegates and guests.

The Committee expressed concern over the fact that approved Projects have been awaiting financing for a year or more and urged member countries to commit funds so that all approved Projects can be implemented without delay.

The Committee was equally concerned over the fact that some Projects and Pre-projects, for which financing had been allocated, have not become operational. It was felt that a procedure which sets limits to the time between approval and implementation of an agreement is required in these cases to avoid that funds are idle when at the same time Projects and Pre-projects lack financing. The Committee invites the Council to request the Secretariat to prepare a proposal concerning this matter for the next Session.

9. Reports on Completed Pre-projects

The Committee took note of document PCF(VI)/10 containing a report on the completed First Stage of the Pre-project "Improvement of Harvesting Systems for Sustainable Management of Tropical Forests" and decided to release it for general distribution.

10. Consideration of Project Proposals

Thirteen Project Proposals were submitted to the Committee for consideration. They are:

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

- 2) PD 75/90 (F) Development of Genetic Resistance in the Tropical Hardwood Iroko to the Damaging Insect Pest: Phytolyma Lata
- 3) PD 76/90 (F) Project Formulation Workshop for Establishing a Network of Genetic Resources Centres for Adapting to Sea Level Rise
- 4) PD 77/90 (F) Establishment of A Pilot Area for Silviculture in Closed Forests in Congo
- 5) PD 78/90 (F) Panel Discussion/Seminar on Promotion of A Positive Image of Sustainable Utilization of Tropical Forests
- 6) 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
- 7) PD 83/90 (F,I) Research and Development in Logging
- 8) PD 84/90 (F) The Establishment of a Demonstration Plot for Rehabilitation Forest Affected by Fire in East Kalimantan [Phase II of PD 17/87 (F)]
- 9) PD 85/90 (F) Technical Assistance for the Master Plan for Forest Plantations
- 10) PD 86/90 (F) International Network for Developing Human Resources in Tropical Forest Management (Phase I)
- 11) PD 87/90 (F) Network of National Parks, Sanctuaries and Biosphere Reserves for the Conservation of Biological Diversity
- 12) PD 88/90 (F) Sustainable Selective Harvesting of Mahogany in Bolivia
- 13) PD 89/90 (F) Sustainable Forest Management and Human Resources Development in Indonesia

Details of the technical evaluation of the Projects are given in Appendix I of this Report. The technical assessment resulted in modification with regard to substance of one Project: Project PD 76/90 (F) was modified to provide for wider regional participation and required increase in budget and now appears under reference PD 76/90 Rev.1 (F).

The decision on one Project, PD 87/90 (F) was deferred and the Committee decided to implement a Pre-project to provide the basis for decision on further action with regard to this Project. (See report on Agenda Item 12.)

The Committee considered four project ideas. Two of these were submitted by the World Bank and were concerned with "Appropriate Forest Technologies" and "Social Forestry - Concepts and Issues" respectively.

The Committee welcomed this initiative by the Bank, but explained that submission of project proposals are governed by the rules and regulations contained in the ITTA, 1983, which stipulates that only member governments can submit proposals for projects. Cooperation with the World Bank is desirable and mutually beneficial and Members should be encouraged to propose projects which include joint ITTO/World Bank efforts.

One Project Idea was submitted by Papua New Guinea concerning "Forest Management and Monitoring Task Force" The Committee regarded the idea as very useful and encouraged Papua New Guinea to develop it into a Project Proposal to be submitted at next Session.

The Government of Japan had submitted a Project Idea concerning manpower development in Nepal, which is anticipated to become a member of the Organization shortly. The Committee did not want to consider the project idea until Nepal becomes a member, and advised Japan and Nepal to re-submit the Idea, or a project proposal based on it, when Nepal has been admitted as a Member.

11. Review of Pre-project Work in Progress

The Committee took note of Document PCF(VI)/11, containing brief progress reports for the following six Pre-projects in progress:

Management of Natural Tropical Moist Forests to Obtain a Sustainable Production of Wood and Other Forest Products and Maintain the Ecological Balance in Ecuador,

The Committee decided at its Second Session in June 1988 to implement this Pre-project. The Agreement between ITTO and the Government of Ecuador regulating the implementation of the Pre-project was signed on 22 May 1990.

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

The Committee decided at its Third Session in November 1988 to implement this Pre-project. The Study is under execution but has still not been completed.

Study of Conservation Concerns Relating to the Diversification of Species Extracted for Timber

The decision to implement this Study was taken at the Third Session in November 1988. The Government of Denmark provided financing for the Pre-project in May 1989 and it became operational in June 1989 with IIED as executing agency. The implementation is well under way.

Silvicultural Treatment through Selective Felling as Part of A Pilot Forest Development Project in the South Bakundu Forest Reserve, Cameroon

The Committee decided at its Fourth Session in May 1989 to implement this Pre-project. It became operational in January 1990 and is still not completed.

Manmade Forests of Indigenous Species - A Systematic Preparation to Industrial Tree Plantations, Ghana

The decision to implement this Pre-project was taken by the Committee at its Fourth Session in May 1989. It became operational in February 1990 and is scheduled to be completed in August 1990.

Sustainable Development in the Amazon Region.

The Committee decided at its Fifth Session in November 1989 to implement this Pre-project. The Government of Brazil and ITTO are in the process of negotiating an agreement for the execution of the Study.

12. Decisions on Pre-project Work

The Committee decided to implement a pre-project on "The National Biological Conference of Thailand", proposed by the Government of Thailand and described in document PCF(VI)/14 Rev. 4, and to request the Council to make available US \$ 90 500 for its financing.

The Committee decided further to implement a Pre-project entitled "Realistic Strategies for the Conservation of Biological Diversity in Tropical Moist Forests" submitted by the Government of Japan and contained in document PCF(VI)/17 and to request the Council to make available \$ 190 000 for its financing.

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

A selection committee chaired by the Vice-chairman of the Council and with the Committee Chairmen as members evaluated the fellowship applications and selected the successful candidates. The applicants awarded fellowships are listed in Appendix II of the Report of the Fifth Session of the Permanent Committee of Forest Industry.

14. Dates and Venue of the Seventh Session

The Committee decided that the dates and venue of its next Session will be agreed upon by ITTC in its Eighth Session.

15. Other Business

No issues were considered by the Committee under this Item.

16. Recommendations to the International Tropical Timber Council

The Committee made the following recommendations:

- 1) To adopt the Guidelines for the Sustainable Management of Natural Tropical Forests with the attached Appendices 1 - 6, document PCF (VI)/16, and to publish these for general distribution.
- 2) To endorse the recommendations, considerations and conclusions contained in the Report of Working Group on "Guideline for Best Practices", document PCF(VI)/4 Rev. 1.

- 3) To endorse the initiation of data collection and analysis to establish the economic case of natural forest management, described in document PCF(VI)/13 and allocate \$ 219 000 for financing of this activity.
- 4) To request the Secretariat to prepare, for consideration by the Ninth Session of the Council, a document containing alternative solutions which set limits to the time between funding and initiation of projects and pre-projects.
- 5) 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.
- 6) To approve Project PD 74/90 (F,I) and allocate \$ 500 000 for its financing.
- 7) To approve Project PD 75/90 (F) and allocate \$ 257 410 for its financing.
- 8) To approve Project PD 76/90 Rev.1 (F) and allocate \$ 100 000 for its financing.
- 9) To approve Project PD 77/90 (F) and allocate \$ 529 000 for its financing.
- 10) To approve Project PD 78/90 (F) and allocate \$ 100 000 for its financing.
- 11) To approve Project PD 81/90 (F) and allocate \$ 2 290 000 for its financing.
- 12) To approve Project PD 83/90 (F,I) and allocate \$ 2 450 000 for its financing.
- 13) To approve Project PD 84/90 (F) and allocate \$ 704 000 for its financing.
- 14) To approve Project PD 85/90 (F) and allocate \$ 1 305 742 for its financing.
- 15) To approve Project PD 86/90 (F) and allocate \$ 500 000 for its financing.
- 16) To approve Project PD 88/90 (F) and allocate \$ 348 914 for its financing.
- 17) To approve Phase One of Project PD 89/90 (F) and allocate \$ 3 800 000 for its financing.
- 18) To allocate \$ 90 500 for the financing of Pre-project "The National Biological Conference of Thailand".

- 19) To allocate \$ 190 000 for the financing of Pre-project
"Realistic Strategies for the Conservation of Biological
Diversity in Tropical Moist Forests".

17. Report of the Session

The Committee accepted this Report for submission to the Council.

Appendix I

TECHNICAL ASSESSMENT OF PROJECT PROPOSALS

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

This project will assist in improving the utilization of timber from tropical rain forests while preserving their ecological functions. The main aims are to achieve improved processing techniques, industrial use of residues, increased yield from the forests through better utilization and increased use of lesser-used species while remaining within the limits of sustainability.

It is proposed that the Project be implemented in Ghana, Congo and possibly Cote d'Ivoire and in Malaysia, Indonesia and possibly Papua New Guinea.

The Project is within the objectives of the ITTA and corresponds to the priorities of the Organization. It is recommended that it be approved for immediate implementation.

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

The Project will research genetic and other factors, which determine the resistance or susceptibility of Iroko (*Chlorophora* spp), one of the most valuable timber species in West and Central Africa, to attacks of the insect *Phytolya lata*. It will also attempt to isolate *Phytolya lata* resistant varieties of Iroko to be used in plantations.

The research initiated by the Project is not expected to produce results ready for practical field application during the duration of the Project. However, the Project should help in introducing and developing research techniques and establish a foundation on which continued research might be based.

It is recommended that the Project be approved for immediate implementation.

PD 76/90 Rev 1 (F) Project Formulation Workshop for Establishing a Network of Genetic Resources Centres for Adapting to Sea Level Rise

The Project consists of a workshop aiming at preparing a project for collecting and conserving, for current and future use, genetic material which can provide a broad spectrum of physiological responses to sea water intrusion, flooding and drought. The main focus will be on genetic resources contained in the mangrove forests.

The Project lies outside the immediate focus of ITTO. The mangrove forests are, however, of great importance in that they protect the inland forests from the influence of wind and sea and protects the sea from siltation and other pollution caused by inland logging. It is therefore recommended that the Project be approved for immediate implementation.

The number of participants in the Workshop should be increased to 30.

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

The Project will establish a Pilot Area of approximately 4 000 ha in which silvicultural systems will be tested and monitored in order to develop technically and economically efficient systems to be applied, in first hand, in a forest area of 800 000 ha which has been inventoried and for which a management plan is under development. Training of staff and forest workers in applied silviculture is an additional important aim with the Project.

The Project has great merits as a research and development activity and should become an integral part of ITTO's network of demonstration models.

It is recommended that the Project be approved for immediate implementation.

**PD 78/90 (F) Panel Discussion/Seminar on Promotion of A
Positive Image of Sustainable Utilization of
Tropical Forests**

The original objective of the Project is to develop ideas for how the image of tropical forest utilization can be improved and how financial and technical support for sustained yield management of these forests can be mobilized.

In the deliberation over this Project it was suggested that the Seminar should focus attention on cases of successful applications of sustainable forest management and achievements of ITTO in its efforts to promote sustainability in tropical forestry. In that way the Project will assist in enhancing the image of tropical forestry and assist in mobilizing support for tropical forestry through ITTO.

It is recommended that the Project be approved for immediate implementation with the emphasis indicated in the assessment discussion.

**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 will study the dynamics of the forests and the ecology under various management regimes in order to develop economically and ecologically efficient management methods. The Project will set up pilot

management schemes and demonstration models. It will be coordinated with other similar research and development efforts in the Amazon region.

The Project provides an interesting approach to an important research effort. There is a need to clarify in more detail the plan for project implementation and that the arrangements for the Project are in place.

It is recommended that the Project be approved for implementation, but that the start of implementation be conditioned by Bolivia presenting the plan referred to above and engaging a reputable consultant that can report to ITTO Secretariat on the arrangements for Project execution and that that report is positive.

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

The Project will establish, expand and strengthen logging research and training and extension services in logging in the tropical regions, with the aim of promoting ecologically and socially sound timber extraction methods, which, at the same time, are economically viable and financially attractive. The Project is designed to achieve this in one of the three tropical regions.

The Project addresses problems which have very high priority in ITTO's work and are of vital importance to sustainable forestry, ecological balance and the future of the forest based industry.

It is recommended that the Project be approved for immediate implementation.

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

The Project will provide examples of how disturbed forests can be economically rehabilitated, in a demonstration area in which successful silvicultural techniques and efficient methodologies for forest restoration will be applied and monitored. The Project will focus attention on rehabilitation of forests damaged by fire.

In the discussions over this Project it was pointed out that rehabilitation of forests damaged through other interference than fire have been established in East Kalimantan. Coordination of this Project with the efforts made in these areas is therefore recommended. The Government of Indonesia is requested to take into account, when planning the implementation of the Project, the comments and recommendations made by delegates during the deliberations over the Project Proposal.

The Project is recommended for approval and immediate implementation.

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

The Project will establish a computerized data base for the development of national plans for forest plantations. The data base will contain relevant data and other information with regard to land resources, land use, silviculture technology and markets and with regard to socio/economic conditions in potential plantation areas. The data base will be used in developing social, economic and environmental criteria which will be used for assessing investment options and analyze the implications of investment decisions and policies.

The project has the potential of providing substantially increased production of timber for the industry and the local and international markets, a source of employment and expanded reforestation of unforested land. It is the first ITTO project in which long term forest industry and market aspects are combined with forest management in a planning effort.

The Project is within ITTO's priority areas and is recommended for approval and immediate implementation.

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

The objective of the Project is to formulate a plan for establishing, among forest research institutions, "International Networking for Developing Human Resources in the Management of Tropical Forests" to promote the development of skilled manpower and the wider application of project and research findings and experiences.

A research institution in each producer region will be assigned as coordinator to collect, compile and disseminate information.

The Project corresponds to ITTO's priorities and is recommended for approval and immediate implementation.

**PD 87/90 (F) Network of National Parks, Sanctuaries and
Biosphere Reserves for the Conservation of
Biological Diversity**

The objective of the Project is to establish an information network for national parks and sanctuaries and the legislation and other regulations governing their establishment and maintenance. Special attention is to be given to parks and reserves which have conservation of biological diversity as main objective.

There are other organizations and institutions which work on similar aspects of networking and it is a risk for overlap and duplication. The Committee therefore decided to implement a pre-project study on which further action by ITTO can be based. (See under Agenda Item 12.)

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

The Project will study the development of mahogany in selectively logged, managed forests in Bolivia in order to identify the biological factors which determine growth rates, timber quality and other stand characteristics, with the aim of developing management methods which will enhance natural regeneration of mahogany, improve its timber quality and the volume production in regenerated stands.

The study is concerned with one of the most important tropical timber species. It will be conducted as a research for a doctoral thesis under supervision of well known scientists and involve local research personnel.

The Project corresponds to ITTO priorities and is recommended for approval and immediate implementation.

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

The Project will contribute to improvements in sustainable management of tropical forests, nationally and internationally, through improvement of policies and practices in tropical resource management. This will be achieved by a) improvement of practices for managing natural production forests through research and cooperative efforts together with participating forest concessionaires, b) improvement of the management of conservation and protection forests, and c) human resources development and improved public awareness in topics related to tropical forest management. The Ministry of Forestry of Indonesia, through the Tropical Forestry Action Plan (TFAP), will ensure that this Project will not conflict with other donor efforts and will address priority development needs in the forestry sector.

