

INTERNATIONAL TROPICAL TIMBER COUNCIL  
Sixth Session  
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DRAFT REPORT  
OF  
THE INTERNATIONAL TROPICAL TIMBER COUNCIL  
ON ITS SIXTH SESSION

Held at the Houphouët-Boigny Congress Center

Hotel Ivoire, Abidjan, Côte d'Ivoire

16 - 24 May 1989

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## REPORT

### Introduction

1. The Sixth Session of the International Tropical Timber Council was held at the Houphouët-Boigny Congress Center in Abidjan (Côte d'Ivoire) from 16 to 24 May 1989. The Session was attended by thirty-one (31) Members and by Observers representing Governments, various organs of the United Nations, inter-governmental organizations, conservation non-governmental organizations and timber trade and industry associations. The List of Participants is reproduced as Annex I to this Report.

2. The Council held seven sessions including Special Opening and Closing Ceremonies.

### Opening Ceremony (Item A1)

3. The Opening Ceremony was attended by some Ministers of the Ivorian Government, Members of the National Assembly, the diplomatic corps and public officials. The special guests were Mr. Emile Kei-Bouguinard, Minister of State, representing the Head of State, President Félix Houphouët-Boigny; Mr. Vincent-Pierre Lokrou, Minister of Forestry, Côte d'Ivoire; Tan Sri Abdul Taib Mahmud, Chief Minister of Sarawak, Malaysia; Mr. Ambroise Noumazalay, Minister of Forest Economy of the Congo; Mr. Raymond Mbitikon, Minister of Forestry, Game and Wildlife, Fisheries and Tourism of the Central African Republic; and Mr. Tikela Kemone, Secretary of State for Forestry of Cameroon.

4. In his Opening Address Mr. Jaime Muñoz-Reyes Navarro (Bolivia), Chairman of the Council, welcomed delegates and expressed the gratitude of the ITTO to the host Government and people of Côte d'Ivoire for their hospitality and the arrangements put in place for the meetings. The ITTO would be strengthened through its project activities. It was, therefore, imperative to ensure that the Organization's activities are made evident particularly in each producing Member country. Through its consultative forum provided for all interested parties, the ITTO was establishing itself as one of the most important world organizations in the tropical forestry sector, vested with a mandate to make important decisions in the development, management and use of forest resources. The Organization stands in need of continued financial resources from the developed countries and international aid agencies to enable it to undertake more projects in Member countries. The Chairman emphasized the

particular interest which producing countries attached to projects in forest industry. They needed the industries and technology for further processing and its derived value added products and access to new markets. Furthermore they could secure benefits in the form of employment, development of human resources and higher economic value from their natural resources in the process of achieving sustainable development. He welcomed the Republic of Panama as a new Member and expressed the hope of welcoming into membership of the ITTO some other countries of the Latin American region which had indicated a desire to join the Organization.

5. The Executive Director, Dr. B.C.Y. Freezailah, made his Opening Statement to the Council. He paid tribute to the support which ITTO had always enjoyed from the Côte d'Ivoire. This was largely due to the wise and enlightened leadership and support given to the Organization by the President of Côte d'Ivoire, H.E. President Félix Houphouët-Boigny. The ITTO had now become the Organization into which the international community had invested its hopes and aspirations. As the first phase of the International Tropical Timber Agreement, 1983 draws closer to its expiry in March 1990, it was crucial for the Council to take a prudent decision for its development in order not to disappoint the hopes of many. The Executive Director referred to efforts which the Secretariat had exerted to raise the profile of the ITTO and to widen in particular the constituency of non-governmental organizations involved in the work of the Organization. He appealed for technical and professional expertise and financial support from these organizations - the conservationists, timber trade and industry associations. The dwindling financial resources of the ITTO gave cause for concern. He exhorted the developed consumer countries to increase their voluntary contributions. Those Members who had defaulted in the payment of their assessed contributions to the Administrative Budget were generating what amounted to a "crisis of confidence" in the ITTO by failing to honour their financial obligations. The Executive Director also stressed the importance of ITTO becoming actively involved in the consultations to clarify the issues surrounding the surcharge proposals currently under consideration by the member associations of the UCBT. The ITTO's forum is uniquely placed to play that role. In another area he outlined the demarches he had been undertaking to make the Organization play a role in assisting the Government of Malaysia to

promote sustainable forest management in Sarawak. He acknowledged the honour of the presence of the Chief Minister of Sarawak who had come to indicate the willingness of the Government of Malaysia to seek the co-operation of the ITTO. He invited all parties to support his initiatives in a spirit of goodwill and understanding.

6. The Minister of Forestry of the Côte d'Ivoire, Mr. Vincent-Pierre Lokrou, expressed the pride of the Côte d'Ivoire in hosting this first ever Session of the Council in the African region. The support which the ITTO enjoyed from Côte d'Ivoire was informed by the decisive role which President Houphouët-Boigny had played in the establishment of the Organization and by his cardinal belief in international solidarity to achieve peace. President Houphouët-Boigny brought the spirit of the traditional "African palaver" to bear on international affairs where he advocated open dialogue conducted in a spirit of friendship to achieve consensus and concerted action. The Côte d'Ivoire had since 1959 pursued a vigorous policy of restoring its degraded forests, culminating in the proclamation of 1988 as the Year of Forests during which time national mobilization and awareness gained impetus in forestry development and environmental protection. The participation of President Houphouët-Boigny in the recent Hague Summit on the Ozone Layer was eloquent testimony of his concern that scientific advances, human intelligence and the comforts of modern life should not be allowed to lead to humanity's peril. The spirit of the ITTA in ensuring equitable commodity prices should be promoted to remove inequities in current commodity trade and ultimately eliminate obstacles to agricultural, rural and forest development and environmental protection thereby safeguarding the national patrimony.

7. The Chief Minister of Sarawak, Malaysia, Tan Sri Abdul Taib Mahmud, addressed the Opening Ceremony. He expressed deep appreciation for the hospitality extended to him and for the opportunity to attend the Session. Forestry policy, he emphasized, is a significant economic factor in national development. He referred to certain criticisms levelled against forest development in Sarawak. He took issue with those who advocated sanctions against Sarawak. Such actions would be counter-productive; they ran counter to the ultimate objective of ensuring human survival through rational development and utilization of tropical forest resources and their conservation. Timber should be viewed correctly both as an economic factor and as a factor of great

impact on the environment. In most tropical countries Governments were unable to control forest exploitation and they needed resources if they were to enforce conservation practices. But the incentive for conservation would only be possible if the future of timber could be assured as an economic factor in development just as the other developed countries had realized in the past in their development process. The call for conservation should not be selective by being focussed solely on tropical timbers. It should extend to timbers all over the world. Developing countries are the first to be concerned with the conservation of their own forest resources. The policies to address these problems had of necessity to be gradually evolved and with time made to constitute a "living practice". The Chief Minister called upon ITTO to assist countries in their efforts at sustainable forest management. The environment and forest conservation are matters of global concern and responsibility for this should be seen in a global context with due regard for national sovereignty and sensitivities. For these reasons the Government of Malaysia was ready to welcome a mission from ITTO to visit Sarawak to assist in promoting sustainable forest management. That way the ITTO would be setting the stage for international co-operation on which producing countries can develop the minimum standards of silviculture with the help of the developed consuming countries. This would dispel any negative reactions and frustrations on the part of producers, consumers and environmentalists.

8. In his Statement, the Representative of the Japan Lumber Importers' Association (JLIA), Mr. Kanemi Matsuki, pledged the continued support of the JLIA to the ITTO. His Association was seriously concerned with the problems of tropical deforestation, the low yield and unstable prices in the tropical timber trade. The future of the trade was linked to sustainable forest management. Hence the Association had set up in February 1989 its Environment Committee which was examining measures to address, through the ITTO, the problems facing tropical forests and timber trade. It had been decided:

- i) To provide much needed information to the ITTO Secretariat;
- ii) To share with ITTO their accumulated knowledge and experience in tropical timber trade and industry, including collating information and data from their field agents and associates based in tropical countries;

- iii) To appeal to the Japanese Government to allocate increased financial resources to assist tropical countries in sustainable forest management;
- iv) To examine, in the immediate term, concrete plans including financial contributions to assist the ITTO.

9. Mr. Emile Kei-Bouguinard, the Minister of State of Côte d'Ivoire, representing the Head of State, President Houphouët-Boigny, addressed the Session. He conveyed the greetings and best wishes of the President to the Council during its deliberations designed to evolve policies of rational utilization and conservation of tropical forests. The cause of the current crisis in the forests and the environment lay in man's long neglect and misuse of the forests everywhere in the world. In 1971 President Houphouët-Boigny pointed up the dilemma facing mankind when he referred to the contradiction between the pace of certain aspects of economic growth and the protection of the natural environment and human survival. There are two sides to this human predicament. One should not abandon economic development under the pretext of protecting the environment. Ecology and economics should not be viewed as mutually exclusive: "On conçoit mal l'une sans l'autre" he said. The environment should be a durable factor and ingredient of development and production. Producing countries should not allow the degradation of their environment and forests. With the many causes of world environmental degradation, the industrialists and all those responsible for the imbalance in the ecosystem should be told that "it is of no avail to acquire too much comfort, energy, electricity, money if their countries are rendered uninhabitable thereby". Mr. Kei-Bouguinard concluded by exhorting ITTO to assist in securing a better future for all mankind through sustainable forest management.

**Ascertainment of Quorum (Item A2)**

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

**Adoption of Agenda and Organization of Work (Item A3)**

11. The Council adopted the agenda of its Sixth Session as contained in document ITTC(VI)/1 and reproduced as Annex II to this Report.

12. On the organization of work, the Chairman proposed, and it was agreed, to constitute two Informal Consultative Groups, both of them under his chairmanship: a Consultative Group on Project Financing (with

open-ended membership) to consider Items B2 b & c; and a Contact Group to consider action on a proposal for "The Promotion of Sustainable Forest Management - A Case Study in Sarawak" (under Item E).

**Report on Membership of the Council (Item A4)**

13. The Council took note of a Report by the Executive Director that the Republic of Panama has become the 43rd Member of the ITTO with effect from 3 March 1989 when the Government of Panama deposited its instrument of accession to the ITTA, 1983 at the United Nations, New York.

**Distribution of Votes (Item A5)**

14. The Executive Director drew the attention of the Council to the contents of a Secretariat document ITTC(VI)/1/Rev.1 indicating the revision of the distribution of votes. This had become necessary because of the membership of Panama, and the new data on timber imports for China and the Republic of Korea.

15. Following informal consultations after an initial deferral, the Council took note of the revised distribution of votes, reproduced as Annex VI to this Report.

**Admission of Observers (Item A6)**

16. The Council admitted to its Sixth Session as Observers, representatives of Colombia, Central African Republic, Togo, and Venezuela, and of 18 non-governmental organizations. The list of Observers is contained in the List of Participants (Annex I to this Report).

**Appointment of Credentials Committee (Item D3) and Report of the Credentials Committee (Item A7)**

17. On the proposal of the Chairman, the following were appointed to the Credentials Committee: Brazil, Canada, China, Côte d'Ivoire, Ghana, Indonesia, The Netherlands, and United Kingdom.

18. In his first Report {ITTC(VI)/10}, the Chairman of the Credentials Committee, Mr. Wilfred Mohr (The Netherlands), informed the Council that the Committee had not received written communications of the credentials of the delegations from two Member States attending the Council. The Representative of Switzerland expressed reservations on what he considered to be a recurring lapse at Sessions in the international practice regarding the credentials. He requested the Executive Director to seek legal opinion on the validity of the representation of those delegations which had not submitted written



credentials. The Representatives of France and U.S.A. registered similar reservations.

19. In a second Report to the Council and following consultations, the Chairman of the Credentials Committee announced a revised formulation of the Committees's Report: in its paragraph 2, it would urge the two Member countries to transmit their credentials as soon as possible to the Executive Director; and in its paragraph 4, it would further recommend that the Executive Director, in his official notification of future Sessions of the Council, advise Members that the credentials of their Representatives and the names of Alternate Representatives and Advisers should be issued if possible at least one week before the Sessions by the competent authorities of the Member countries, specifically by the Ministry of Foreign Affairs or the accredited diplomatic mission in the country hosting the Session. Switzerland served notice that it would maintain its reservations on record if the same situation were to recur at a future Session of the Council.

20. The Council finally took note of the Report of the Credentials Committee {document ITTC(VI)/10/Rev.1} which is reproduced as Annex III to this Report.

**Criteria and Priority areas for Programme Development and Project Work (Item B1)**

21. The Council's consideration of this Item was based principally on the outcome of the debate within the Permanent Committee on Reforestation and Forest Management on its Draft Action Plan in the Field of Reforestation and Forest Management which had been formulated by a Panel of Experts. There was a general feeling that whilst discussions continued on the Draft Action Plan similar elements for action programmes should be formulated in the areas of the two other Permanent Committees, namely, Forest Industry and Economic Information and Market Intelligence. This would provide overall coherence and perspective as a basis for formulating a comprehensive programme of work for the Organization. The Council decided to request the Secretariat to prepare such action programmes for consideration by the Permanent Committees and the Council at their next Sessions. The text of this Decision 2(VI) is reproduced in Annex V to this Report.

**Report of the Fourth Sessions of the Permanent Committees (Item B2 a)**

22. The Chairmen of the Permanent Committees presented the Reports of their Committees to the Council. The Reports of the three

Committees are contained in the documents PCM(IV)/D.1, PCF(IV)/D.1, and PCI(IV)/D.1 (see Annex IV to this Report). The Council took note of the three Reports including the recommendations made by the Committees.