The Committee recommended to Indonesia that as much as possible the training should be carried out in Indonesia and that possibilities of expanding and improving local training institutions should be explored.

The Project addresses action areas of high priority in ITTO and should therefore be supported. It is recommended that the First Phase of the Project be approved for immediate implementation.

TECHNICAL EVALUATION OF PROJECTS 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					
74/90	a,c,e,f and h	R & D	a,b,c,d and e	a,b,c,d and e	500,000	2	Three African countries, & one Southeast Asian country	4
75/90	b,c and f	R & C	b,c,e	a,b,c,d and e	257,410	3	West and Central Africa	4
76/90 Rev.1	h	Workshop	b and c	a,b,c,d and e	100,000	4 days	Asia/Pacific	4
77/90	c,f and h	R & D	b,c,d, and e	a,b,c,d and e	529,000	5	Congo (West Africa)	4
78/90	a,f and h	Panel/Seminar	a,b,c,d and e	a,b,c,d and e	100,000	2 mo.	Global	4
81/90	a,c,f and h	R & D	a,b,c,d and e	a,b,c,d and e	2,290,000	5	Bolivia (Latin America)	4
83/90	c	R & D/extension services	a,b,c,d and e	a,b,c,d and e	2,450,000	3	Global	4
84/90	a,c,f and h	R & D/training	a,b,c,d and e	a,b,c,d and e	704,000	2	Indonesia (Global)	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					
85/90	f and h	Technical assistance	b,c and e	a,b,c and d	1,305,742	4	Indonesia	4
86/90	c,e,f and h	R & D	a,b,c,d and e	a,b,c,d and e	500,000	12 mo.	Global	4
87/90	h	Conservation	b and e	a,b,c,d and e	250,000	2	Global	3
88/90	c,f and h	R & D	b,c and e	a,b,c,d and e	348,914	4	Bolivia (Latin America)	4
89/90	c,f and h	Institution building	b,c,d and e	a,b,c,d	(10,000,000) First Phase 3,800,000	7	Indonesia	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.

PERMANENT COMMITTEE ON REFORESTATION
AND FOREST MANAGEMENT
Sixth Session
Denpasar, Bali, Indonesia
16 - 23 May 1990

Dist. GEN.
PCF(VI)/4 Rev. 1
18 May, 1990
Original: ENGLISH

REPORT OF THE WORKING GROUP ON GUIDELINES
FOR "BEST PRACTICE" AND SUSTAINABILITY IN
THE SUSTAINABLE MANAGEMENT OF TROPICAL FORESTS
WITH PARTICULAR APPLICATION TO THE NATURAL FORESTS

Prepared by a Working Group established
in accordance with Council Decision 3(VII)

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REPORT OF THE WORKING GROUP ON GUIDELINES
FOR "BEST PRACTICE" AND SUSTAINABILITY IN
THE SUSTAINABLE MANAGEMENT OF TROPICAL FORESTS

A. RECOMMENDATIONS

a) To ITTO

1. the Council should endorse the set of principles proposed by the Working Group as set out in Section C of this report and recommend to the Council their adoption as an international standard for national guidelines;
2. the Organization should encourage member countries to develop national guidelines based on these principles, together with all necessary codes of practice and manuals of operations, to provide adequate guidance at all levels of responsibility, based on the appropriate laws and regulations, to secure their effective application;
3. the Council should encourage the exploration of innovative models of tropical forest management for multiple-use and multiple-benefit, possibly involving mixtures of plantation species and combinations of artificial and natural regeneration, to optimize sustainable productivity as the best basis for long-term sustainable forest management;
4. the Secretariat should explore ways to assist Member countries which may require and request such assistance to secure the necessary technical and financial support to supplement their national capability to develop their own administrative and operational guidelines, for example by means of projects, or in co-ordination with international organizations, multilateral and bilateral aid donors and other appropriate sources of direct assistance to the country concerned;

b) To Producer Countries of ITTO

5. the Group recommends urgent action to develop, adopt and enforce guidelines and codes of practice at all necessary levels of operation, and to such degrees of detail as may be needed to ensure their effective application for sustainable management of the forests, based on the principles adopted by ITTO and in accordance with the specific forest policies of each country;

c) To Consumer Countries of ITTO

6. the Group recommends the provision of all necessary technical and financial assistance in response to requests from individual tropical timber producing countries, to strengthen their own capabilities to develop their own guidelines and codes of

practice, in accordance with the international standards agreed within the ITTO.

B. WORKING GROUP PROCEDURE

1. Terms of Reference

- 1.1 Under the "Programme of Work for ITTO in the Field of Reforestation and Forest Management for the Year 1990", endorsed by the Council, a small Working Group was formed to perform two main tasks:
- i. to develop recommendations and principles for how the proposed Guidelines were to be prepared, and
 - ii. to advise the Secretariat on the action to be taken for commissioning the preparation of the Guidelines for Best Known Practice.
- 1.2 In defining the tasks to be given to the Working Group, the Committee decided that it would not be appropriate to ask the Group to first define the terms "sustainability" or "sustained management", since, to be explicit, such definitions had to relate to specific situations and management objectives. The Group was therefore requested to lay down principles and recommendations as the basis for more specific action to follow.

2. Method of Work

- 2.1 The composition of the Group was designed to ensure balanced representation of producer and consumer countries, with the participation of representatives of international (FAO) and non-governmental (WWF) organizations, and of the timber trade, under the overall guidance of the Chairman and Vice-Chairman of the Committee for Reforestation and Forest Management, assisted by the Secretariat (see list of participants in Appendix 7).
- 2.2 The Overseas Development Administration (ODA) of the United Kingdom had earlier agreed to commission the International Institute for Environment and Development (IIED) to prepare a background paper providing an outline or synopsis for the Guidelines. Australia volunteered, at the Fifth Committee Session, to make available an expert and the experience of Australia in the development and operation of forest management codes of practice, to assist the work of the Group. This involved a visit to London by the Australian specialist (Dr. M. Higgs) who worked together with the IIED specialist in the final stages of preparation of the background paper, to produce a draft model of an Australian Forest Practices Codes, as a working example. The background paper was completed in February 1990 and distributed to all members of the Group, together with a copy of the Australian model, in advance of the Group meeting.
- 2.3 The Group met once only, on 13 and 14 March 1990, in London. The meeting was hosted by the ODA and organized by the IIED, who assisted the Secretariat in keeping the record of proceedings. At the invitation of the Chairman the working sessions were chaired by Mr. R.H. Kemp (ODA). Following his very valuable contribution in the

preparatory stage, Dr. Higgs was unfortunately not able to attend the actual meeting, which expressed appreciation of the Australian contribution to the work of the Group.

- 2.4 The Group was unanimous in the view that the development of effective guidelines must be carried out in two stages of which the first is the establishment by ITTO of the principles which must form the basis for an agreed international standard. A synopsis of the proposed principles and associated actions is given in Section C of this report, supported by appendices indicative of possible elements of more detailed guidelines, manuals and codes of practice to be developed nationally.

C. SYNOPSIS OF GUIDELINES

1. Key Considerations

In considering the nature and sequence of action to recommend to ITTO to commission the preparation of Guidelines, the Group agreed on the following key conclusions:

- 1.1 Effective applications of guidelines depends fundamentally on political action at a high level in the country concerned, including appropriate legal, fiscal, financial and manpower provisions, and extending to broader government policies outside the immediate forestry sector, for example in land use and long-term development plans. (See also Appendix 6)
- 1.2 While the central concern of ITTO is the sustainable production of tropical timber, the concept of sustainability in the Guidelines must include the conservation of other products and benefits from the forest, including ecological, environmental and social as well as economic values and objectives.
- 1.3 Guidelines and codes of practice must try to ensure equitable distribution of incentives, costs and benefits associated with sustainable forest management between the principal participants, namely the forest authority, forest owners, concessionaires, and local communities.
- 1.4 The concept of sustainability also includes proper provision for the needs of future generations as well as those of present populations (see also Appendix 5 for the UNEP statement on sustainable development).
- 1.5 It is acknowledged that improving forest management practices is an essential and desirable objective and an activity that is to be supported wherever the opportunity arises.
- 1.6 Management for timber production can only be sustained in the long-term if it is economically viable, taking full account in the economic valuation of all relevant costs and benefits from the conservation of the forest and its ecological and environmental influences.

- 1.7 Identifying management practices that will lead to sustainable management is a complex issue requiring significant additional scientific and administrative research.
- 1.8 Guidelines for sustainable management must apply to all production forests, including plantations. Nevertheless, the most urgent need is to ensure sustainable management of the natural tropical forests assigned for timber production.
- 1.9 Internationally accepted standards and guidelines for sustainable management will be valueless unless properly applied at all appropriate levels of management and forest operations. To be effective, codes of practice must be closely adapted to the local ecological and socio-economic conditions, and be sufficiently detailed to provide clear guidance on action to be taken at all operational levels.
- 1.10 It follows from the above considerations that guidelines and codes of practice must be produced within, and under the direct guidance of, each country, while at the same time incorporating the principles adopted by ITTO as the essential components of guidelines to meet the agreed international standard. The Tropical Forestry Action Plan provides a mechanism through which such standards could be introduced at the policy and planning levels in individual countries.
- 1.11 The introduction by a country of the appropriate policy and institutional framework for sustainable forest management, and the initiation of effective guidelines and codes of practice, should be conducive to more stable and favourable investment and market opportunities in the sector. They should also attract technical and financial assistance, if needed, to elaborate and apply sustainable management practices.
- 1.12 In the following Section 3 a synopsis of the key principles and associated action is given. Where appropriate, indications of more detailed elements for possible inclusion in national guidelines, manuals and codes of practice are given in the Appendices.

2. Conclusions

- 2.1 Sustainable production of tropical timber is at the centre of the interests of both producer countries and consumer countries in the ITTO.
- 2.2 Guidelines for forest operations are essential to achieve sustainable production of timber, in harmony with conservation and management of the many other goods and benefits of the forest, including its ecological and environmental influences.
- 2.3 The production, application and enforcement of such guidelines and codes of practice are essentially matters for national action at various levels in the timber producing countries.
- 2.4 The adoption by ITTO and its Member countries of an international standard for guidelines for sustainable forest management is in the best interest of all producer and consumer countries which are

concerned with the efficient and sustainable development of the tropical forest resources and forest-based industries.

2.5 It should be a high priority of ITTO.

- i. to define the essential principles and associated actions which should be included in each country's national guidelines and codes of practice in order that they may conform to the international standard agreed within the Organization; and
- ii. to assist member countries which may need and request such assistance to obtain such outside technical and financial help as they may require to develop their own national guidelines and codes of practice.

3. Policy and Legislation

3.1 Forest Policy

Principle 1. A strong and continued political commitment at the highest level is indispensable for sustainable forest management to succeed. (See Appendix 6)

Possible action 1. A national land use policy aiming at the sustainable use of all natural resources, including the establishment of a permanent forest base, should be developed and adopted.

Possible action 2. A national forest policy forming an integral part of the national land use policy, assuring a balanced use of forests, should be formulated by means of a process seeking the consensus of all the actors involved: government, local population and the private sector.

Possible action 3. The organization of seminars for discussing policy, involving the above-mentioned interest groups.

Considerations in deciding a forest policy include the present proportion of land under forest; needs of protection and conservation of biological diversity (see Appendix 1); needs and aspirations of present and future generations of the population; the place of forestry in national economic planning; the various objectives of forest policy and relative importance of these; the amount of public and private forests.

Principle 2. An agreed forest policy should be supported by appropriate legislation which should, in its turn, be in harmony with laws concerning related sectors.

Possible action 4. Laws and regulations at appropriate national and local government levels should be enacted, or revised as needed, to support the established forest policy, in harmony with policies, laws and regulations in related sectors.

Principle 3. There should be a mechanism for regular revision of policy in the light of new circumstances and/or availability of new information.

Possible action 5. Provision of adequate funds for research and monitoring to allow updating of policies.

Possible action 6. Research on valuation of full economic benefits (total of marketed and non-marketed goods and services), provided by forests primarily managed for timber production, to enable foresters to better state the case for natural forest management for sustained timber production.

3.2 National Forest Inventory

Principle 4. A national forest inventory should establish the importance of all forests independently of their ownership status, for the purposes identified in section 3.1 (see also Appendix 2).

Principle 5. There should be flexible provisions for such inventories to be broadened to include information not previously covered, if and when the need and opportunity for such additional information arises.

3.3 Permanent Forest Estate

Principle 6. Certain categories of land, whether public or private, need to be kept under permanent forest cover to secure their optimal contribution to national development.

Principle 7. The different categories of land to be kept under permanent forest are (see also Appendix 1): land to be protected; land for nature conservation; land for production of timber and other forest products; land intended to fulfil combinations of these objectives.

Possible action 7. To identify, survey and boundary mark the various categories of the Permanent Forest Estate, in consultation with surrounding populations, taking into account their present and future needs for agricultural land and their customary use of the forest.

Principle 8. Land destined for conversion to other uses (agriculture, mines, etc.), and any land for which the final use is uncertain, should be kept under managed forest until the need for clearing arises.

3.4 Forest Ownership

Principle 9. The principles and recommendations for implementation in these guidelines apply equally strictly to national forests and privately owned or customarily held forests.

3.5 National Forest Service

Principle 10. There should be a national agency capable of managing the government forest estate, and assisting in the management of private and customarily held forests, according to the objectives laid down in the national forest policy.

Possible action 8. Provide for such a national agency.

4. Forest Management

Principle 11. Forests set aside for timber production are able to fulfil other important objectives, such as environmental protection and, to a varying extent, conservation of species and ecosystems. These multiple uses should be safeguarded by the application of the environmental standards, spelled out below, to all forest operations.

4.1 Planning

Principle 12. Proper planning, at national, forest management unit and operational levels, reduces economic and environmental costs and is therefore an essential component of long-term sustainable forest management.

Possible action 9. To make adequate provision for forest management planning capacity at all administrative levels.

4.1.1 Static and dynamic inventory

Principle 13. The forests set aside for timber production should be the subject of a more detailed inventory to allow for planning of forest management and timber harvesting operations. The question of type and quantity of data to be gathered should be the subject of cost-benefit analysis.

Possible action 10. Carry out inventories, concentrating on quantities of timber of currently and potentially commercial tree species of the forest for future timber production (see also Appendix 2).

Possible action 11. To establish representative series of permanent sample plots.

4.1.2 Setting of management objectives

Principle 14. Management objectives should be set rationally for each forest management unit. Formulation of objectives should allow the forest manager to respond flexibly to present and future variations in physical, biological and socio-economic circumstances, keeping in mind the overall objectives of sustainability.

Principle 15. The size of each production forest management unit should preferably be a function of felling cycle, the average harvested volume per ha and annual timber outturn target of the operating agency (state forest enterprise, concessionaire, etc.).

4.1.3 Choice of silvicultural concept

Principle 16. The choice of silvicultural concept should be aimed at sustained yield at minimum cost, enabling harvesting now and in the future, while respecting recognized secondary objectives.

Possible action 12. To gather information which provides the basis for rational choice of silvicultural practices, such as inventories and measurements from growth and yield plots, as well as data on market demand for various end uses of timber products. A true

progressive silvicultural system should be developed by gradually improving on these practices as better information becomes available. The harvesting intensity and the design of harvesting pattern should be integral parts of the silvicultural concept.

4.1.4 Yield regulation, Annual Allowable Cut (AAC)

Principle 17. In order to ensure a sustained production of timber from each forest management unit, a reliable method for controlling timber yield should be adopted.