**Projects and Prioritization of Projects (Item B2 b & c)**

23. Consideration of the decisions and recommendations of the Committees on Pre-Projects and Projects was undertaken within the Council Chairman's Consultative Group on Project Financing. After the consultations and pledges of funds by donors, the Council decided to approve the following Projects:

- PD 42/88 Rev.1 (M) The Structure of China's Tropical Timber Market, the Current Situation of International Cooperation of P.R.C., and Prospects to the Year 2000
- PD 61/89 (M) Statistical Information and Market Indicators: Study of the Trade and Market for Tropical Hardwoods in Japan
- PD 53/89 (F) Preparation of a Master Land-Use Plan for Forest Areas - (Cameroon)
- PD 55/89 (F) Research and Development Activities in the Framework of Forest Management Operations in Côte d'Ivoire's Closed Forest: Establishment of a Typological Classification of Forests on the Basis of Silvicultural Operations
- PD 57/89 (F,I) Seminar and Study Tour on Sustainable Development of Tropical Forests and Tropical Timber Manufacturing Industries in Japan
- PD 58/89 (F) Tropical Forestry Internship
- PD 3.a/87 Rev.2 (I) Enhancing Locally the Value of Lesser-known Species (Manufacture of Blockboards from Lesser-known Species in Cameroon)
- PD 37/88 Rev.3 (I) Industrial Utilization of New Forest Species in Peru
- 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 Centre for Lesser-known Species in Europe
- PD 60/89 (F,M,I) Fellowship and Related Assistance Program to Promote Tropical Forest Sector Development

PD 62/89 (F) Contribution to the Implementation of the New Industrial Plantation Component of the Forestry Sector Project, 1990-1994 - (Côte d'Ivoire) (for ITTO sponsorship)

24. The Council authorized immediate financing and implementation of the following Projects:

PD 7.c./87 Rev.1 (M)	Statistical Information and Market Indicators: c. Market News Service for Tropical Timber and Timber Products (\$772,078) - (approved by Fourth ITTC)
PD 42/88 Rev.1 (M)	(\$99,500)
PD 61/89 (M)	(\$210,000)
PD 57/89 (F,I)	(\$95,000)
PD 34/88 Rev.1 (F,I)	Conservation, Management, Utilization, Integral and Sustained Use of the Forest of the Chimanes Region Department of El Beni, Bolivia (\$1,260,000) - (approved by Fifth ITTC)
PD 4/87 Rev.1 (I)	Training in Planning and Management of Forest Industries in Developing Countries (\$1,773,500) (approved by Third ITTC)
PD 3.a/87 Rev.2 (I)	(\$159,000)
PD 60/89 (F,M,I)	(\$204,000)

25. The Council authorized financing for immediate implementation, as soon as earmarked funds are available in the Special Account, of the following Projects:

PD 53/89 (F)	(\$480,000)
PD 58/89 (F)	(\$109,000)
PD 37/88 Rev.3 (I)	(\$910,000)
PD 43/88 Rev.2 (I)	(\$920,000)
PD 48/88 Rev.1 (I)	(\$475,737)
PD 49/89 (I)	(\$96,000).

26. The Council authorized the financing and implementation of Project PD 55/89 (F) (\$1,464,000) as soon as unearmarked funds are available in the Special Account.

27. The Council urged the donor community to support the Project PD 62/89 (F).

28. The Council took note of the decisions of the Permanent Committees to implement the following Pre-Projects and authorized financing for them:

- a) Silvicultural Treatment through Selective Felling as Part of a Pilot Forest Development Project in the South Bakundu Forest Reserve (\$35,000) - (Cameroon)
- b) Manmade Forests of Indigenous Species - A systematic Preparation to Industrial Tree Plantations (\$35,000) - (Ghana)

- c) Tropical Timber in Construction and Development of Harmonized Stress Grading Rules (\$50,000)
- d) Industrial Processing of Rubber Wood Timber in Africa (\$133,000)
- e) Appropriate Supply of Wood Raw Materials in Producing Countries with Dwindling Forest Resources: The Case of the Philippines (\$25,000)

29. The Council decided that Projects for which funds are not immediately available may be implemented when earmarked contributions for them are received; urged Members to consider financing those approved Projects for which funds are 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 authorization of the Council. The text of this Decision 1(VI) is reproduced in Annex V to this Report.

30. During the Council's consideration of the text of the Decision, the Representative of Brazil (Mr. Marcos Caramuru de Paiva), speaking on behalf of the Producer Group, expressed regret that there was no adequate funds for implementing all approved Projects. This situation had been made worse by the increasing tendency of donors to pledge earmarked contributions thereby reducing the possibility of some Projects being implemented. In certain cases Projects which could receive partial funding could not be approved because there was no clear possibility of securing full funding to undertake implementation. This situation disappointed the expectations of producing countries. The test of ITTO's relevance lay in its project work or operational activities. The Producers wished to make a special appeal to the donor countries to increase their contributions to the Special Account.

31. The Representative of Denmark (Mr. Peter Hansen), spokesman for the Consumer Group, intervened to explain the position of the donors. The donors had made pledges of contributions indicating a commitment to give increased financial support to the ITTO. This commitment was not being reciprocated by certain other Members who had failed to demonstrate their readiness to honour their financial obligations to support the administration of the Organization.

**Financial Resources of the Special Account (Item B3 a & b)**

32. The Council took note of the Secretariat document

ITTC(VI)/CRP.2, reporting the status of finances under the Pre-Project Sub-Account and the Project Sub-Account.

**New Contributions to the Special Account (Item B3 c)**

33. The Council's Session to receive pledges of new contributions to the Special Account provided also the opportunity for donor delegations to make general statements.

34. The following pledges of contributions were made:

ITALY:	US\$ 1 million - earmarked
JAPAN:	Yen 300 million for 1989 fiscal year (approx. over US\$ 2.3 million)
FINLAND:	7 1/2 million Finnish Marks for period 1989/93 (approx. US\$ 2 million)
FRANCE:	US\$ 2 million - earmarked
NETHERLANDS:	300 thousand Dutch Guilders (approx. US\$ 150,000)
SWITZERLAND:	US\$ 1 million - earmarked
SWEDEN:	US\$ 386,039 - earmarked
WWF INTERNATIONAL:	US\$ 7,000 - earmarked.

35. The Representative of Italy, H.E. Mr. Carlo Calia, expressed Italy's support for the work of the ITTO. Through its consultative forum grouping producers, consumers, environmental organizations, timber trade and industry associations, ITTO was working to strike a balance between conservation, sustainability and rational utilization of tropical forests. ITTO should further elaborate its programme of work. In recognition of these efforts, Italy was making an earmarked contribution of \$ 1 million. This must be seen as only part of Italy's general contribution to and support for similar activities in tropical forestry being carried out multilaterally and bilaterally through the FAO and within the context of such programmes as TFAP, Bellagio I and II.