Possible action 13. The Annual Allowable Cut (AAC) should be set conservatively in the case of absence of reliable data on the regeneration and growth dynamics of tree species, especially with regard to diameter increment and response to the effect of logging on trees and soil. This applies both to tree species which, under current market conditions, are desirable or which have the potential to become commercially attractive in the future, recognizing that domestic and world markets for forest produce are under very dynamic development. In practice, this will often mean conservative setting of rotation length, felling cycle and girth limits. As and when permanent sample plots begin to yield more reliable information about dynamics of desirable species, a reassessment of AAC should be considered.

Possible action 14. To make provision for regular review of AAC (5-yearly) in order to take account of replacement of original forests by managed forests and the transfer of conversion forest to other uses. In the longer term, stand modelling should be introduced to assure efficient and responsible yield regulation.

4.1.5 Management inventory and mapping

Principle 18. A management inventory supported by a detailed map is indispensable to the preparation of working plans for each forest management unit.

Possible action 15. Management inventory and mapping should be carried out.

4.1.6 Preparation of working plans

Principle 19. Working Plans should guarantee the respect of environmental standards in field operations.

Possible action 16. Preparation of Working Plans including the following details (see also 4.2.3):

- * sequence of annual harvesting areas and allocation of all-weather and dry-weather areas;
- * areas to be excluded from harvesting;
- * road and extraction track lay out;

* details of marking, harvesting, post-harvesting inventory;
silvicultural treatments;

* fire management plan.

4.1.7 Environmental impact assessment

Principle 20. Forest management operations can have important positive or negative environmental consequences, both in the forest itself and outside (trans-boundary effects). These consequences should be assessed in advance of operations to ensure overall sustainability.

Possible action 17. Specify conditions under which an Environmental Impact Assessment (EIA) should be required.

Possible action 18. Design EIA procedure and provide for qualified staff to carry out EIAs.

4.2 Harvesting

Principle 21. Harvesting operations should fit into the silvicultural concept, and may, if they are well planned and executed, help to provide conditions for increased increment and for successful regeneration. Efficiency and sustainability of forest management depend to a large extent on the quality of harvesting operations. Inadequately executed harvesting operations can have far-reaching negative impacts on the environment, such as erosion, pollution, habitat disruption and reduction of biological diversity, and may jeopardize the implementation of the silvicultural concept.

4.2.1 Pre-harvest prescriptions

Principle 22. Pre-harvest prescriptions are important to minimize logging damage to the residual stand, to reduce health risks for logging personnel and to attune harvesting with the silvicultural concept.

Possible action 19. To draw up detailed prescriptions, including measures such as climber cutting, marking of trees to be felled and/or residuals to be retained and indications of extraction direction and felling direction.

4.2.2 Roads

Principle 23. Planning, location, design, and construction of roads, bridges, causeways and fords should be done so as to minimize environmental damage.

Possible action 20. Limits to dimension, road grades, drainage requirements and conservation of buffer strips along streams should be specified (see further Appendix 3).

4.2.3 Extraction

Principle 24. Extraction frequently involves the use of heavy machinery and, therefore, precautions must be taken to avoid damage.

Possible action 21. A logging plan should be drawn up including:

- * areas where logging is subject to special restrictions or forbidden (flora and fauna conservation and soil protection areas, buffer strips, sites of cultural interest);
- * specifications for construction and restoration of skidding tracks, watercourse crossings and log landing (including drainage);
- * wet weather limitations;
- * allowed harvesting equipment;
- * machine operator responsibilities (directional felling, etc.); marking of trees to be retained and trees to be removed (see further Appendix 3).

4.2.4 Post-harvest stand management

Principle 25. Post-harvest operations are necessary to assess logging damage, the state of forest regeneration, the need for releasing and other silvicultural operations to assure the future timber crop.

Possible action 22. Carry out post-harvest inventory, establishing the need for silvicultural interventions.

4.3 Protection

4.3.1 Control of access

Principle 26. Permanent production forest should be protected from activities that are incompatible with sustainable timber production, such as the encroachment by shifting cultivators often associated with the opening up of the forest.

Possible action 23. Access to logging roads that are not part of the national infrastructure (i.e. through-roads) should be strictly controlled. Consideration should be given to the possibility of managing special buffer zones, bordering the production forest, for the benefit of the local population.

4.3.2 Fire

Principle 27. Fire is a serious threat to future productivity and environmental quality of the forest. Increased fire risk in areas being logged, and even more so in areas which have been logged, demands stringent safety measures.

Possible action 24. A fire management plan should be established for each forest management unit, taking into account the degree of risks. The fire management plans may include regular clearing of boundaries between the forest estate and other areas, and between forest blocks within the forest estate. In areas being logged or already logged, additional safety measures such as restrictions on use of fire, keeping corridors between blocks free of logging debris, etc., should

be specified. Advance warning systems, including those that are satellite based, should be used.

4.3.3 Chemicals

Principle 28. Chemicals, such as the ones used in silvicultural treatment, constitute risks both in terms of personnel safety and environmental pollution.

Possible action 25. Instructions for handling and storage of chemicals and waste oil should be provided and enforced. Special restrictions are to apply near watercourses and other sensitive areas.

4.4 Legal Arrangements

4.4.1 Concession agreements

Principle 29. There should be incentives to support long term sustainable forest management for all parties involved. Concessionaires should have the long term viability of their concession provided for (mainly by government controlling access to the forest); local population should benefit from forest management (Section 4); government should receive sufficient revenue to continue its forest management operations.

Possible action 26. Concession legislation should be adopted or reinforced to cover the following aspects: the responsibilities and authority of the forest service and the responsibility of the concessionaires; the size and duration of concession or licence; conditions for renewal and termination.

Concession legislation is to include (see also Appendix 4):
(a) categories of contracts, and application and granting procedures;
(b) objects of the contract; (c) rights granted and rights withheld;
(d) establishment or expansion of local wood-processing units; (e) felling, wood extraction and transport; (f) road construction and improvement of infrastructure; (g) forest management and reforestation; (h) forest taxes, stumpage and other fees; (i) control, supervision, and sanctions for disrespect of concession terms; (j) other general provisions; (k) other environmental considerations.

4.4.2 Logging permits on private or customarily held land

Principle 30. For private or customarily held forests the basic approach to sustainability is the same as for government forests (see 4.4.1).

Principle 31. The national forest service should provide assistance to customary rights holders and private forest owners to manage the forests sustainably.

Possible action 27. Provide for or strengthen a forestry extension service which can provide forest management training for various categories of landholders.

4.4.3 Salvage permits

Principle 32. Timber from forest land to be converted to other uses, and from forests damage by hurricanes and other disasters should be optimally utilized. At the same time, disruption of management of the permanent production forest should be prevented.

Possible action 28. Devise mechanisms to provide for orderly introduction of timber from salvage operations into the market.

Possible action 29. Provide for volume adjustment of log removal from logging concessions to account for timber, including material of below-minimum exploitable diameter, becoming available from conversion land.

4.5 Monitoring and Research

Principle 33. Monitoring and research should provide feedback about the compatibility of forest management operations with the objectives of sustainable timber production and other forest uses.

4.5.1 Yield control and silviculture

Possible action 30. Develop design of Permanent Sample Plot (PSP) procedure (distribution, number, design, minimum measurements) and of monitoring of PSPs to increase accuracy of Annual Allowable Cut calculations.

Possible action 31. Assessment of compatibility of management practices and silvicultural systems by carrying out regeneration surveys, and studies on need for post-harvest stand treatment and other relevant subjects.

Possible action 32. To study the dynamics of main timber species to enable stand modelling.

4.5.2 Environmental impact studies

Possible action 33. To assess compatibility of logging practices with declared secondary objectives such as conservation and protection, and with the overall principle of sustainability.

5. Socio-Economic and Financial Aspects

Principle 34. Sustained timber production depends on an equitable distribution of incentives, costs and benefits, associated with forest management, between the principal participants, namely the forest authority, forest owners, concessionaires and local communities.

5.1 Relations with Local Populations

Principle 35. The success of forest management for sustained timber production depends to a considerable degree on its compatibility with the interest of local populations

Principle 36. Timber permits for areas inhabited by indigenous peoples should take into consideration the conditions recommended by the World Bank and the ILO for work in such areas inter alia.

Possible action 34. Provisions should be made: for consultation with local people, starting in the planning phase before road building and logging commences; for continued exercise of customary rights; for concession agreements and other logging permits to cover the extent of assistance, employment, compensation, etc., to be provided.

5.2 Economics, Incentives, Taxation

Principle 37. Management for timber production can only be sustained in the long-term if it is economically viable, (taking full account in the economic value of all relevant costs and benefits from the conservation of the forest and its ecological and environmental influences).

Possible action 35. National and international marketing efforts should be intensified in order to realize highest possible value of forest products and improved utilization of the resources from sustainably managed forests.

Principle 38. A share of the financial benefits accruing from timber harvesting should be considered and used as funds for maintaining the productive capacity of the forest resource.

Principle 39. Forest fees and taxes should be considered as incentives to encourage more rational and less wasteful forest utilization and the establishment of an efficient processing industry, and to discourage high-grading and logging of forests which are marginal for timber production. They should be and remain directly related to the real cost of forest management. Taxation procedures should be as simple as possible and clear to all parties involved.

Principle 40. In order to achieve the main principle of good and sustainable management, forest fees and taxes may need to be revised at relatively short notice, due to circumstances outside the control of loggers and the forest agency (e.g. fluctuations in international timber market and currencies). The national forest agency should be granted the authority to carry out such revisions.

Principle 41. Continuity of operations is essential for sustainable forest management.

Possible action 36. In order to remain operational even in adverse budget situations, the forest authority should be granted a certain degree of financial autonomy which, among other things, should allow the accumulation of funds. This can be achieved e.g. by allowing the forest authority to collect part and maybe the full amount of forest fees and taxes without intervention from other government departments.

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APPENDIX 1. CATEGORIES OF FOREST LAND

(a) Forests where logging is not allowed.

- protection forests on fragile lands

Fragile lands to be kept under permanent forest cover comprise: critical soils; catchment areas; steep slopes; land at high altitudes. Main criteria are related to erodibility of the soil (function of climate, especially amount and intensity of rainfall, parent material and angle of slope). Other criteria are inherent infertility and unsuitability for harvesting, eg. mountain or mist forest, ("unproductive forest").

- forests set aside for plant and animal species and ecosystem preservation

Forests set aside for the purpose of nature conservation should be designed to preserve a representative sample of ecosystems, areas of high biodiversity, and habitats of endangered species and of wide-ranging and migratory species. These measures to be supplemented by restrictions on the use of certain additional forest areas for the conservation of wide-ranging vertebrate species.

(b) Production forest, for the sustained production of timber and other forest products, often with protection and/or nature conservation as recognized secondary objectives. Areas to be chosen because of their potential to provide a yield of high-quality timber in perpetuity. (Production forest should not be a residual use.) This category may also include areas of degraded land appropriate for reforestation.

Categories (a) and (b) together constitute the permanent forest estate.

(c) Conversion forest. Land destined, in the national or regional land use plans, to be converted to other uses should be kept under forest until required, and meanwhile harvested according to the same guidelines as the Permanent Production Forest. The same should apply to forest land of which the final use is not yet determined.

APPENDIX 2. NATIONAL FOREST INVENTORY

a. National Inventory

A national inventory of the present state of all forested land should be carried out to establish its suitability for the following purposes:

- production of timber (quantifying standing timber volume of both presently merchantable and as yet unmarketable species, and regenerative capacity);
- production of non-timber products (both of present and potential value);
- protection, including that of climate;
- nature conservation;
- various agricultural and other land uses.

The most appropriate use should be made of satellite and computer technology.

b. Static and dynamic inventory

The main purpose of static and dynamic inventory is to assess possibilities for timber harvesting and longer-term timber production. Quantitative information should be gathered on both commercial and presently non-commercial species, including the lower diameter classes, and regeneration,.

The conditions under which inventories of various scales and intensities should be used need to be established.

During timber inventories, other aspects of the forest, such as its importance for wildlife populations and the occurrence of non-timber forest products, can be qualitatively assessed at little extra cost. Cooperation with other institutions and facilitation of the exploitation of inventory data by researchers from other disciplines can help to improve the utility of forest inventories.

The history of management of a forest should be recorded if known.

APPENDIX 3. ROADS AND HARVESTING

The following considerations are important on grounds of efficiency and to keep environmental damage to the minimum:

- (a) Upper limits to ramp, road and harvesting track dimensions, and clearing width for various categories of extraction roads.
- (b) Location of roads, for minimum earthworks and ease of drainage. Maximum allowable road grades and exceptions to this condition (where construction can be significantly shortened or earthworks reduced, and adequate drainage can be installed).
- (c) Drainage may be either side (turnout) drains, inverts or cross drains, or simply points along a track or road which, by their nature or design, are to remove water from the track or road.
- (d) Avoiding soil displacement (for instance side cutting) as much as possible during harvesting track construction.
- (e) Stream crossing design. Permanent crossing construction specifications. Temporary crossing to be located on sites with stable stream bed material and where bank restoration will be possible. Crossing to be corduroyed with logs or constructed of stable gravel material if necessary.
- (f) Definition of bufferstrips or streamside reserves and other "No-go" areas, to remain undisturbed except where through access has been approved. Widths of strips in proportion to watercourse width.
- (g) Logging vehicles, wheeled versus tracked. Maximum blade width for harvesting machines. All machines to be fitted with a winch carrying a minimum amount of wire rope.
- (h) Feller and machine operator responsibilities (directional felling, etc.)
- (i) Indication of periods when logging is to be restricted or stopped altogether for climatic reasons and conditions to be fulfilled for (reduced) logging to continue during climatically unfavourable periods (quality of drainage works, volume of cut, immediate snigging and hauling, area restrictions, provision for district forester to stop logging operations if the weather makes this necessary).
- (j) Marking of trees to be retained: seed-bearers and healthy, growing trees of desirable species which have outstanding vigour and form. Criteria for and spacing of seed trees.
- (k) Marking of trees for removal: all commercial stems over exploitable diameter as well as those stems below minimum exploitable diameter that are defective or severely damaged, and will produce a log of minimum standard.
- (l) Penalties for avoidable damage to the retained stand.

- (m) Logging should be carried out according to a logging plan. A logging plan, with maps, should include:
- the area boundaries as they are to be marked in the field (Boundaries are to follow creeks wherever possible to minimize the number of creek crossings.);
 - special management zones, covering all areas where logging is subject to special conditions or restrictions (areas of scientific or landscape significance, erosion prone sites or particularly steep sites);
 - designated streams that are to be left undisturbed for reasons of erosion risk or wildlife habitat;
 - haulage roads;
 - major arterial harvesting tracks;
 - landings;
 - roads;
 - drainage;
 - buffer strips/streamside reserves;
 - watercourse crossings (permanent and temporary);
 - harvesting equipment.

APPENDIX 4. CONCESSION LEGISLATION

General considerations for concession agreements concern the relative responsibilities of the Forest Department and concessionaires, the size and duration of concession or licence and conditions for renewal.