36. The Representative of Japan, H.E. Mr. Masayuki Yagi, expressed the heightened concern of Japan over the problems facing tropical forests which should not be considered as the preserve of either producers or consumers of tropical timber, but rather as the common heritage of mankind. All efforts to remedy the problems should be conceived from a global perspective informed by the practice of sustainable forest management and with due regard for the sovereignty of the tropical countries. ITTO had become the principal forum for harmonizing different interests in the utilization and conservation of tropical forests. It should, therefore, play a leading role in actions to develop tropical forests on a long-term basis in response to the hope of the world.

37. Encouraged by the dynamic and positive technical work of the ITTO, Japan would pledge for fiscal 1989 the sum of three hundred million Yen (over \$ 2 million). In addition, it was the intention and decision of the Government of Japan soon to make available to ITTO further substantial financial resources in order to give accelerated momentum to the ITTO's operational activities and thereby enable the Organization to come to grips with its tasks as required under the Agreement. Japan would exhort all Members to give positive assistance to the young ITTO.

38. The Representative of Finland, Mr. Pertti Kaukonen, declared the firm support of the Government of Finland for the project activities of ITTO. Consequently, FINNIDA would pledge an earmarked contribution of seven and half million Finnish Marks (about \$ 2 million) over the period 1989/93 to finance Project PD 4/87 Rev.1 (I) - Training in Planning and Management of Forest Industries in Developing Countries.

39. The Representative of France, Mr. Philippe Dupont, explained why the French Government had so far not pledged any contributions to the Special Account. This was due in part to the initial uncertainties in the functioning of the Organization. With organization and more predictable methods as indicated for instance by the adoption of the Project Cycle and consultations over a Plan of Action in the Field of Reforestation and Forest Management, France had now decided to pledge an initial contribution of \$ 2 million. This contribution would be reviewed as conditions improved in the Organization. The French Minister of Co-operation would soon make a declaration of financial assistance for forestry development of Africa. France's contribution to ITTO would be earmarked for specific Projects which would be selected by France following three basic criteria: (a) establishing a balance of interests and benefits between the three producing regions; (b) priority for projects of sub-regional or regional scope; and (c) priorities established by the Permanent Committees in the areas of renewable resources and forest management, the promotion of lesser-known species and access to new markets for tropical timber products. The present contribution of France, he concluded, must be seen as representing only a small portion of France's global contribution to forestry through bilateral or multilateral channels. He expressed the hope that the ITTO would continue to work to deserve new and more substantial financial contributions.

40. The Representative of The Netherlands, Mr. Otto Th. Genee, in announcing a contribution of three hundred thousand Dutch Guilders for 1989 to the Special Account, reiterated the commitment of his Government to build up the ITTO. He made a firm appeal to Members to provide more funds so that the responsibilities of the ITTO may be borne on the basis of the principle of "equitable burden-sharing".

41. The Representative of Switzerland, Mr. Christian Häberli, underlined the importance of ITTO's role in promoting tropical timber trade on the basis of sustainable development. Switzerland was encouraged by the activities of the Organization and the pledge of new contributions. It was, however, gravely concerned about the attitude of those Members who had defaulted in the payment of their contributions to the Administrative Budget, with its implications for the staff and activities of the Organization. If this situation persisted, Switzerland would be constrained in the future to decide no longer to finance any projects, the beneficiaries of which are in arrears with their contributions. Part of the Swiss contribution of \$ 1 million would be earmarked for co-financing Project PD 7.c/87 Rev.1 (M).

42. The Representative of Sweden, Mr. Tommy Johansson, announced a pledge of \$386,039 representing Sweden's equal share in co-financing Project PD 7.c/87 Rev.1 (M) with Switzerland. The Government of Sweden attached importance to the implementation of Projects approved by the Council.

43. Mr. Theo Anderson (Friends of the Earth, Ghana) addressed the Council on behalf of the following non-governmental organizations: Environmental Policy Institute, U.S.A.; Fundación Natura, Ecuador; Greenpeace; Instituto Forestal Latino Americano; IUCN, Rainforest Alliance; SKEPHI; TERRA; Wildlife Conservation International; WWF Denmark, Germany, The Netherlands, U.K., U.S.A, and WWF International. He referred to a previous contribution of \$10,000 made by the NGOs to be used towards financing some of the conservation oriented aspects of the Brazilian Project PD 24/88 (F). He announced two new pledges of contributions totalling \$7,000 on behalf of the WWF International: \$5,000 to be earmarked for the Chimanes Project PD 34/88 Rev.1 (F,I); \$2,000 towards the subsequent implementation of a project to be developed from the Project Idea "Identification and Promotion of Sustainable Management of Natural Forests for Timber Production". The NGOs, he declared, judged it important that ITTO should succeed in its

two principal roles as (i) a forum for discussions and consultations and (ii) as an institution for taking action to promote sustainable use and conservation of tropical forests. They welcomed the signing of the Project Agreement between Brazil and the ITTO to implement Project PD 24/88 (F). They were satisfied with the good working relations established between the staff of the ITTO and those of the NGOs. It was vital for Members to strengthen the administration of the ITTO through increased financial assistance, prompt payment of assessed contributions to the Administrative Budget and by the secondment of necessary personnel to the Secretariat. In this connection they appreciated the offer of Norway in pledging financial assistance to create a post of Forestry Ecologist in the Secretariat. The NGOs were equally encouraged by the initiatives of the UCBT and the consultations over the levy proposal. They regretted, however, that they had not been brought into the consultations organized during this Session. The Netherlands had undertaken an initial analysis of the implications of the proposal and it was hoped that further analyses would be done to assure the producing countries of the advantages in putting the mechanism of the proposal into practice. It was hoped that the ITTO mission established to visit Sarawak, Malaysia, given satisfactory terms of reference, would prove beneficial for conservation, trade and the welfare of the forest dwellers. The NGO community would pledge their expertise to assist the work of the ITTO mission. They also expressed satisfaction over the current consideration of the Plan of Action in the Field of Reforestation and Forest Management. As part of the discussions on sustainable forest management it was now time for ITTO to begin drafting a Manual of Best Practice. Work could begin immediately on this and be completed within a period of some six months.

44. The Vice-Chairman of the Council, Mr. Markku Simula (Finland), in the Chair, made concluding remarks thanking all those who had pledged contributions to the Special Account. These new increased contributions would uplift the activities of the ITTO to a new level and equip the Organization better to make a significant impact on activities in the field of sustainable management and utilization of tropical forests. The gesture of donors testified to the "increasing credibility" which Members showed in the Organization. It should serve as an example and inspiration to other Members to make additional financial resources available to the ITTO.



Non-Project Work related to Article 27 and Article 28 of the Agreement  
(Item B4 a & b)

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

Following the recommendation of the Joint Session on the Market Review and Outlook, the Council decided to request the Secretariat to make any appropriate revisions to document ITTC(VI)/3 'Elements for the 1988 Annual Review', in the light of any additional or corrected information which might have emerged from the Market Discussions. Furthermore, any Member who had any suggestions or corrections to make to improve the text of the document should submit them to the Secretariat not later than 1 August 1989. Meanwhile, two delegations made some suggestions for future improvements in the presentation and substance of the Annual Review.