The following is a list of what elements concession legislation is to include:

- (a) Categories of contracts and application and granting procedures. Minimum requirements and obligations related to a certain type of contract; public announcement of new concession areas; documents and information to be submitted with the application; government services and committees to be concerned with the selection of candidates; involvement of the Forest Department.
- (b) Concerned parties and objects of the contract. Responsible agency issuing the contract; name, address and legal status of the grantee; description of the allocated areas; contract duration; date from which the contract becomes valid; official registration of granted contracts; renewal of expired contracts.
- (c) Rights granted and rights withheld. Exclusive or non-exclusive rights to harvest timber; right to construct and operate logging roads; right to establish and operate logging camps, office buildings and wood-processing facilities; hunting and fishing rights; rights of access; rights of the local population; harvesting of non-timber products.
- (d) Establishment or expansion of local wood-processing units. Minimum percentage of raw material to be processed; type of conversion unit to be established; investment to be effected; time-schedule for commencement of operations.
- (e) Felling, wood extraction and transport. Minimum and maximum volume to be harvested annually; annual allowable cut by species or groups of species; submission of felling programmes; working of area in subsequent coupes; felling restrictions and minimum diameter for cutting.
- (f) Road construction and improvement of infrastructure. Minimum construction standards for forest roads; responsibility for maintenance; legal status of roads constructed by the grantee; facilities of public interest to be constructed (e.g. community roads, school buildings and hospitals).
- (g) Forest management and reforestation. Preparation and revision of forest inventories, forest maps, and management plans; minimum tasks to be performed by the grantee with regard to forest protection and silviculture; annual reforestation programme; employment of technically qualified personnel.

- (h) Forest taxes, stumpage and other fees. Categories of taxes and fees to be levied in exchange for the granted harvesting rights; methods of assessment (stumpage appraisal, standard fees, etc.); collection procedures.
- (i) Control, supervision and sanctions. Inspection of granted areas and premises thereon; timber (hammering) marks; control inventories by forest officers; records and documents to be regularly submitted by the grantee; annual cutting permit; deposit of surety bond; penalty payments; suspension of operations; cancellation of contract.
- (j) Other general provisions. Applicable arbitration procedures; applicable law and jurisdiction; removals of equipment and machinery after cancellation or termination of contract; continuation of wood-processing units linked to a particular concession area; health and safety requirements.
- (k) Other environmental considerations. Areas to be excluded from felling; modifications of harvesting to take into consideration requirements related to sustainable management of genetic resources of plants and animals and protection of ecosystems, watersheds and erosion-prone sites.

APPENDIX 5. UNITED NATIONS ENVIRONMENT PROGRAMME STATEMENT
ON SUSTAINABLE DEVELOPMENT

Governing Council
Fifteenth Session, 23 May 1989

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs and does not imply in any way encroachment upon national sovereignty. The Governing Council considers that the achievement of sustainable development involves co-operation within and across national boundaries. It implies progress towards national and international equity including assistance to developing countries, in accordance with their national development plans, priorities and objectives. It implies further the existence of a supportive international economic environment that would result in sustained economic growth and development in all countries, particularly in developing countries, which is of major importance for sound management of the environment. It also implies the maintenance, rational use and enhancement of the natural resource base that underpins ecological resilience and economic growth. Sustainable development further implies incorporation of environmental concerns and considerations into development planning and policies, and does not represent a new form of conditionality in aid or development financing.

APPENDIX 6. INDICATIVE SCHEME OF PREREQUISITES FOR SUSTAINABLE
MANAGEMENT AT VARIOUS LEVELS, INCLUDING GUIDELINES

	National level	Management unit level	Local level
Land use policy and legislation	eg. * establishing a permanent forest base	eg. * demarking forest boundaries and buffer zones	
Forest policy including forest use planning	eg. * national inventory * assuring a balanced use of forests * concession legislation * assuring conditions for implementation	* designating categories of forest land * inventory	
Forest planning and management	eg. * providing guidelines for management units	eg. * adaptation of national guidelines * choice of silvicultural system * providing operational guidelines	eg. * adaptation of operational guidelines * preparation of working plan
Operation		eg. designing roads	eg. * machine operator responsibilities

The table shows actions and outputs at different levels which in combination constitute the prerequisite for sustainable management. Some of the outputs are the consequence of other higher ranking outputs, others are complementary to each other.

APPENDIX 7. MEMBERS OF THE WORKING GROUP ON "BEST KNOWN
PRACTICE" IN NATURAL FOREST MANAGEMENT

- Committee Chairman: Mr. Enrique Toledo
Consultor de Industrias Forestales
Av. Santa Cruz 779
Dpto. 201, Lima 18, Peru
Tel : (51) 14-477955
Fax : (51) 14-440854, 14-470045
- Committee Vice-chairman: Mr. Eric Lammerts van Bueren
Director
The Tropenbos Programme
Galvanistraat 9
6716 AE Ede, the Netherlands
Tel : (31) 8380-38893
Fax : (31) 8380-21422
Tlx : 30169
- Producer Representatives: Dr. Amantino Ramos de Freitas
Director of the Timber Division
The Institute for Technological
Research
Av. Professor Almeida Prado, 532
Caixa Postal No. 7141
São Paulo - SP, Brazil
Tel : (55) 11-2682211 Ex. 515/418,
11-869-7738
Fax : (55) 11-8693353, 2688140
Tlx : 00381183144 INPBR, 1180934,
1180170
- Dr. Ofosu Asiedu
Director
Forest Products Research Institute
Box 63, Kumasi, Ghana
Tlx : 00943031 BTH1-GH
- Dr. Tho Yow Pong
Director
Forest Environmental Sciences Division
Forest Research Institute of Malaysia
Kepong, Selangor, 52109 Kuala Lumpur
Malaysia
Tel : (60) 3-6342633
Fax : (60) 3-6367753

Consumer Representatives: Mr. David A. Harcharik
Director, International Forestry
U.S. Forest Service
Room 51LL-RP
U.S. Department of Agriculture
P.O. Box 96090
Washington D.C. 20090-6090, U.S.A.
Fax: 1-703-235-3732

(Participated in
the preparatory
work and provided
written material
for the meeting.)

Dr. Marcus Higgs
Land Resources Division
Department of Primary Industries
and Energy
GPO Box 858
Canberra ACT 2601, Australia
Tel : (61) 62-724212
Fax : (61) 62-724526

Mr. Katsuhiko Kotari
Special Assistant to the President
Japan International Co-operating Agency
P.O. Box 216, Mitsui Building
Shinjuku-ku, Tokyo 160, Japan
Tel: 81-3-346-5014
Fax: 81-3-346-5032

Environmental NGO's:

Mr. C. Elliott
Conservation Office
World Wide Fund for Nature
CH-1196 Gland, Switzerland
Tel : (41) 22-647181
Fax : (41) 22-644238
Tlx : 0045419618 WWFCH

Trade:

Dr. H.L. Stoll
Hinrich Feldmeyer GmbH & Co.KG
Windhukstrasse 15
Postfach 210151
D-2800 Bremen 21
The Federal Republic of Germany
Tel : (49) 421-640071
Fax : (49) 421-641285

UN Agencies:

Ms. C. Palmberg
Chief FORM
Forestry Department, FAO
Via delle Terme di Caracalla
00100 Rome, Italy
Tel : (39) 6-57971
Fax : (39) 6-57975137
Tlx : 610181 FAOI

Consultants:

Mr. R. Kemp
Deputy Chief Natural Resources Adviser
Overseas Development Administration
Eland House, Stag Place
London SW1E 5DH, U.K.
Tel : (44) 1-2730314
Fax : (44) 1-2730652, 1-2730634
Tlx : 0051263907

Mr. Simon Rietbergen
International Institute for Environment and
Development (IIED)
3 Endsleigh Street
London WC1H 0DD, United Kingdom
Tel : (44) 1-3882117
Fax : (44) 1-3882826
Tlx : 0051261681

ITTO Secretariat:

Dr. N. Svanqvist
Assistant Director
Reforestation and Forest Management
ITTO

Annex II

PERMANENT COMMITTEE ON REFORESTATION
AND FOREST MANAGEMENT
Sixth Session
Denpasar, Bali, Indonesia
16 - 23 May 1990

Dist. GEN.
PCF(VI)/16
21 May 1990
Original: English

ITTO GUIDELINES

FOR

THE SUSTAINABLE MANAGEMENT OF NATURAL TROPICAL FORESTS

1. Introduction

These guidelines contain a set of principles which constitutes the international reference standard established by ITTO for the development of more specific guidelines, at the national level, for sustainable management of natural tropical forests for timber production. The development, application and enforcement of national guidelines based on this standard are matters for national decision by individual timber producing countries.

The present reference standard is based on the report of a Working Group established in accordance with Council Decision 3(VII). It has been elaborated on the basis of the Terms of Reference provided by the programme of work for ITTO in the field of reforestation and forest management for the year 1990, endorsed by the Council at its Seventh Session in November 1989. The Working Group Report was tabled at the Sixth Session of the Permanent Committee on Reforestation and Forest Management and adopted by the Eighth Session of the Council in May 1990. This initiative of ITTO refers to objective 1(h) of the International Tropical Timber Agreement, 1983: "To encourage the development of national policies aimed at sustainable utilization and conservation of tropical forests and their genetic resources, and at maintaining the ecological balance in the regions concerned."

The adoption by ITTO and its member countries of international guidelines that constitute a reference standard for sustainable management of natural forests is in the best interest of all producer and consumer countries which are concerned with the efficient and sustainable development of the tropical forest resources and forest-based industries.

ITTO attaches high priority to the definition of the essential principles and associated actions which should serve to guide the development of national guidelines in each country, in order that they may conform to the international reference standard agreed within the Organization. The Organization also gives high priority to assist member countries, which may need and request such assistance, to obtain such outside technical and financial help as they may require to develop their own national guidelines.

The ITTO guidelines are presented in the form of principles and possible actions covering considerations ranging from general policy to forestry operations aspects. Where available, examples of elements for possible inclusion in national and operational guidelines are given in appendices.

2. Policy and Legislation

2.1 Forest Policy

Principle 1. A strong and continued political commitment at the highest level is indispensable for sustainable forest management to succeed. (See Appendix 6)

Possible action 1. A national land use policy aiming at the sustainable use of all natural resources, including the establishment of a permanent forest base, should be developed and adopted.

Possible action 2. A national forest policy forming an integral part of the national land use policy, assuring a balanced use of forests, should be formulated by means of a process seeking the consensus of all the actors involved: government, local population and the private sector.

Possible action 3. The organization of seminars for discussing policy, involving the above-mentioned interest groups.

Considerations in deciding a forest policy include the present proportion of land under forest; needs of protection and conservation of biological diversity (see Appendix 1); needs and aspirations of present and future generations of the population; the place of forestry in national economic planning; the various objectives of forest policy and relative importance of these; the amount of public and private forests.

Principle 2. An agreed forest policy should be supported by appropriate legislation which should, in its turn, be in harmony with laws concerning related sectors.

Possible action 4. Laws and regulations at appropriate national and local government levels should be enacted, or revised as needed, to support the established forest policy, in harmony with policies, laws and regulations in related sectors.

Principle 3. There should be a mechanism for regular revision of policy in the light of new circumstances and/or availability of new information.

Possible action 5. Provision of adequate funds for research and monitoring to allow updating of policies.

Possible action 6. Research on valuation of full economic benefits (total of marketed and non-marketed goods and services), provided by forests primarily managed for timber production, to enable foresters to better state the case for natural forest management for sustained timber production.

2.2 National Forest Inventory

Principle 4. A national forest inventory should establish the importance of all forests, independently of their ownership status, for the purposes identified in section 2.1 (see also Appendix 2).

Principle 5. There should be flexible provisions for such inventories to be broadened to include information not previously covered, if and when the need and opportunity for such additional information arises.

2.3 Permanent Forest Estate

Principle 6. Certain categories of land, whether public or private, need to be kept under permanent forest cover to secure their optimal contribution to national development.

Principle 7. The different categories of land to be kept under permanent forest are (see also Appendix 1): land to be protected; land for nature conservation; land for production of timber and other forest products; land intended to fulfil combinations of these objectives.

Possible action 7. To identify, survey and boundary mark the various categories of the Permanent Forest Estate, in consultation with surrounding populations, taking into account their present and future needs for agricultural land and their customary use of the forest.

Principle 8. Land destined for conversion to other uses (agriculture, mines, etc.), and any land for which the final use is uncertain, should be kept under managed forest until the need for clearing arises.

2.4 Forest Ownership

Principle 9. The principles and recommendations for implementation in these guidelines apply equally strictly to national forests and privately owned or customarily held forests.

2.5 National Forest Service

Principle 10. There should be a national agency capable of managing the government forest estate, and assisting in the management of private and customarily held forests, according to the objectives laid down in the national forest policy.

Possible action 8. Provide for such a national agency.

3. Forest Management

Principle 11. Forests set aside for timber production are able to fulfil other important objectives, such as environmental protection and, to a varying extent, conservation of species and ecosystems. These multiple uses should be safeguarded by the application of the environmental standards, spelled out below, to all forest operations.

3.1 Planning

Principle 12. Proper planning, at national, forest management unit and operational levels reduces economic and environmental costs and is therefore an essential component of long-term sustainable forest management.

Possible action 9. To make adequate provision for forest management planning capacity at all administrative levels.

3.1.1 Static and dynamic inventory

Principle 13. The forests set aside for timber production should be the subject of a more detailed inventory to allow for planning of forest management and timber harvesting operations. The question of type and quantity of data to be gathered should be the subject of cost-benefit analysis.

Possible action 10. Carry out inventories, concentrating on quantities of timber of currently and potentially commercial tree species of the forest for future timber production (see also Appendix 2).

Possible action 11. To establish representative series of permanent sample plots.

3.1.2 Setting of management objectives

Principle 14. Management objectives should be set rationally for each forest management unit. Formulation of objectives should allow the forest manager to respond flexibly to present and future variations in physical, biological and socio-economic circumstances, keeping in mind the overall objectives of sustainability.

Principle 15. The size of each production forest management unit should preferably be a function of felling cycle, the average harvested volume per ha and annual timber outturn target of the operating agency (state forest enterprise, concessionaire, etc.).

3.1.3 Choice of silvicultural concept

Principle 16. The choice of silvicultural concept should be aimed at sustained yield at minimum cost, enabling harvesting now and in the future, while respecting recognized secondary objectives.

Possible action 12. To gather information which provides the basis for rational choice of silvicultural practices, such as inventories and measurements from growth and yield plots, as well as data on market demand for various end uses of timber products. A true progressive silvicultural system should be developed by gradually improving on these practices as better information becomes available. The harvesting intensity and the design of harvesting pattern should be integral parts of the silvicultural concept.

3.1.4 Yield regulation, Annual Allowable Cut (AAC)

Principle 17. In order to ensure a sustained production of timber from each forest management unit, a reliable method for controlling timber yield should be adopted.

Possible action 13. The Annual Allowable Cut (AAC) should be set conservatively in the case of absence of reliable data on the regeneration and growth dynamics of tree species, especially with regard to diameter increment and response to the effect of logging on trees and soil. This applies both to tree species which, under current market conditions, are desirable or which have the potential to become commercially attractive in the future, recognizing that domestic and world markets for forest produce are under very dynamic development. In practice, this will often mean conservative setting of rotation length, felling cycle and girth limits. As and when permanent sample plots begin to yield more reliable information about dynamics of desirable species, a reassessment of AAC should be considered.

Possible action 14. To make provision for regular review of AAC (5-yearly) in order to take account of replacement of original forests by managed forests and the transfer of conversion forest to other uses. In the longer term, stand modelling should be introduced to assure efficient and responsible yield regulation.

3.1.5 Management inventory and mapping

Principle 18. A management inventory supported by a detailed map is indispensable to the preparation of working plans for each forest management unit.

Possible action 15. Management inventory and mapping should be carried out.

3.1.6 Preparation of working plans

Principle 19. Working Plans should guarantee the respect of environmental standards in field operations.

Possible action 16. Preparation of Working Plans including the following details (see also 3.2.3):

- * sequence of annual harvesting areas and allocation of all-weather and dry-weather areas;
- * areas to be excluded from harvesting;
- * road and extraction track lay out;
- * details of marking, harvesting, post-harvesting inventory; silvicultural treatments;
- * fire management plan.

3.1.7 Environmental impact assessment

Principle 20. Forest management operations can have important positive or negative environmental consequences, both in the forest itself and outside (trans-boundary effects). These consequences should be assessed in advance of operations to ensure overall sustainability.

Possible action 17. Specify conditions under which an Environmental Impact Assessment (EIA) should be required.

Possible action 18. Design EIA procedure and provide for qualified staff to carry out EIAs.

3.2 Harvesting

Principle 21. Harvesting operations should fit into the silvicultural concept, and may, if they are well planned and executed, help to provide conditions for increased increment and for successful regeneration. Efficiency and sustainability of forest management depend to a large extent on the quality of harvesting operations. Inadequately executed harvesting operations can have

far-reaching negative impacts on the environment, such as erosion, pollution, habitat disruption and reduction of biological diversity, and may jeopardize the implementation of the silvicultural concept.

3.2.1 Pre-harvest prescriptions

Principle 22. Pre-harvest prescriptions are important to minimize logging damage to the residual stand, to reduce health risks for logging personnel and to attune harvesting with the silvicultural concept.

Possible action 19. To draw up detailed prescriptions, including measures such as climber cutting, marking of trees to be felled and/or residuals to be retained and indications of extraction direction and felling direction.

3.2.2 Roads

Principle 23. Planning, location, design, and construction of roads, bridges, causeways and fords should be done so as to minimize environmental damage.

Possible action 20. Limits to dimension, road grades, drainage requirements and conservation of buffer strips along streams should be specified (see further Appendix 3).

3.2.3 Extraction

Principle 24. Extraction frequently involves the use of heavy machinery and, therefore, precautions must be taken to avoid damage.

Possible action 21. A logging plan should be drawn up including:

- * areas where logging is subject to special restrictions or forbidden (flora and fauna conservation and soil protection areas, buffer strips, sites of cultural interest);
- * specifications for construction and restoration of skidding tracks, watercourse crossings and log landing (including drainage);
- * wet weather limitations;
- * allowed harvesting equipment;
- * machine operator responsibilities (directional felling, etc.); marking of trees to be retained and trees to be removed (see further Appendix 3).

3.2.4 Post-harvest stand management

Principle 25. Post-harvest operations are necessary to assess logging damage, the state of forest regeneration, the need for releasing and other silvicultural operations to assure the future timber crop.

Possible action 22. Carry out post-harvest inventory, establishing the need for silvicultural interventions.

3.3 Protection

3.3.1 Control of access

Principle 26. Permanent production forest should be protected from activities that are incompatible with sustainable timber production, such as the encroachment by shifting cultivators often associated with the opening up of the forest.

Possible action 23. Access to logging roads that are not part of the national infrastructure (i.e. through-roads) should be strictly controlled. Consideration should be given to the possibility of managing special buffer zones, bordering the production forest, for the benefit of the local population.

3.3.2 Fire

Principle 27. Fire is a serious threat to future productivity and environmental quality of the forest. Increased fire risk in areas being logged, and even more so in areas which have been logged, demands stringent safety measures.

Possible action 24. A fire management plan should be established for each forest management unit, taking into account the degree of risks. The fire management plans may include regular clearing of boundaries between the forest estate and other areas, and between forest blocks within the forest estate. In areas being logged or already logged, additional safety measures such as restrictions on use of fire, keeping corridors between blocks free of logging debris, etc., should be specified. Advance warning systems, including those that are satellite based, should be used.

3.3.3 Chemicals

Principle 28. Chemicals, such as the ones used in silvicultural treatment, constitute risks both in terms of personnel safety and environmental pollution.

Possible action 25. Instructions for handling and storage of chemicals and waste oil should be provided and enforced. Special restrictions are to apply near watercourses and other sensitive areas.

3.4 Legal Arrangements

3.4.1 Concession agreements

Principle 29. There should be incentives to support long term sustainable forest management for all parties involved. Concessionaires should have the long term viability of their concession provided for (mainly by government controlling access to the forest); local population should benefit from forest management (Section 4); government should receive sufficient revenue to continue its forest management operations.

Possible action 26. Concession legislation should be adopted or reinforced to cover the following aspects: the responsibilities and authority of the forest service and the responsibility of the concessionaires; the size and duration of concession or licence; conditions for renewal and termination.

Concession legislation is to include (see also Appendix 4): (a) categories of contracts, and application and granting procedures; (b) objects of the contract; (c) rights granted and rights withheld; (d) establishment or expansion of local wood-processing units; (e) felling, wood extraction and transport; (f) road construction and improvement of infrastructure; (g) forest management and reforestation; (h) forest taxes, stumpage and other fees; (i) control, supervision, and sanctions for disrespect of concession terms; (j) other general provisions; (k) other environmental considerations.

3.4.2 Logging permits on private or customarily held land

Principle 30. For private or customarily held forests the basic approach to sustainability is the same as for government forests (see 3.4.1).

Principle 31. The national forest service should provide assistance to customary rights holders and private forest owners to manage the forests sustainably.

Possible action 27. Provide for or strengthen a forestry extension service which can provide forest management training for various categories of landholders.

3.4.3 Salvage permits

Principle 32. Timber from forest land to be converted to other uses, and from forests damage by hurricanes and other disasters, should be optimally utilized. At the same time, disruption of management of the permanent production forest should be prevented.

Possible action 28. Devise mechanisms to provide for orderly introduction of timber from salvage operations into the market.

Possible action 29. Provide for volume adjustment of log removal from logging concessions to account for timber, including material of below-minimum exploitable diameter, becoming available from conversion land.

3.5 Monitoring and Research

Principle 33. Monitoring and research should provide feedback about the compatibility of forest management operations with the objectives of sustainable timber production and other forest uses.

3.5.1 Yield control and silviculture

Possible action 30. Develop design of Permanent Sample Plot (PSP) procedure (distribution, number, design, minimum measurements) and of

monitoring of PSPs to increase accuracy of Annual Allowable Cut calculations.

Possible action 31. Assessment of compatibility of management practices and silvicultural systems by carrying out regeneration surveys, and studies on need for post-harvest stand treatment and other relevant subjects.

Possible action 32. To study the dynamics of main timber species to enable stand modelling.

3.5.2 Environmental impact studies

Possible action 33. To assess compatibility of logging practices with declared secondary objectives such as conservation and protection, and with the overall principle of sustainability.

4. Socio-Economic and Financial Aspects

Principle 34. Sustained timber production depends on an equitable distribution of incentives, costs and benefits, associated with forest management, between the principal participants, namely the forest authority, forest owners, concessionaires and local communities.

4.1 Relations with Local Populations

Principle 35. The success of forest management for sustained timber production depends to a considerable degree on its compatibility with the interest of local populations.

Principle 36. Timber permits for areas inhabited by indigenous peoples should take into consideration the conditions recommended by the World Bank and the ILO for work in such areas inter alia.

Possible action 34. Provisions should be made: for consultation with local people, starting in the planning phase before road building and logging commences; for continued exercise of customary rights; for concession agreements and other logging permits to cover the extent of assistance, employment, compensation, etc., to be provided.

4.2 Economics, Incentives, Taxation

Principle 37. Management for timber production can only be sustained in the long-term if it is economically viable, (taking full account in the economic value of all relevant costs and benefits from the conservation of the forest and its ecological and environmental influences).

Possible action 35. National and international marketing efforts should be intensified in order to realize highest possible value of forest products and improved utilization of the resources from sustainably managed forests.

Principle 38. A share of the financial benefits accruing from timber harvesting should be considered and used as funds for maintaining the productive capacity of the forest resource.

Principle 39. Forest fees and taxes should be considered as incentives to encourage more rational and less wasteful forest utilization and the establishment of an efficient processing industry, and to discourage high-grading and logging of forests which are marginal for timber production. They should be and remain directly related to the real cost of forest management. Taxation procedures should be as simple as possible and clear to all parties involved.

Principle 40. In order to achieve the main principle of good and sustainable management, forest fees and taxes may need to be revised at relatively short notice, due to circumstances outside the control of loggers and the forest agency (e.g. fluctuations in international timber market and currency). The national forest agency should be granted the authority to carry out such revisions.

Principle 41. Continuity of operations is essential for sustainable forest management.

Possible action 36. In order to remain operational even in adverse budget situations, the forest authority should be granted a certain degree of financial autonomy which, among other things, should allow the accumulation of funds. This can be achieved e.g. by allowing the forest authority to collect part and maybe the full amount of forest fees and taxes without intervention from other government departments.

APPENDIX 1. CATEGORIES OF FOREST LAND

(a) Forests where logging is not allowed.

- protection forests on fragile lands

Fragile lands to be kept under permanent forest cover comprise: critical soils; catchment areas; steep slopes; land at high altitudes. Main criteria are related to erodibility of the soil (function of climate, especially amount and intensity of rainfall, parent material and angle of slope). Other criteria are inherent infertility and unsuitability for harvesting, eg. mountain or mist forest, ("unproductive forest").

- forests set aside for plant and animal species and ecosystem preservation

Forests set aside for the purpose of nature conservation should be designed to preserve a representative sample of ecosystems, areas of high biodiversity, and habitats of endangered species and of wide-ranging and migratory species. These measures to be supplemented by restrictions on the use of certain additional forest areas for the conservation of wide-ranging vertebrate species.

(b) Production forest, for the sustained production of timber and other forest products, often with protection and/or nature conservation as recognized secondary objectives. Areas to be chosen because of their potential to provide a yield of high-quality timber in perpetuity. (Production forest should not be a residual use.) This category may also include areas of degraded land appropriate for reforestation.

Categories (a) and (b) together constitute the permanent forest estate.

(c) Conversion forest. Land destined, in the national or regional land use plans, to be converted to other uses should be kept under forest until required, and meanwhile harvested according to the same guidelines as the Permanent Production Forest. The same should apply to forest land of which the final use is not yet determined.

APPENDIX 2. NATIONAL FOREST INVENTORY

a. National Inventory

A national inventory of the present state of all forested land should be carried out to establish its suitability for the following purposes:

- production of timber (quantifying standing timber volume of both presently merchantable and as yet unmarketable species, and regenerative capacity);
- production of non-timber products (both of present and potential value);
- protection, including that of climate;
- nature conservation;
- various agricultural and other land uses.

The most appropriate use should be made of satellite and computer technology.

b. Static and dynamic inventory

The main purpose of static and dynamic inventory is to assess possibilities for timber harvesting and longer-term timber production. Quantitative information should be gathered on both commercial and presently non-commercial species, including the lower diameter classes, and regeneration,.

The conditions under which inventories of various scales and intensities should be used need to be established.

During timber inventories, other aspects of the forest, such as its importance for wildlife populations and the occurrence of non-timber forest products, can be qualitatively assessed at little extra cost. Cooperation with other institutions and facilitation of the exploitation of inventory data by researchers from other disciplines can help to improve the utility of forest inventories.

The history of management of a forest should be recorded if known.

APPENDIX 3. ROADS AND HARVESTING

The following considerations are important on grounds of efficiency and to keep environmental damage to the minimum:

- (a) Upper limits to ramp, road and harvesting track dimensions, and clearing width for various categories of extraction roads.
- (b) Location of roads, for minimum earthworks and ease of drainage. Maximum allowable road grades and exceptions to this condition (where construction can be significantly shortened or earthworks reduced, and adequate drainage can be installed).
- (c) Drainage may be either side (turnout) drains, inverts or cross drains, or simply points along a track or road which, by their nature or design, are to remove water from the track or road.
- (d) Avoiding soil displacement (for instance side cutting) as much as possible during harvesting track construction.
- (e) Stream crossing design. Permanent crossing construction specifications. Temporary crossing to be located on sites with stable stream bed material and where bank restoration will be possible. Crossing to be corduroyed with logs or constructed of stable gravel material if necessary.
- (f) Definition of bufferstrips or streamside reserves and other "No-go" areas, to remain undisturbed except where through access has been approved. Widths of strips in proportion to watercourse width.
- (g) Logging vehicles, wheeled versus tracked. Maximum blade width for harvesting machines. All machines to be fitted with a winch carrying a minimum amount of wire rope.
- (h) Feller and machine operator responsibilities (directional felling, etc.)
- (i) Indication of periods when logging is to be restricted or stopped altogether for climatic reasons and conditions to be fulfilled for (reduced) logging to continue during climatically unfavourable periods (quality of drainage works, volume of cut, immediate snagging and hauling, area restrictions, provision for district forester to stop logging operations if the weather makes this necessary).
- (j) Marking of trees to be retained: seed-bearers and healthy, growing trees of desirable species which have outstanding vigour and form. Criteria for and spacing of seed trees.
- (k) Marking of trees for removal: all commercial stems over exploitable diameter as well as those stems below minimum exploitable diameter that are defective or severely damaged, and will produce a log of minimum standard.
- (l) Penalties for avoidable damage to the retained stand.

- (m) Logging should be carried out according to a logging plan. A logging plan, with maps, should include:
- the area boundaries as they are to be marked in the field (Boundaries are to follow creeks wherever possible to minimize the number of creek crossings.);
 - special management zones, covering all areas where logging is subject to special conditions or restrictions (areas of scientific or landscape significance, erosion prone sites or particularly steep sites);
 - designated streams that are to be left undisturbed for reasons of erosion risk or wildlife habitat;
 - haulage roads;
 - major arterial harvesting tracks;
 - landings;
 - roads;
 - drainage;
 - buffer strips/streamside reserves;
 - watercourse crossings (permanent and temporary);
 - harvesting equipment.

APPENDIX 4. CONCESSION LEGISLATION

General considerations for concession agreements concern the relative responsibilities of the Forest Department and concessionaires, the size and duration of concession or licence and conditions for renewal.

The following is a list of what elements concession legislation is to include:

- (a) Categories of contracts and application and granting procedures. Minimum requirements and obligations related to a certain type of contract; public announcement of new concession areas; documents and information to be submitted with the application; government services and committees to be concerned with the selection of candidates; involvement of the Forest Department.
- (b) Concerned parties and objects of the contract. Responsible agency issuing the contract; name, address and legal status of the grantee; description of the allocated areas; contract duration; date from which the contract becomes valid; official registration of granted contracts; renewal of expired contracts.
- (c) Rights granted and rights withheld. Exclusive or non-exclusive rights to harvest timber; right to construct and operate logging roads; right to establish and operate logging camps, office buildings and wood-processing facilities; hunting and fishing rights; rights of access; rights of the local population; harvesting of non-timber products.
- (d) Establishment or expansion of local wood-processing units. Minimum percentage of raw material to be processed; type of conversion unit to be established; investment to be effected; time-schedule for commencement of operations.
- (e) Felling, wood extraction and transport. Minimum and maximum volume to be harvested annually; annual allowable cut by species or groups of species; submission of felling programmes; working of area in subsequent coupes; felling restrictions and minimum diameter for cutting.
- (f) Road construction and improvement of infrastructure. Minimum construction standards for forest roads; responsibility for maintenance; legal status of roads constructed by the grantee; facilities of public interest to be constructed (e.g. community roads, school buildings and hospitals).
- (g) Forest management and reforestation. Preparation and revision of forest inventories, forest maps, and management plans; minimum tasks to be performed by the grantee with regard to forest protection and silviculture; annual reforestation programme; employment of technically qualified personnel.