46. The Representative of Switzerland called for improvement in the language of the text and for a uniform presentation of topics which would make for easier reading and comprehension by the wider general public. The report should avoid reproducing those already published FAO statistics which are not particularly relevant to the scope of the review. The Report should give an overview of the tropical timber trade of not only ITTO Members but also non-members and their respective share of the total world trade.

47. The Representative of The Netherlands requested that there should be a substantial and more comprehensive presentation of national developments affecting the timber trade. This type of information might be collated from the Country Market Statements to be submitted by Members, in particular the producing Members.

48. The Chairman requested the Secretariat to take note of the suggestions, make the appropriate revisions and arrange for the publication and general distribution of the Annual Review.

49. Annual Report 1988

In presenting the Draft Annual Report 1988 {document ITTC(VI)/2}, the Executive Director drew the attention of the Council to amendments proposed by Sweden to the text. He indicated that the Report of the Auditors was also to be incorporated into the Report after the adoption of the former by the Council. The Council took note of the Annual Report subject to the inclusion of the amendments by Sweden and of the Report of the Auditors.

**Measures with regard to Article 42 of the International Tropical Timber Agreement, 1983 (Item C1)**

50. The Council considered the Note by the Secretariat on this Item contained in document ITTC(VI)/7. There was consensus that the Agreement should be extended to give the Organization the lease of life necessary to develop gradually and smoothly. The Spokesman for the Producers (the Representative of Brazil) presented the viewpoint of the Producers and recommended the extension of the ITTA, 1983 for four years following the initial expiry date on 31 March 1990. The Representative of Denmark, speaking on behalf of the Consumers, expressed the opinion that the option open to the Council was clearly stipulated in paragraph 2 of Article 42 and that, therefore, there should be an extension for two years in the first instance.

51. The Chairman called for consultations following which the Council adopted a Decision to extend the ITTA for a period of two years starting 1 April 1990 and ending 31 March 1992; recognized that this decision may be part of a four-year extension of the Agreement and that the Council may decide to extend the Agreement by an additional period of two years in accordance with paragraph 2 of Article 42; and further decided to consider the question at its Tenth Session. (For the text of this Decision 3(VI), see Annex V to this Report.)

**Rules of Procedure of the Council: Decision on Rule 32 (Item C2)**

52. The Council decided to defer consideration of this item to its Seventh Session.

**Review of Contributions to the Administrative Account (Item D1)**

53. The Council considered this Item on the basis of the Secretariat document ITTC(VI)/CRP.3. The Executive Director made a Statement on the shortfall in the receipt of contributions under the Administrative Budget and the liquidity crisis facing the Secretariat. He informed the Council of the persistent efforts and appeals he had personally made to impress on defaulting Members the need to regularize their financial obligations. Although the situation had improved somewhat it was still far from satisfactory. Meanwhile, it would be necessary for the Council to authorize him to transfer the sum of \$500,000 from the Reserve Fund to tide the Secretariat over the period from May till December 1989.

54. The deliberations on this item led to a general expression of concern over the persistent defaulting by certain Members in the payment of their assessed contributions and its adverse consequences for the

administration of the Organization. In the view of the Consumers it was imperative for defaulting Members to demonstrate their commitment to honour their financial obligations. The situation had thrown the budget and work of the organization out of gear and cast doubts on the principle of burden-sharing within the ITTO. The Consumer Group, therefore, could not see their way clear to authorizing the Executive Director to withdraw funds as he had requested from the Reserve Fund. The responsibility for the liquidity problem must be faced realistically by all Members.

55. The Spokesman of the Producer Group explained that the economic problems facing many producing countries had affected their capability to pay promptly their contributions. He appealed for co-operation and understanding from the consumers to enable the Organization to function as requested by the Executive Director.

56. The Council urged Members to pay promptly their assessed contributions and authorized the Executive Director to withdraw funds not exceeding US\$216,900 from the Reserve Fund and in addition to use any arrears in contributions which would be paid up during the period from May until the Seventh Session of the Council when the matter would come up again for review.

57. In expressing reservations over the decision of the Council the Executive Director informed the Council of the constraints which would consequently be imposed on him. He intended to exercise his discretion to determine which activities of the Secretariat could be carried out within the severe budgetary stringency.

#### **Report of the Auditors for 1988 (Item D2)**

58. The Executive Director presented to the Council the Report of the Auditors for 1988 circulated as document ITTC(VI)/4. Following a query by the Representatives of Ecuador, the Council requested the Secretariat to obtain the relevant excerpts from the UNCTAD Auditors' Report of their Accounts relating to the verification of expenditures incurred by UNCTAD during the Preparatory Meetings leading to the establishment of ITTO. Pending the release of this information the Council took note of the Report of the Auditors for 1988.

#### **Dates and Venue of Seventh Session of ITTC and Fifth Sessions of the Permanent Committees (Item D4)**

59. The Council decided to hold its Seventh Session and the Fifth Sessions of the Permanent Committees in Yokohama from 30 October to 7 November 1989.

**Other Business (Item E)**

**Tropical Forestry Action Plan**

60. The Council heard a Statement from the delegate of France (Mr. Jean Clément) on the work of the Eighth TFAP Advisors' Meeting held in Paris (11-12 May 1989). Some 62 participants attended the meeting representing the ITTO, other bilateral and multilateral aid agencies, NGOs and several tropical countries. He informed the Council that to date 52 tropical countries, among which 14 ITTO Member States, had undertaken country reviews under the auspices of TFAP. Eleven countries, among which six ITTO Members, had drawn up Plans of Action for their national forestry sectors. Six Round Table Meetings had so far been organized for tropical countries and five others were under way by the end of 1989. The next meeting of the Advisors' Group was scheduled for September 1989 in Rome.

**Consultancies for Research and other Services**

61. In response to a prior request by the Representative of Switzerland for a Progress Report, the Executive Director informed the Council on measures which the Secretariat had taken in compliance with Council Decision 3(IV) of 1 July 1988 regarding Consultancies for Research and Other Services. The Council took note of the Executive Director's report.

**Statement by E.E.C.**

62. The Representative of the E.E.C., Mr. Enzo Barattini, addressed the Council on behalf of the Members of the E.E.C. He commended the Council and the Permanent Committees for the work accomplished, thus dispelling doubts about the efficacy of the ITTO. The ITTO's first Market Discussions had testified to its usefulness as a forum for the exchange of information. The discussions on the draft Plan of Action in the Field of Reforestation and Forest Management were vital in determining the directive principles of action necessary for establishing priorities in ITTO's work in promoting sustainable forest management. He applauded the initiatives of the Executive Director which had led to the decision to send a mission to assist Sarawak, Malaysia, in the promotion of sustainable forest management. The Members of the E.E.C. had pledged their co-operation to support the work of the Organization. He welcomed the decision to extend the ITTA, 1983 for a period of two years with effect from 1 April 1990. This would

ensure continuity of operations and assist in crystallizing the work of the ITTO.