- (h) Forest taxes, stumpage and other fees. Categories of taxes and fees to be levied in exchange for the granted harvesting rights; methods of assessment (stumpage appraisal, standard fees, etc.); collection procedures.
- (i) Control, supervision and sanctions. Inspection of granted areas and premises thereon; timber (hammering) marks; control inventories by forest officers; records and documents to be regularly submitted by the grantee; annual cutting permit; deposit of surety bond; penalty payments; suspension of operations; cancellation of contract.
- (j) Other general provisions. Applicable arbitration procedures; applicable law and jurisdiction; removals of equipment and machinery after cancellation or termination of contract; continuation of wood-processing units linked to a particular concession area; health and safety requirements.
- (k) Other environmental considerations. Areas to be excluded from felling; modifications of harvesting to take into consideration requirements related to sustainable management of genetic resources of plants and animals and protection of ecosystems, watersheds and erosion-prone sites.

**APPENDIX 5. UNITED NATIONS ENVIRONMENT PROGRAMME STATEMENT
ON SUSTAINABLE DEVELOPMENT**

Governing Council
Fifteenth Session, 23 May 1989

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs and does not imply in any way encroachment upon national sovereignty. The Governing Council considers that the achievement of sustainable development involves co-operation within and across national boundaries. It implies progress towards national and international equity including assistance to developing countries, in accordance with their national development plans, priorities and objectives. It implies further the existence of a supportive international economic environment that would result in sustained economic growth and development in all countries, particularly in developing countries, which is of major importance for sound management of the environment. It also implies the maintenance, rational use and enhancement of the natural resource base that underpins ecological resilience and economic growth. Sustainable development further implies incorporation of environmental concerns and considerations into development planning and policies, and does not represent a new form of conditionality in aid or development financing.

APPENDIX 6. INDICATIVE SCHEME OF PREREQUISITES FOR SUSTAINABLE
MANAGEMENT AT VARIOUS LEVELS, INCLUDING GUIDELINES

	National level	Management unit level	Local level
Land use policy and legislation	eg. * establishing a permanent forest base	eg. * demarking forest boundaries and buffer zones	
Forest policy including forest use planning	eg. * national inventory * assuring a balanced use of forests * concession legislation * assuring conditions for implementation	* designating categories of forest land * inventory	
Forest planning and management	eg. * providing guidelines for management units	eg. * adaptation of national guidelines * choice of silvicultural system * providing operational guidelines	eg. * adaptation of operational guidelines * preparation of working plan
Operation		eg. designing roads	eg. * machine operator responsibilities

The table shows actions and outputs at different levels which in combination constitute the prerequisite for sustainable management. Some of the outputs are the consequence of other higher ranking outputs, others are complementary to each other.

PERMANENT COMMITTEE ON FOREST INDUSTRY
Sixth Session
Denpasar, Bali, Indonesia
16 - 23 May 1990

Dist. GEN.
PCI(VI)/6
23 May 1990
Original: ENGLISH

REPORT TO THE INTERNATIONAL TROPICAL
TIMBER COUNCIL

SIXTH SESSION OF THE PERMANENT COMMITTEE ON
FOREST INDUSTRY
16 - 23 MAY 1990

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Appendix I	Draft Action Plan and Work Program in the Field of Forest Industry
Appendix II	Technical Evaluation of Project Proposals
Appendix III	Fellowships and Grants Approved

REPORT

1. Introduction

The Sixth Session was opened on 16 May 1990 by Dr. Gary Lindell (U.S.A.), the Chairman of the Committee. The list of Participants is reproduced in document PCM,PCF,PCI/(VI)/Info.2/Add.1.

2. Adoption of Agenda and Organization of Work

At its first meeting on 16 May 1990 the Committee adopted the agenda of its Sixth Session as contained in Document PCI(VI)/1.

3. Admission of Observers

The list of Observers admitted by the Committee is contained in document PCM,PCF,PCI(VI)/Info.3 and PCM,PCF,PCI(VI)/Info.3/Add.1.

4. Market Review and Outlook (Joint Session)

The two-day Market Discussions took place in a Joint Session of all three Committees. The schedule for the Discussions is attached to the Report of the Permanent Committee on Economic Information and Market Intelligence as Appendix A. As part of the documentation requested for the Market Discussion only fifteen Members submitted Country Market Statements namely Australia, Canada, China, Federal Republic of Germany, Finland, Indonesia, Japan, Malaysia, the Netherlands, Norway, Philippines, Spain, Sweden, United Kingdom and U.S.A. The main theme of the Discussions was "The Development of Value-Added Processing of Tropical Timber Products in the Asia-Pacific Region". Exchanges of views and experiences from Members and from representatives of the timber trade and industry focused on the main theme as well as on various perspectives: Japan, China, Korea, Europe, North America and other in-transit processors.

Two other special topics on which presentations were made during the Discussions were:

- (i) The Forest Resources Situation, the Timber Trade and Industry of Indonesia (A host country presentation), and
- (ii) The Timber Situation and Prospects for India.

The synthesis of the market developments and of the special topics is contained in the General Market Statement which was considered and approved by the Committee and subsequently released to the Press.

The General Market Statement together with Summary Tables of the Tropical Timber Market Forecasts for 1988-90 figure as Appendix B to the Report of the Permanent Committee on Economic Information and Market Intelligence.

5. Annual Review and Assessment of the World Tropical Timber Situation (Joint Session)

Under this item the Secretariat's document ITTC(VIII)/3 "Elements for the 1989 Annual Review" was taken as part of the documentation for the Market Discussion. The Joint Session agreed to recommend to the Council to request the Secretariat to revise its document in the light of the Market Discussions. In this connection, the Council should request all participants to forward to the Secretariat by 1 August 1990 any suggestions for revisions.

6. Criteria and Priority Areas for Program Development and Project Work

The Committee considered the Draft Action Plan and Work Program in the Field of Forest Industry (document PCI(VI)/3), prepared by the Panel of Experts on Forest Industry at the request of the Council. Following a comprehensive appraisal of the document, the Committee agreed to recommend to Council for approval and implementation the amended version as contained in document PCI(VI)/D.1, reproduced as Appendix I to this report.

The representative of Brazil, speaking on behalf of the producers placed on record the following statement on the Action Plan and Work Program:

The tropical timber producing countries fully support the set target of the year 2000 as established in the "Action Plan and Work Program in the Field of Forest Industry" as well as the thorough implementation of the plan.

The representative of United Kingdom, speaking on behalf of the consumers also made a statement on the matter , which reads:

The consumers support the consensus on the adoption of the Action Plan on Forest Industry, and specifically the target date of the year 2000. We appreciate the magnitude of the task associated with achieving such an objective. However, we believe, in view, inter alia, of the support of producing countries for such a target, it will serve a useful purpose in supporting our efforts to promote sustainable forest management practices.

The representative of the United States referring to the Action Plan and Work Program also supported its adoption with the statement:

Mr. Chairman, my delegation supports the adoption of the Action Plan and Work Program on Forest Industry. However, we wish to explain our views on the target date in the section entitled, "Strategy." In general we question the advisability of adopting specific targets without a thorough understanding of the technical feasibility and economic implications of meeting those targets. With regard to the specific objective contained in the Action Plan that total exports of tropical timber products should come from

"sustainably managed resources by the year 2000," I note that the spokesperson for the producing countries has expressed her group's support for such an objective. In view of the fact that producing countries are in the best position to evaluate the target's feasibility, and must bear the ultimate responsibility for achieving such an objective with respect to the management of their tropical forest resources, we do not feel it is incumbent upon us to block consensus on the adoption of this objective. Nevertheless, we reiterate our view that, in general, such targets are not desirable. Further, we wish to add that, from our perspective, the establishment of this target does not carry any implications for our government's trade policy. We would request that our statement be incorporated into the record.

The Committee expressed its gratitude to the Members of the Panel of Experts for their efforts and excellency of work in the preparation of the first draft of the Action Plan and Work Program in the field of Forest Industry.

7. Reports on Completed Projects

The Committee took note of the report on completed project PD 44/88 (I) SEMINAR FOR THE PROMOTION OF FURTHER PROCESSING OF TROPICAL HARDWOOD TIMBER IN THE AFRICAN REGION. The report is reproduced in document PCI(VI)/4.

Though noticing that the seminar was successfully organized and convened, the Committee pointed out that ITTO sponsored regional seminars must be widely publicized in order to benefit a larger number of participants from the region and reach a broader range of interested parties, including the private sector.

The Committee further stressed the need to promptly disseminate the proceedings of the seminar to interested parties in the member countries and relevant regional and international organizations. Three hundred copies of the seminar proceedings are being printed for distribution and dissemination of the results and findings.

8. Report on Project Work in Progress

The Committee reviewed the work underway in fourteen ITTO approved and financed projects in the field of Forest Industry. The full report on project work in progress is reproduced in document PCI(VI)/5.

Further information on project implementation progress was given by the delegations of Peru (PD 37/88 Rev.3): INDUSTRIAL UTILIZATION OF NEW TROPICAL SPECIES IN PERU (PHASE I) and China (PD 41/88): THE IDENTIFICATION, PROPERTIES AND USES OF THE TROPICAL TIMBER IMPORTED TO CHINA FROM SOUTHEAST ASIA.

On the basis of analysis of the growing demand for fellowships and small grants under ITTO approved project PD 60/89 (F,M,I), and recognizing the importance of the project to promote tropical forestry development through training, information exchange and technology transfer, the Committee decided to recommend to Council the project extension for an additional period of 12 months, with a supplementary allocation of funds.

Though recommending the project extension, the Committee stressed the need to carry out in due time an evaluation of the fellowship program as it was established on a pilot basis and will need to be reviewed.

The Committee took note of the outcome of the ITTO Secretariat's consultations with FINNIDA and the World Bank on the implementation of PD 73/89 (M,F,I) ASSISTANCE FOR PROJECT IDENTIFICATION AND FORMULATION. In view of the need to extend the duration of the training workshops beyond the one-week period originally planned the Committee decided to recommend for the present the organization of 2 workshops one of which should be in Africa.

9. Report on Completed Pre-Projects

The Committee considered the final report on the pre-project study HARMONIZATION OF SPECIFICATIONS ON TROPICAL TIMBER PRODUCTS [document PPR 16/89 (I)], prepared by the Technical Association of the International Tropical Timber Industry (ATIBT). The Committee reviewed the findings of the study and decided to stress the importance of future work in this field. The Committee further noticed that seminars and workshops are particularly useful to effect progress on regional and global harmonization of specifications on tropical timber products.

10. Consideration of Project Proposals

The Committee technically appraised and evaluated three project proposals: PD 63/89 Rev.1 (I) LOW-COST HOUSES FROM SMALL DIAMETER TREES, PLANTATION THINNINGS AND TREE TOPS AND BRANCHES, PD 79/90 (I) SEMINAR AND ROUND TABLE ON THE DEVELOPMENT OF FURNITURE AND JOINERY INDUSTRIES, and PD 80/90 (I) SECOND CONSULTATION ON THE WOOD AND WOOD PRODUCTS INDUSTRY. A fourth project proposal (PD 29/88 Rev.2 (I): SEMINAR ON HARMONIZATION OF STANDARDS MEASURING METHODS FOR TROPICAL HARDWOOD LOGS AND SAWN TIMBER IN THE ASIA/PACIFIC REGIONS) was withdrawn from the agenda at the request of the submitting Member government.

The Committee also considered project ideas submitted by the Government of Papua New Guinea (Forest Industry Development Studies), the Government of the Netherlands (promotion of lesser known species) and the World Bank (Tropical Forest Products Promotion).

The detailed results of the committee's evaluation and appraisal of project proposals and ideas are presented in Appendix II.

11. Report on Pre-Projects in Progress

The Committee took note of the progress on the implementation of the three pre-projects approved in its Fourth Session:

- (i) The pre-project study on "Tropical Timber in Construction and Development of Harmonized Stress Grading Rules" is being implemented by the United States Forest Products Laboratory with the assistance of a subcontractor (Engineering Data Management). The study is progressing with a literature survey and establishment of contacts in the producing regions with experts and agencies working in the field of standardization, timber engineering and construction.
- (ii) The pre-project study on "Industrial Processing of Rubberwood Timber in Africa (Cameroon, Côte d'Ivoire, Ghana and Liberia) is being implemented by the National Centre for Forest Development (CENADEFOR) of Cameroon. A mission of experts from Cameroon (2), Ghana (2) and Côte d'Ivoire (1) visited Malaysia in February on a study tour on rubberwood industry and research and development.
- (iii) The Philippines Department of Environment and Natural Resources is implementing the pre-project study on "Appropriate Supply of Wood Raw Materials in Producing Countries with Dwindling Forest Resources: The Case of the Philippines". Though the contract for implementing the study was signed in October 1989, actual work started only in April 1990. The study is expected to be completed by the end of September 1990.

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

The Committee authorized the establishment of a Selection Panel to evaluate fellowship applications submitted in time for the Sixth Session and select the successful candidates. The selection panel was composed by Mr. Sumarsono Martosudigdo (Chairman), Mr. Gary Lindell, Mr. David W.K. Boulter, and Mr. Enrique Toledo. The applications approved are listed in Appendix III.

13. Dates and Venue of the Seventh Session

The Committee decided that the date and venue of its Seventh Session will be agreed upon by ITTC in its Eighth Session.

14. Recommendations to the International Tropical Timber Council

The Committee made the following recommendations:

1. To approve the Draft Action Plan and Work Program in the Field of Forest Industry as amended in document PCI(VI)/D.1 contained in Appendix I to this report;
2. To approve for implementation by ITTO the project proposals:
 - PD 63/89 Rev.1 (I) LOW-COST HOUSES FROM SMALL DIAMETER TREES, PLANTATION THINNINGS AND TREE TOPS AND BRANCHES
 - PD 80/90 (I) SECOND CONSULTATION ON THE WOOD AND WOOD PRODUCTS INDUSTRY

3. To recommend that the following project proposal be revised:

PD 79/99 (I) SEMINAR AND ROUND TABLE ON THE
DEVELOPMENT OF FURNITURE AND JOINERY
INDUSTRIES

4. 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:

PD 12/87 (I) RESEARCH ON UTILIZATION OF TROPICAL
TIMBER IN CONSTRUCTION

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

PD 48/88 Rev.1 (I) DRYING MIXTURES OF TROPICAL HARDWOODS

PD 49/89 (I) CREATION OF INTERNATIONAL PROMOTION
CENTER FOR LESSER KNOWN SPECIES IN
EUROPE (PREPARATORY PHASE)

PD 65/89 (I) PROMOTION OF IMPORTS OF TROPICAL
SAWNWOOD IN CHINA (PREPARATORY PHASE)

PD 67/89 (I) TRAINING PROGRAM ON MECHANICAL
PROCESSING OPERATIONS IN THE SOUTH
AMERICAN SAWMILLING AND PLYWOOD
INDUSTRIES

15. Report of the Session

The Committee adopted this Report for submission to the Council.