The Promotion of Sustainable Forest Management - A Case Study in Sarawak, Malaysia

63. Following consultations with the delegation of Malaysia, the Council was seized of the above question. In addressing the Council, the Representative of Malaysia paid tribute to the initiatives undertaken by the Executive Director and referred to the Statement made to the Council by the Chief Minister of Sarawak, Malaysia. The Government of Malaysia, in exercise of its sovereign will, had decided to respond to the concern expressed in several quarters over the forestry situation in Sarawak. In an act of international co-operation it had offered to receive a mission of the ITTO which would make an independent assessment of the forestry situation in Sarawak in order to assist the authorities in promoting sustainable forest management. Malaysia would respect the independence of the mission, assist in facilitating its contacts, meetings and visits, and provide information needed for the work. Malaysia would equally appeal to all to respect the independence of the mission and desist from any action which would hamper the work of the mission. Malaysia had undertaken consultations in the Council aimed at achieving consensus, if not a large measure of agreement, over the question. The draft Resolution placed before the Council on the question was the outcome of intensive negotiations and discussions.

64. Following its formal presentation the Council adopted the Resolution 1(VI). The Resolution which is reproduced in Annex V to this Report would, inter alia, establish a mission to assess the sustainable utilization and conservation of the forests in Sarawak and on the basis of its findings make recommendations for further strengthening of sustainable forest management policies and practices, including areas of international co-operation and assistance.

65. After the adoption of the Resolution, the Representative of Brazil, on the instructions of his Government, made a declaration to place Brazil's reservations on record. The Government of Brazil believed that it was a matter within the sovereign discretion of any Member State to request or welcome a mission to examine or evaluate its forest resources and formulate recommendations on forest management. The ITTA made provision for necessary means and procedures to allow States to receive from the ITTO any co-operation they decided on.

Brazil considered the Resolution as "sui generis", a unique and exceptional initiative outside the competence of the ITTO which is a commodity organization. Brazil did not recognize the competence of ITTO, through a resolution, to send a mission to a Member State or to establish investigatory procedures on national matters. The Resolution adopted by the Council should not constitute a precedent to be accepted by the Members.

66. The Representative of Peru expressed his Government's reservations on the Resolution. Peru, he declared, recognized the sovereign right of any State to take its own decisions. Peru would not interfere with the exercise of such rights. The ITTA, however, made no provision for sending missions, if not so requested, to Member States. The Resolution should be seen as unique and should not constitute a precedent in the Organization.

67. In responding to some observations, the Representative of Malaysia reiterated that his Government's decision on the matter had been taken in exercise of its sovereign discretion. Malaysia also recognized that no mission could be sent into any State without the receiving State's consent. The adoption of the terms of the Resolution by the Council testified clearly to ITTO's competence in the question. He assured the Council that the initiative taken by Malaysia was not in any way predicated on establishing a precedent for the ITTO.

**Candidature of Dr. B.C.Y. Freezailah for Re-election as Executive Director**

68. On instructions from the Government of Malaysia, the Representative of Malaysia informed the Council of his Government's decision to propose the candidature of Dr. B.C.Y. Freezailah for re-election as the Executive Director of the ITTO. The Representative of Malaysia expressed the hope that, in recognition of the work done by Dr. Freezailah in building up the Organization and the importance of continuity, the support of Members would be forthcoming at the appropriate time.

**Proposal on Regional Workshops for Project Formulation**

69. The Council decided to defer consideration of a proposal circulated by Japan entitled "Regional Workshops to Strengthen project Preparation", which would request ITTO to organize regional Workshops where Member States could be assisted to improve their expertise in the formulation and preparation of projects. As the proposal had not been

fully considered by all delegations, the Council requested the Secretariat to consult with Japan to submit proposals for its consideration at its Seventh Session.

**Relationship with the Common Fund for Commodities**

70. An information Paper on this subject, prepared in consultation with the UNCTAD Secretariat, had been circulated to Members in document ITTC(VI)/6. The Paper gave a summary of developments in the establishment of the Common Fund for Commodities, a subject of interest to the ITTO, in terms of paragraph 2 a of Article 20 and of Article 26 of the ITTA, 1983.

**Decisions and Report of the Session (Item F)**

71. The texts of the main Decisions of the Council which had been circulated to participants in documents ITTC(VI)/11, 12, 13 and 14 were taken as read and were to be formally communicated to Members in accordance with paragraph 1 of Rule 33 of the Council's Rules of Procedure.

72. The Chairman announced that the Secretariat would prepare the Report of the Session and have it circulated to Members as soon as possible in accordance with paragraph 2 of Rule 33 of the Rules of Procedure.

**Closing Ceremony**

73. The Acting Chairman of the Council, Mr. Markku Simula (Finland), expressed the regrets of the Chairman for his absence due to other obligations of State which had necessitated his return to Bolivia. On behalf of ITTO, he expressed deep gratitude for the hospitality accorded to delegations. He acknowledged and welcomed the presence of Mr. Yao Komlavi, the Minister of Environment and Tourism of Togo, to observe the proceedings of the Session. The Acting Chairman underscored the remarkable points of success which had characterized the Session: the extension of the ITTA, 1983 for two years after 1990; the vitality of the exchanges and consultations during the Market Discussions - a new path for a regular ITTO activity and greater involvement of the conservationists, timber trade and industry associations; the pledging of increased contributions for Projects; the progress on work in elaborating an Action Plan to cover all the major areas of ITTO activities. All these developments reinforced the growing strength and vitality of the ITTO. The Organization should now brace itself up to undertake more concrete work.

74. In his Closing Speech, the Executive Director stressed the presence of several African Observers including the Togolese Minister as clear indications of the prospect of receiving in due course some new African Members. The Session had laid bare the pace and substance of work to be undertaken, the need for finances and the prospects of substantial funds from Japan and France, the need to translate into practice the principle of burden-sharing in the area of sustainable forest management; and the gradual progress in elaborating an Action Plan for the Organization's work. ITTO was determined to forge ahead at a steady pace with greater resolve to give meaning and reality to its mandate. The Executive Director expressed general thanks to the hosts and all the personnel who had contributed to the organization and success of the Session.

75. In an Address at the Closing Session, Mr. Yao Komlavi, the Minister of Environment and Tourism of Togo, declared the importance which he attached to the work of the ITTO and his desire to explore possibilities of Togo's eventual membership. Togo wished to join in the international action to secure the world environment through rehabilitation protection and the rational management of tropical forests for the economic welfare of the entire humanity. In Africa protecting the environment was rooted in its age-old ancestral tradition when peoples created "sacred forests" and secured them from encroachment. This practice was inspired by the symbolic and cautionary example which the African chameleon teaches mankind by its natural slow movement. The slow movement of chameleon was interpreted in traditional lore as an indication of the prudence and respect it holds for the fragile and delicate elements of the soil on which it creeps. In contrast, the Minister adduced, modern Man in his rush for development had destroyed much of the beauty and substance which Nature had endowed the forests. Consequently the survival of mankind was now placed at risk. The current search is for securing this survival. The approach should not be to advocate and prescribe the "don'ts" of life, but to be positive and recommend the "do's"; hence the raison d'être of the ITTO which has a positive mandate to promote the rehabilitation, conservation and management of tropical forests for the economic benefit of mankind. He exhorted the ITTO to be guided in its work by the dictates of realism.

76. Mr. Vincent-Pierre Lokrou, the Minister of Forestry of Côte d'Ivoire, reviewed the work of the Session. He paid tribute to all



participants for the spirit of understanding and co-operation which they had shown in the face of their apparent divergences of views and interests. That was a measure of ITTO's maturity. "La forêt est notre première richesse", he quoted the words of President Houphouët-Boigny; hence the importance which is attached to sustainable forest management. For this, an immense outlay of financial resources was required. He welcomed the indications and pledges of additional funds for the task and which would enhance the benefits from forest resources and the commodity trade. Côte d'Ivoire viewed with grave concern any measures which would tend to diminish the revenue or economic benefits which would accrue to the producers of tropical timber. The Minister thanked ITTO for its support in approving various Projects including two from the Côte d'Ivoire.

77. On behalf of the President of the Côte d'Ivoire, Mr. Emile Kei-Bouguinard, Minister of State, made brief closing remarks. He expressed the hope that participants had taken advantage of their stay to enjoy the hospitality provided and to observe the realities of life in Côte d'Ivoire. The work of the Session had been arduous but the outcome had proved most encouraging. He intended to give a faithful report of this to the President of Côte d'Ivoire. He wished all participants a safe journey home.

78. The Acting Chairman declared the Sixth Session of the International Tropical Timber Council closed.

**Annex I**

List of Participants

{document: ITTC(VI)/INF.2/Rev.1}

INTERNATIONAL TROPICAL TIMBER COUNCIL  
Sixth Session  
16-24 May 1989, Abidjan, Côte d'Ivoire

ITTC(VI)/INF.2/Rev.1  
24 May 1989  
English/French/Spanish

LIST OF PARTICIPANTS

AT

THE SIXTH SESSION OF THE INTERNATIONAL TROPICAL TIMBER COUNCIL

Abidjan, Côte d'Ivoire

16 - 24 May 1989

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\* Participating Members: Australia, Bolivia, Brazil, Cameroon, Canada, China, Congo, Côte d'Ivoire, Ecuador, European Economic Community - Commission, Spain, France, Italy, Netherlands, United Kingdom of Great Britain & Northern Ireland, Belgium/Luxembourg, Denmark, Federal Republic of Germany - Finland, Gabon, Ghana, Indonesia, Japan, Republic of Korea, Malaysia, Norway, Peru, Sweden, Switzerland, Union of Soviet Socialist Republics, United States of America.

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Branch, Department of Primary Industries  
& Energy

**BOLIVIA**

- \* Mr. Jaime Muñoz-Reyes      Subsecretario de Recursos Naturales  
Navarro      Renovables y Medio Ambiente  
\*\* Mr. Javier López      Director General, Centro de Desarrollo  
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\*\* Mr. Sergio Azevero S.      Second Secretary, Ministry of  
Barreiros      External Relations  
\*\*\* Mr. Gilberto Siqueira      Presidente Fundação de Tecnologia do  
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Mr. Deusdete A. Nogueira      Secretary of the Government of Acre

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Mr. Hubert Simo      Chef de Service de l'Aménagement des  
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- Mr. Shilin Zhu Deputy Director of Information Institute, Chinese Academy of Forestry
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| Mr. Frank Sheridan       | Director, International Hardwood Products Association; and President, Afrasian Woods |

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Mr. Yao Keoula	Directeur de la Protection et du Contrôle de l'Exploitation de la Flore

**VENEZUELA**

Mr. Julio Cesar Centeno	Director, Latin American Forestry Institute, Venezuela
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**United Nations**

**UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD)**

Mr. Havelock Brewster	Officer-in-Charge, Commodities Division
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**INTERNATIONAL TRADE CENTER UNCTAD/GATT (ITC)**

Mr. José Luis Albaladejo	Senior Market Development Officer, Market Development Section - Manufactured Products Division of Product and Market Development
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**Specialized and Related Agencies**

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS (FAO)**

Mr. Philip Wardle	Senior Forestry Economist, Forestry Department
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**UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)**

Mr. Antoine V. Bassili                      Senior Industrial Development Officer

**WORLD BANK**

Mr. Nicolas Egli                              Forester  
Mr. A. Robert Whyte                      Senior Financial Analyst

Inter-Governmental Organizations

**AFRICAN TIMBER ORGANIZATION (ATO)**

Mr. Gahurani Tanganika                      Secretary General

Non-Governmental Organizations

**ASSOCIATION TECHNIQUE INTERNATIONALE DES BOIS TROPICAUX (A.T.I.B.T.)**

Mr. Michael Latham                              Chairman of A.T.I.B.T.  
Mr. Henri Montcerisier                              Treasurer of A.T.I.B.T.  
Mr. Jacques Rougier                              Président, Directeur Général, Rougier S.A.  
France  
Mr. Isidoro Bianchi                              Conseiller Adm. A.T.I.B.T.  
Mr. Heinrich L. Stoll                              Président du Comité A.T.I.B.T. pour la  
Protection de la Forêt Tropicale

**ENVIRONMENTAL POLICY INSTITUTE (EPI)**

Mr. James Barnes                              Senior Attorney

**FRIENDS OF THE EARTH, GHANA**

Mr. Theo Anderson                              President

**FRIENDS OF THE EARTH, HOLLAND**

Mr. Herman Verhagen                              Tropical Rainforest Campaigner

**FRIENDS OF THE EARTH LTD.**

Mr. Simon Counsell                              Rainforest Campaigner

**INTERNATIONAL INSTITUTE FOR ENVIRONMENT AND DEVELOPMENT (IIED)/  
INTERNATIONAL UNION FOR CONSERVATION OF NATURE AND NATURAL RESOURCES  
(IUCN)**

Mr. Duncan Poore                              Senior Consultant

**ITALIAN TIMBER TRADE FEDERATION**

Mr. Alfonso Froncillo                      President, Italian Timber Trade  
Federation

**PERUVIAN FOUNDATION FOR THE CONSERVATION OF NATURE (FPCN)**

Mr. Enrique Toledo G.P.                      Ministry of Agriculture

**RAINFOREST ALLIANCE**

Mr. Ivan Ussach                              Vice President

**SEKRETARIAT KERJASAMA PELESTARIAN HUTAN INDONESIA (SKEPHI)**

Mr. Arief M. Mandan                          Coordinator

**SYNDICAT DES INDUSTRIES DU BOIS (SPIB)**

Mr. Wilfried Birkenmaier                      Director  
Mr. Marcel Kung                              President of SPIB  
Mr. Bruno Finocchiaro                          Vice President of SPIB  
Mr. Jacques Servant  
Mr. Robert Tanoë  
Mr. Georges Amissah                          Secrétaire Général du SPIB