APPENDIX I

CRITERIA AND PRIORITY AREAS FOR PROGRAM DEVELOPMENT
AND PROJECT WORK

ACTION PLAN AND WORK PROGRAM IN THE FIELD OF
FOREST INDUSTRY

DRAFT ACTION PLAN AND WORK PROGRAM
IN THE FIELD OF
FOREST INDUSTRY

1. INTRODUCTION

Forest industries development in tropical timber producing countries is a key component to the strategies for global sustainable development based on tropical forest resources. International cooperation between consumers and producers in fostering meaningful approaches to promoting appropriate forest industries in producing countries must be optimized.

Industries for further processing, particularly export-oriented enterprises, are poorly developed in producing countries. Almost all tropical timber exported by producing countries is in the form of logs and primary products. Exports of logs in 1988 still accounted for about 41% of total exports from ITTO African member countries. In Asia Pacific the share of total supply exported in log form was only 23%, but a larger share of the supply was processed into primary products for export. Log exports are insignificant from Latin America/Caribbean Region, but the region also has not succeeded in developing processing industries and over 80% of its tropical timber export revenues come from trade of primary products (rough lumber, veneer and plywood).

An important requirement for growth of timber industries in producing countries is international cooperation and harmonization to contribute to attain a balance of supply and demand and facilitate market access. A gradual, jointly planned expansion of further processing in producing countries has tremendous potential for increasing social benefits and thereby, increasing the value of tropical forests.

2. THE ROLE OF ITTO

The International Tropical Timber Agreement (ITTA), 1983 is a commodity agreement and has, as its primary focus the sustainable utilization and conservation of tropical forest resources as well as the expansion and diversification of trade and wood-based processing industries through sustainable utilization of tropical forest resources in a manner which makes optimal use of the absorptive capacity of the markets and productive capacity of the resource base to achieve maximum economic benefit, fairly distributed between producers and consumers. The Agreement further directs the Organization to undertake work to promote protection of the environment and the conservation of genetic resources of tropical forests and monitor and publish information to give greater transparency to the tropical timber economy. The International Tropical Timber Organization was established to administer the provisions and supervise the operation of the Agreement (ITTA).

The operational activities of ITTO as specified within the framework of the International Tropical Timber Agreement shall aim at contributing to attaining the ITTA's objectives, which in the field of forest industry are:

- a) To promote the expansion and diversification of international trade in tropical timber and the improvement of structural conditions in the tropical timber market, by taking into account, on the one hand, a long-term increase in consumption and continuity of supplies, and, on the other, prices which are remunerative to producers and equitable for consumers, and the improvement of market access;
- b) To promote and support research and development with a view to improving wood utilization;
- c) To encourage increased and further processing of tropical timber in producing member countries with a view to promoting their industrialization and thereby increasing their export earnings;
- d) To improve marketing and distribution of tropical timber exports of producing members;
- e) To encourage the development of national policies aimed at sustainable utilization and conservation of tropical forests and their genetic resources, and at maintaining the ecological balance in the regions concerned.

ITTO's operational activities in the field of forest industry are under the technical guidance and coordination of the Permanent Committee on Forest Industry. The functions of the Committee are:

- a) To promote cooperation between producing and consuming Members as partners in the development of processing activities in producing Member Countries, inter alia, in the following areas:
 - i) Transfer of technology;
 - ii) Training;
 - iii) Standardization of nomenclature of tropical timber;
 - iv) Harmonization of specifications of processed products;
 - v) Encouragement of investment and joint ventures; and
 - vi) Marketing;
- b) To promote exchange of information in order to facilitate structural changes involved in increased and further processing in the interests of both producing and consuming Members;
- c) To monitor on-going activities in this field, and identify and consider problems and possible solutions to them in cooperation with the competent organizations.
- d) To encourage the increase of technical assistance to national programs for the processing of tropical timber.

permanent and continuous supply of industrial logs for processing in producing countries.

Raising production of tropical hardwood timber products and even maintaining present production levels is problematic because of log supply constraints due to material shortage and problems related to logging and transportation to processing units. Difficulties of insufficient log supply can often be traced back to past over-exploitation of more accessible forest areas without adequate regeneration. Concessionaires and independent loggers very often have little concern to forest areas once harvesting has been carried out. In what is almost standard practice, the best logs of a few commercial species are "creamed" in logging operations which in turn carry relatively high costs because of the low timber volumes extracted.

Also, it is worthy to mention that in many cases forest industries are located far from remaining natural forests, thus transportation costs often exceed stumpage. High harvesting costs also accentuate problems of wood raw material supply. These problems are common in all three producing regions.

When transferring logging technologies from temperate countries to the tropics, the fragile and unique ecosystems of the latter were not always considered. Inappropriate harvesting technologies often cause soil degradation and damage to remaining timber stands which severely affect productivity of logged-over forest in the tropics. Because of higher harvesting intensity and terrain conditions, this problem has been more acute in Asia and the Pacific but it is also important in many African and Latin American/Caribbean countries.

A recent study carried out on ITTO's behalf by Forest Operations Institute (Sweden) indicated that harvesting systems and equipment commercially available to logging operations in the tropics - some 2 million hectares are harvested annually in ITTO member countries - are satisfactory, though some work on technical improvement need to be done to adapt them to varying work conditions. The technically appropriate equipment, components and systems are however not universally used and, where they are used, are frequently operated in un-optimal manner and with inadequate skill. The study therefore suggests that the most immediate economically and ecologically beneficial results can be achieved by promoting the use of existing, technically appropriate equipment and their correct and efficient operation. The report further stresses that the data collected in the study "indicates that with better choice of equipment and techniques the potential average cost saving per cu m could be of the order US\$ 8 and that the increased output, as a result of reduced felling damage and transport losses, could be of the order US\$ 1000 per ha, on an average. The reduced damage to the remaining stand will increase the financial yield from subsequent logging and may then increase the value of the out turn by some 30 percent".

Development and use of appropriate technologies are also essential for improving timber processing operations in producing countries, particularly in further processing industries. Very often industrial performance is hampered by use of inappropriate processing and manufacturing technologies because of lack of awareness or access to better options or in-existence of appropriate technologies.

Markets have traditionally concentrated on a few species. This in turn tends to promote management plans inducing the growth of very few species. Such plans may not be sustainable, since the concept of sustained yield in this situation implies sustained yield of the economic species only, opposing biological diversity and conservation in truly sustainable systems. There is a need, therefore, to encourage management plans that incorporate lesser known species in the market, with due account for the environmental implications involved. Properly designed management plans within this concept could become a means to sustainable management of the resource.

Also, the industry concentration on relatively few species for raw material supply may not be compatible with sustainable management and sustained yield of timber at competitive prices. Several economic drawbacks are associated with the industry's reliability upon a few species.

- 1) Higher harvesting damage per unit volume of remaining stand;
- 2) Low value of remaining stands which have been selectively harvested for high value species;
- 3) Silvicultural treatments directed at maximizing yield of selected few species are likely to require sharp reduction of species diversity and bring forth severe disruption to the whole range of plants and wildlife;
- 4) Higher management and harvesting costs per unit volume of extracted timber;

To assure the future supply of tropical timber products to both producing and consuming countries will no doubt require major changes in the range of species accepted by users. This calls for a long-term program to stimulate and promote the production, utilization and trade of lesser-known timber species on a sustainable basis. The problem of lesser-known species is more crucial to Latin America/Caribbean and Africa than for Asia/Pacific because of the more heterogeneous forests and the difficulties in grouping species in the former two regions.

As the industry evolves from its current transitional stage to a situation of sustainable use of resources, enterprises need to be better planned and must have appropriately trained manpower at management and technical levels to remain competitive. The appropriateness of the industry will have to be considered in a broader context than in the past, including social and ecological aspects of industrial development. The design and implementation of appropriate training programs, specially when further processing is to be pursued, are of utmost importance for the establishment of industrial enterprises in an appropriate manner. The forest industry in most producing Member countries is generally characterized by small production units and low level of technology. Due to lack of proper management, wasteful production practices, insufficient skilled manpower, and poor quality control procedures, hardwood lumber and plywood manufactured in some producing countries are often of non-uniform quality. This problem could be alleviated through increased efforts to implement training programs on production and marketing to strengthen local capability for manufacturing and trading these products and also higher value-added products.

Low quality and non-uniform products quite often originate from antiquated equipment and machinery in many producing countries. Such equipment and machinery also result in unnecessary waste of raw material, low quality products, and high operational costs, further depressing the industry's profitability, competitiveness, and marketing.

Achieving greater efficiency in tropical timber processing and use, particularly in producing countries, is of foremost importance to extend and conserve the timber resources. Concerns about raw material supply problems and need for wise use of tropical forest resources call for improved efficiency in the conversion of raw logs to lumber and veneer logs to plywood. These two products alone account for almost all industrial consumption of industrial roundwood from natural tropical hardwood forests. The recovery ratios of lumber and plywood from logs processed in producing countries are much lower than ratios reported by processing industries in developed countries. In Africa and some Asian countries the best quality logs are exported and this partially explains the domestic low recovery ratios. It is generally accepted that adoption of improved techniques, better equipment, increase of skilled workers and able managers in processing lines will substantially raise conversion ratios in producing countries.

Higher efficiency in processing and use of tropical timber also requires transforming residues and waste into useful and marketable products. Developed countries have progressed rapidly, developing technologies and building plants based on wood and forest residues, because of reasons such as high per capita income and increased demand for timber products. The softwood timber industry as well as the temperate hardwood-based industries have a history of developments towards processing and utilization of wood residues and small logs, for in many developed countries wood raw materials are costlier with higher grades and larger diameter logs being scarce long ago.

New developments allowed processing residues and small logs into traditional panels such as plywood, as well as production of new engineered materials such as waferboard and laminated veneer lumber. These new products quickly found their way in construction uses, particularly in structural applications, which allow efficient timber use and are less demanding in respect to appearance. Such utilization allows a greater use of lower grade wood resources, as long as final products meet engineering requirements.

Regrettably, such has not been the case with the tropical hardwood timber-based industry, whose slow evolution and lack of modernization led to a situation where utilization and manufacturing processes remain for the most part dependant solely on exploitation of primary forests for higher grades and larger diameter logs of relatively few prime species which will undoubtedly become more and more costly. Moreover, adequate use of tropical timber in construction is still rather limited.

In some producing countries there may be a need to plan and establish large scale industrial complexes integrated with forest estates managed for sustainable production of industrial timber. Proven experience with large scale integrated industries in the tropics is limited. Though integration of industries means also plants that are more complex to operate and require higher investment, they have greater possibilities of

utilizing a wider number of species, operate with higher recovery rates, develop and employ more trained human resources, conform to appropriate processing and quality standards, and do better in marketing their products. Furthermore, through vertical integration more high value added products can be manufactured. Most importantly, large scale timber processing complexes maybe more easily integrated with permanent forest estates managed to produce sustained timber, and this is likely to be one of the most viable ways of having a modernized, economically justified industry running its operations in a way which is sustainable in terms of forest resource utilization and which assumes also necessary social responsibility for its labor force and takes into account the interests of the local people living in or adjacent to harvesting areas and industrial sites.

Modernization, expansion and new forest industries are required to enable tropical timber producing countries to increase further processing to optimize benefits from forest resources. These require large investments not readily available to most producing countries for reasons ranging from lack of capital to inability to prepare sound investment proposals to promote forest industries projects to gain access to financing sources. Unfortunately technical assistance and foreign investment in tropical hardwood-based industries in producing countries has been far from sufficient.

Lack of financing is essentially a sign of poor profitability and as such financing and investment increase are intrinsically dependent upon profitability improvement and existence of an appropriate investment climate. In some producing countries profitability in turn is low because of chronic problems plaguing the industry:

- (i) Lack of skilled manpower at all levels and also limited ability of the industry to develop its personnel;
- (ii) Low efficiency, resulting from low recovery rates, low labor productivity, poor capital productivity, and low energy productivity;
- (iii) Inappropriate planning and management;
- (iv) Excessive concentration on low-added value products.

In many tropical countries prospects for increasing financing and investment in tropical timber industry development are further made bleaker by unstable forest policies and environmental pressure and criticism directed at tropical timber-based economic activities and users. Many tropical countries are in the process of effecting major forest policy reforms and before clear, long-term appropriate forest policies are in place new investments in natural forest-based industry development are not likely to be encouraged.

The public awareness that has been raised in consuming countries for the protection and conservation of tropical forests opens new possibilities for the production and trade of high-value tropical timber products coming from sustainably managed forests.

5. OBJECTIVES

General

1. To contribute to sustainable socio-economic development of producing countries and enhance living conditions of local communities.
2. To contribute to sustainable management of tropical forests and to attain a balance between tropical timber utilization and conservation.
3. To contribute to adequate supply of processed tropical timber products to the international markets.

Specific

1. To assist development of appropriate extraction, processing, marketing and utilization of tropical forest resources and products, including the promotion of lesser known species.
2. To promote efficiency in timber processing and utilization, to amplify the economic viability of forest industry and its important role in helping to maintain land for forestry uses.
3. To demonstrate convincingly the environmental, socio and economic feasibility of tropical timber-based industries supplied with raw materials produced in sustainably managed forests.
4. To strengthen institutional and entrepreneurial capability towards appropriate forest industry development.

6. STRATEGY

Recognizing efforts of producing countries to sustainably manage and utilize their tropical forests and in order to contribute to the achievement of sustainable development in all producing countries, the objective is that the total exports of tropical timber products should come from sustainably managed resources by the year 2000. This target date should be reviewed in 1995 in light of the progress on the implementation of the Action Plan and Work Program. Therefore, the long term development of appropriate forest based industries in producing countries is the central focus of the strategy.

Key elements of the strategy are:

1. Promotion of development of high value-added products in producing countries.
2. Improving the marketing and distribution of processed tropical timber products.
3. Promotion of new species & products and the use of tropical timber in construction.
4. Promotion of more efficient processing and use of tropical timber, including waste reduction and recovery and utilization of logging residues.

5. Introduction and demonstration of innovative methods of production and application.
6. Promotion of human resources development at all levels.
7. Enhancing the role of the private sector.
8. Encouragement of appropriate policies and strengthening of institutions.
9. Monitoring the development of further processing.

7. PROGRAM AREAS

This Action Plan has been divided in five program areas as follows:

1. Marketing of tropical timber products and enhancing marketing skills.
2. Investment and joint ventures promotion as a means of expanding further processing and modernizing existing industries.
3. Research and extension services in tropical timber processing and utilization to improve and optimize use of resources and enhance the industrial performance.
4. Human resources development at all levels, as a means of improving industrial efficiency, product performance and quality, and strengthening management skills.
5. Policy and institutional strengthening, as a means of improving sustainable raw material availability, market access, industrial profitability and investment attraction.

The program, which is presented in detailed actions in the following section, has been designed to be implemented over a 5-year term.

8. PROGRAM OF WORK

Based on the program areas outlined earlier, the actions planned are identified as follows:

- 1) **MARKETING**
 - a) Launch a public information campaign to stress the importance of sustainable management and utilization to the conservation of tropical forests.
 - b) Investigate and, if feasible, establish promotional means of facilitating the production and marketing of new tropical timber products.
 - c) Monitor the need for revision and for harmonization of nomenclature and grading rules of tropical timber.

- d) Organize seminars to encourage increased and further processing of tropical timber in producing member countries with a view to promoting their industrialization and thereby increasing their export earnings.
- e) Promote delivery of trial volumes of new species and products and other approaches to facilitate acceptance in selected external markets.
- f) Implement studies and support tours and seminars for supplier/client identification and establishment of business contacts.
- g) Publish promotional materials such as catalogues on new species, technical sheets etc.

2) INVESTMENT AND JOINT VENTURES

- a) Implement studies on the economics of further processing, including, inter alia, case studies.
- b) Promote the integrated development of sustainable forest management and industrial utilization through implementation of field projects in selected strategic locations.
- c) Assist in the identification of financial mechanisms and sources of funds for pioneer industrial projects and where appropriate assist in the financing.
- d) Support dissemination of information for investment promotion, through conferences, seminars and contacts with financing institutions and potential investors.

3) RESEARCH AND EXTENSION

- a) Establishing an International Network of Research Institutes of Tropical Timber.
- b) Further developing the ITTO Data Bank of technical information.
- c) Support laboratory research on new species and products.
- d) Support industrial trials, pilot production and marketing of new species and products.
- e) Support specific research and extension programs on:
 - Sawing difficult species;
 - Innovative drying, particularly drying of mixed species;
 - Wider production of preservatives, resins, etc.;
 - Processing and utilization of small-sized logs;
 - Waste utilization;
 - Other aspects of appropriate processing.

- f) Support research and development on utilization of tropical timber in construction, with particular reference to programs on:
 - Research, testing and demonstration of new species and wood products and construction systems;
 - Improving the durability of timber products;
 - Innovative design;
 - Product performance in use;
 - Appropriate product standards and building codes.

4) HUMAN RESOURCES DEVELOPMENT

- a) Evaluate training needs and formulate training strategies.
- b) Support training in planning and management of appropriate forest industries in producing countries.
- c) Support training in marketing of forest products.
- d) Implement regional technical level training programs on sawmilling and veneer & plywood manufacturing.
- e) Support short term technical courses for the secondary processing industries.
- f) Support establishment of regional centers for technical and vocational training for wood industries.
- g) Finance study tours and on-the-job training for upgrading skills.
- h) Support regional training workshops to improve capability to prepare and appraise appropriate forest industry projects.
- i) Support conducted group study tours to appropriate machinery shows and trade fairs.
- j) Prepare and disseminate appropriate technical training materials.
- k) Improve the curricula of existing training institutes and provision of other support to them.

5) POLICY AND INSTITUTIONAL STRENGTHENING

- a) Assist government efforts to develop appropriate policies for sustainable management and utilization of forest resources and enhance forest industry development for long-term benefits to society.
- b) Encourage and assist in the formulation of appropriate policies for forest industry development to improve investment environment.
- c) Assist government efforts to develop and implement measures to improve industrial efficiency and discourage wasteful and environmentally harmful practices.

- d) Support development of industrial infrastructure, industrial information and research services, and adoption of appropriate standards.
- e) Support efforts to remove barriers to tropical timber trade and use.
- f) Assist with the creation and strengthening of industry and trade organizations and encourage their cooperation with the government.
- g) Support and assist in the design and preparation of sectoral reviews, plans, and investment programs.

The Program of Work encompassed in the actions listed under the five program areas is considered the basic work to be carried out within the scope of the proposed Action Plan. Forest industry projects already approved by the Organization fit in with the proposed Program of Work, and member countries are encouraged to present their operational proposals to fill in the gaps and carry out work in the areas not as yet comprehensively covered. Seventeen important actions were further detailed to facilitate initiation of the work and operationalization. These actions have been identified and detailed in Appendix A.

9 IMPLEMENTATION, MONITORING AND EVALUATION

The Action Plan and Work Program will be implemented through activities undertaken by the Committee on Forest Industry and Secretariat, and through activities to be executed under specific projects. The projects shall be submitted by Member Countries and shall meet the requirements specified in Article 23 of the ITTA.

ITTO will seek full cooperation and coordination with other relevant organizations for implementing the Action Plan, in accordance with Article 14 of the ITTA.

The Plan implementation will be monitored and evaluated by the Permanent Committee on Forest Industry. A progress report on the implementation status will be prepared annually by the Secretariat and submitted to the Committee to facilitate its monitoring and evaluation of ITTO approved and implemented operational activities, as well as of relevant programs carried out by other specialized organizations that may be contributing to attaining the objectives of the Action Plan. The Committee will identify possible corrections or modifications to optimize the Plan implementation and suggest to Council amendments as needed.

APPENDIX A

SELECTED ACTIONS AND ESTIMATED COSTS

MARKETING

- (i) Prepare a proposal to launch a public information campaign to stress the importance of sustainable management and utilization to the conservation of tropical forests. The proposal should reflect the interests and needs of the three ITTO fields of work.
- (ii) Organize seminars to encourage increased and further processing of tropical timber in producing member countries with a view to promoting their industrialization and thereby increasing their export earnings.

INVESTMENT AND JOINT VENTURES

- (iii) Implement studies on the economics of further processing, including, inter alia, case studies.
- (iv) Organize and convene ITTO regional seminars for promotion of further processing.
- (v) Identify strategic locations and carry out pre-project studies to expedite implementation of field projects in selected locations to promote the integrated development of sustainable forest management and utilization.
- (vi) Participate and collaborate with UNIDO in the Second Consultation on the Wood and Wood Products Industry.

RESEARCH AND EXTENSION

- (vii) Initiate consultations with IUFRO and other appropriate institutions or groups with a view to establish a network of research institutes on tropical timber.
- (viii) Review the current ITTO work on data bank of technical information and make recommendations and proposals for follow-up work.
- (ix) Continue consultations with the Forest Products Laboratory (USDA) with a view to develop research proposals on sawing difficult species.

HUMAN RESOURCES DEVELOPMENT

- (x) Extend the ITTO fellowship program for an additional period of three years.
- (xi) In consultation with FAO and ITC prepare the terms of reference to carry out a pre-project study to assess training needs and existing training programs and mechanisms to upgrade marketing skills.
- (xii) Implement in each producing region 2 short term technical courses for the secondary processing industries.

POLICY AND INSTITUTIONAL STRENGTHENING

- (xiii) Review on a regular basis forest industry policies and assess their appropriateness to promote sustainable forest industry based development.
- (xiv) Review and evaluate performance and impact of existing incentive systems on the promotion of sustainable development of appropriate forest industries.
- (xv) Evaluate effect of industrial policies on:
 - efficiency of processing;
 - resource waste;
 - sustainability;
 - promotion of manufacture of high added-value products.
- (xvi) Implement a study to survey and assess the effect of technical barriers on trade and use of tropical timber.
- (xvii) Survey and review the present situation and role of major industry and trade organizations in the producing countries and prepare recommendations to enhance their contribution to forest industry-based development.

The estimated costs to implement these actions are as follows:

ACTION	ESTIMATED COSTS (US\$)	COMMENTS
i.	---	Proposal to be prepared by ITTO Secretariat in consultation with appropriate organizations.
ii.	600,000	Estimated costs are for six seminars at US\$ 100,000 each.
iii.	90,000	Estimated costs are for implementation of a minimum of three studies.
iv.	390,000	Estimated costs are for three seminars at US\$ 130,000 each.

ACTION	ESTIMATED COSTS (US\$)	COMMENTS
v.	90,000	Estimated costs are for implementation of a minimum of three studies.
vi.	136,000	Costs are as estimated in the project proposal PD 80/90 (I) "Second Consultation on the Wood and Wood Products Industry".
vii.	15,000	Estimated costs are for external manpower inputs and travelling.
viii.	---	Action to be taken by the Secretariat.
ix.	---	Action to be taken by the Secretariat
x.	900,000	Estimated costs are US\$ 300,000 per year as in the current program.
xi.	---	Terms of Reference will be prepared by the Secretariat in consultation with FAO and ITC.
xii.	600,000	Costs are for six courses at US\$ 100,000 per course.
xiii.	20,000/year	Estimated costs are to fund a consultant to work on information supplied by the Member countries and the Committee.
xiv.	40,000	The estimated costs are to finance the external manpower inputs needed to implement the study and travelling costs.
xv.	60,000	The estimated costs are to finance the external manpower inputs needed to implement the study and travelling costs.
xvi.	50,000	The estimated costs are to finance the external manpower inputs needed to implement the study and travelling costs.
xvii.	30,000	The estimated costs are to finance the external manpower inputs needed to implement the study and travelling costs.

APPENDIX II

TECHNICAL EVALUATION OF PROJECTS IN THE AREA OF FOREST INDUSTRY

PROJECT DOCUMENT	ITTA OBJECTIVES ARTICLE 1	AREA OF ACTIVITY		CRITERIA Art. 23 Para. 6	ITTO BUDGET (US\$)	DURATION	GEOGRAPHICAL COVERAGE	RECOMMENDATION*
		Art. 23 Para. 2	Art. 23 Para. 5					
PD 63/89 Rev.1 (I)	c,e,f	R & D	a,e	a,b,c,d,e	774,180	3 years	Philippines	4
PD 79/90 (I)	c,e	training	a,b,c	a,b,c,d,e	282,274	11 months	Trinidad and Tobago, Honduras, Panama and CARICOM countries	2
PD 80/90 (I)	a,b,c,d,e,g,h	conference	a,b,c	a,b,c,d,e	303,000	10 months	Global	4

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

Appendix II

Technical Evaluation of Project Proposals
Comments on Forest Industry Projects

PD 63/89 Rev.1 (I)

LOW-COST HOUSES FROM SMALL DIAMETER TREES,
PLANTATION THINNINGS AND TREE TOPS AND BRANCHES

The Committee decided to recommend the approval of this revised proposal for implementation.

The Committee also recognized that the scope of the research is still somewhat broad and recommended that care should be exercised in the implementation, evaluation and monitoring to assure that its objectives are realized within the planned 3-year project duration.

The Committee further recommended that the project results and accomplishments be made available to other Member countries in view of the importance of utilization of residues and thinnings to improve supply of raw materials in other countries of the region and in Africa and Latin America/Caribbean.

PD 79/99 (I)

SEMINAR AND ROUND TABLE ON THE DEVELOPMENT OF
FURNITURE AND JOINERY INDUSTRIES

The Committee considered this training project useful to promote development of joinery and furniture industries in the Latin American/Caribbean region.

Before implementation the project needs to be revised taking into account the following guidelines:

- (i) limit participation in the seminar/roundtable to ITTO Member countries in the region;
- (ii) organize the training with Spanish as the working language;
- (iii) reduce materials costs to ITTO by seeking local industry cost-sharing;
- (iv) reformulate evaluation and monitoring activities to make them consistent with the ITTO project cycle and ITTO standard evaluation practices.

PD 80/90 (I)

**SECOND CONSULTATION ON THE WOOD AND WOOD PRODUCTS
INDUSTRY**

The Committee considered this UNIDO/ITTO cooperation project important to contribute to foster cooperation among its Members with a view to promote development of the secondary processing industry of producing countries. The Committee decided to recommend the approval of the proposal for implementation with the total project budget increased to US\$ 303,000, of which:

- US\$ 136,000 are to be contributed by ITTO to fund the inputs as described in the project document;
- US\$ 107,000 are to be contributed by ITTO to assist UNIDO with the travelling expenses of approximately 40 staff Members to the consultation venue (Kuala Lumpur, Malaysia);
- US\$ 62,000 are to be contributed in kind by the Government of Malaysia in the form of conference equipment, meeting rooms and facilities, local transportation, etc.

Project Idea: FOREST INDUSTRY DEVELOPMENT STUDIES

The Committee encouraged the Government of Papua New Guinea to develop the project idea into a full project proposal in view of the potential contribution of the proposed studies to the development of processing industries in the country. The Committee recognized that presently the natural resources of PNG are exploited mostly for export as raw logs and the Government needs to be assisted in its efforts to assess the possibilities of increasing socio-economic benefits through establishment of appropriate forest industries.

The Committee recommended to PNG to draft an ITTO project document seeking assistance only for the studies related to the pre-industrial survey phase, with the actual commercial phase to be supported subsequently by the private sector and other appropriate development aid agencies.

Project Idea: TROPICAL FOREST PRODUCTS PROMOTION

The Committee considered the World Bank proposed project idea and expressed the view that the implementation of the proposed studies may contribute to further forest industry development in the Asia Pacific region by increasing investment in marketing and promotion to diversity and expand export markets.

The Committee encouraged the World Bank to develop the ideas into a full project document in the ITTO format and to consult with ITTO Members directly benefitting from the project with a view to obtain formal submission of the project proposal by one or more Members.

The Committee further recommended that in developing the project proposal, the World Bank consult closely with ITTO Secretariat to remain fully informed on ITTO approved projects and activities related to tropical forest products promotion in order to avoid duplication of effort.

Project Idea: PROMOTION OF LESSER KNOWN SPECIES

The Committee encouraged the Government of the Netherlands to develop the project idea into a full project document in view of the importance of promoting acceptance of new species and products in external markets.

The Committee noticed that the proposed project idea will follow-up on the activities carried out under project PD 18/87 Rev.1 (I) SELECTION AND INTRODUCTION OF LESSER-KNOWN AND LESSER-USED SPECIES FOR SPECIFIC END-USES and recommended that when preparing a project document full consideration be given to other existing computer systems and databases on tropical timber, such as the one from the Oxford Forestry Institute.

APPENDIX III

FELLOWSHIPS AND GRANTS APPROVED

Application Number	Name	Subject
2/89	Tarcisio Proenca Pereira	Seminar on forest administration and management
1/90	James Wiah Doe	Economic information and market intelligence
2/90	Moses Alphonso Flomo Carter	Reforestation and forest management
9/90	Pio Bote	Forest taxation model for the Philippines
11/90	Wan Razali Wan Mohd.	Attending XIX IUFRO World Congress (Montreal, Canada - 4 August 1990)
12/90	Sulaiman Salleh	Study tour on rattan plantation in Indonesia
15/90	Roslan Ismail	Attending XIX IUFRO World Congress (Montreal, Canada - 4 August 1990)
18/90	Hung Tuck Chan	Attending XIX IUFRO World Congress (Montreal, Canada - 4 August 1990)
25/90	Yolanda Yolly Tavita	Study tour and training on the evaluation of different testing techniques and quality control for wood and other materials for furniture
26/90	Jaime Samuel Solares	Planning and management of protected areas
27/90	Sergio Antonio Suarez	Reforestation and forest management
28/90	John Ekow Otoo	Reforestation and forest management
29/90	Maurice Wulluh Nakaar	Reforestation and forest management
32/90	Richard Boamah-Tawiah	Wood preservation
33/90	Regis B. Miller	Common and scientific names for sustained utilization and improved trade in world timber markets in tropical woods

Application Number	Name	Subject
34/90	Avila Roberto Antonio	Evaluating financial management and investment options for pure stands of <u>Pinus oocarpa</u> in Honduras
35/90	Narong Tonanon	Study tour for observing logging in PNG and visiting Wood Research Institute and wood industries in Australia
37/90	James Sah Sarfo	Techniques for drying mixture of tropical lesser known species more economically and efficiently in ITTO Member countries
41/90	Henrique Jose Borges Araujo	Technical visits to wood industry in South Asia
46/90	Rene Fernando Benitez Ramos	Wood-technology - forest industry
48/90	Ruy A. Sa Ribeiro	Timber engineering
49/90	MTIB	The furniture market in Europe 1992 and its implications for Malaysian furniture manufacturers
50/90	MTIB	The plywood market in Europe 1992 and its implications for Malaysian furniture manufacturers
51/90	Gustav Adu	Investment planning appraisal and management on-the-job training
52/90	Angela Vasquez	Technology and industrial utilization of wood
54/90	Ana Luisa Salomao	Management of tropical forests
55/90	Ronaldo Almeida	Management of tropical forests
56/90	Joao Carlos Nedel	Management of tropical forests
59/90	Amantino de Freitas	Forest products research and the maintenance of the timber resource base