**TIMBER IMPORTER ASSOCIATION OF GREECE**

Mr. Antonios G. Livanos                      Deputy Member of the Board of Directors  
Mr. Theodoros K. Xenos                      Board of Directors

**TROPICAL ECOSYSTEM RESEARCH AND RESCUE ALLIANCE (TERRA)**

Mr. Campbell Plowden                          President

**UNION POUR LE COMMERCE DU BOIS TROPICAL (U.C.B.T.)**

Mr. Alfonso Froncillo                      President, Italian Timber Trade  
Federation  
President, U.C.B.T., CEE  
Mr. Ekkehard Anders                          Chairman of German Timber Importers'  
Federation

**WILDLIFE CONSERVATION INTERNATIONAL**

Mr. Andrew Johns                              Research Fellow

**WORLD CONSERVATION MONITORING CENTRE (WCMC)**

Ms. Sara Oldfield                              Research Officer, Tropical Forest  
Programme

**WORLD WIDE FUND FOR NATURE (WWF INTERNATIONAL)**

Ms. Nao Hasumi	Coordinator for Japanese Affairs
Mr. Adam Markham	Campaigns Officer
Mr. Gordon Shepherd	Director, Information and Education
Mr. Francis Sullivan	International Projects Assistant (U.K.)
Ms. Lulu Appleton	Senior Media Relations Executive (U.K.)
Mr. Yuta Harago	Tropical Forest Conservation Officer
Mr. Manfred Niekisch	Director, (Germany)

-----  
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. James P. Cunningham  
Statistician

Mr. Takeichi Ishikawa  
Projects Manager

Mr. Charas Mayura  
Finance/Administrative Officer

Mr. Arto Jalkanen  
Programmer/Systems Analyst

Mr. Rikio Shinohara  
Administrative Assistant

Ms. Hideko Kamo  
Secretary

Ms. Manami Ohshima  
Secretary

**Annex II**

Agenda

{document: ITTC(VI)/1}

INTERNATIONAL TROPICAL TIMBER COUNCIL  
Sixth Session  
16-24 May 1989, Abidjan, Côte d'Ivoire

Distr. Gen.  
ITTC(VI)/1  
15 March 1989  
Original: English

PROVISIONAL AGENDA

- A.           Opening of the Session
1.   Opening Ceremony
    - a.   Chairman's Address
    - b.   Opening Address by Host Government
    - c.   Other Statements
    - d.   Statement by the Executive Director
  2.   Ascertainment of Quorum
  3.   Adoption of Agenda and Organization of Work
  4.   Report on Membership of the Council
  5.   Distribution of Votes (Annex 1)
  6.   Admission of Observers
  7.   Report of the Credentials Committee
- B.           Work Programme
1.   Criteria and Priority Areas for Programme Development and Project Work
  2.   Projects
    - a.   Report of the Fourth Sessions of the Permanent Committees
    - b.   Consideration of Project Proposals
    - c.   Prioritization of Projects
  3.   Financial Resources of the Special Account
    - a.   Review of the Pre-project Sub-account
    - b.   Review of the Project Sub-account
    - c.   New Contributions to the Special Account
  4.   Non-project Work Related to Article 27 and Article 28 of the Agreement
    - a.   Annual Review and Assessment (Doc. ITTC(VI)/3)
    - b.   Annual Report 1988 (Doc. ITTC(VI)/2)



C. Establishment Matters

1. Measures With Regard to Article 42 of the International Tropical Timber Agreement, 1983
2. Rules of Procedure of the Council : Decision on Rule 32

D. Administrative and Financial Matters

1. Review of Contributions to the Administrative Budgets for the Initial Period, November/December 1986, First Half 1987, Second Half 1987, 1988 and 1989
2. Report of the Auditors for 1988 (Doc. ITTC(VI)/4)
3. Appointment of the Credentials Committee for 1989
4. Dates and Venue of Seventh Session of ITTC and Fifth Sessions of the Permanent Committees

E. Other Business

F. Decisions and Report of the Session

**Annex III**

Report of the Credentials Committee

{document: ITTC(VI)/10/Rev.1}

INTERNATIONAL TROPICAL TIMBER COUNCIL  
Sixth Session  
16-24 May 1989, Abidjan, Côte d'Ivoire

Distr. Gen.  
ITTC(VI)/10/Rev.1  
24 May 1989  
Original: English

CREDENTIALS COMMITTEE

REPORT OF THE CREDENTIALS COMMITTEE

(Agenda Item A.7)

1. The Credentials Committee was composed of the representatives of Brazil, China, Côte d'Ivoire, Ghana, Indonesia, United Kingdom and the Netherlands. The Committee met on Monday, 22 May 1989, and elected Mr. W. Mohr (Netherlands) as its Chairman. It examined the credentials received from 31 countries.
2. The Credentials Committee recommends to the Council to urge the two Member countries which have not yet submitted their credentials to transmit them as soon as possible to the Executive Director of the ITTO.
3. Notwithstanding paragraph 2 above, the Committee found the credentials to be in good and due form and recommends to the Council that they be approved.
4. The Credentials Committee further recommends that the Executive Director advise Members, in his notification of future Sessions of the Council, that the credentials of their representatives and the names of their alternate representatives and advisers should be issued by the competent authorities of the Members of the Council, specifically the Ministry of Foreign Affairs or the accredited diplomatic mission in the host country of the Session. Such credentials should be submitted, if possible, at least one week before the beginning of the Session.

**Annex IV**

Reports of the Fourth Sessions of  
the Three Permanent Committees

{documents: PCM(IV)/D.1  
PCF(IV)/D.1  
PCI(IV)/D.1}

COMMITTEE ON ECONOMIC INFORMATION  
AND MARKET INTELLIGENCE  
Fourth Session  
16-23 May 1989, Abidjan, Côte d'Ivoire

Distr. Gen.  
PCM(IV)/D.1  
23 May 1989  
Original: English

REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL  
FOURTH SESSION OF THE PERMANENT COMMITTEE ON  
ECONOMIC INFORMATION AND MARKET INTELLIGENCE  
16 - 23 May 1989

Table of Contents

Report

- Appendix A      Market Statement & Tropical Timber Market  
                    Forecasts, 1987-1989
- Appendix B      Technical Evaluation of Project Proposals

## REPORT

### 1. Introduction

The Fourth Session of the Committee was opened by the Chairman, Mr. John Medeiros (U.S.A.), on 16 May 1989. The List of Participants is reproduced in document PCM(IV)/PCF(IV)/PCI(IV)/INF.1/Rev.1.

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

The Committee adopted the Agenda of the Fourth Session as contained in document PCM(IV)/1.

### 3. Admission of Observers

The List of Observers admitted by the Committee figures in documents PCM(IV)/PCF(IV)/PCI(IV)/Info.2 and Info.2/Add.1.

### 4. Market Review and Outlook

A Joint Session of all three Permanent Committees convened for the two-day Market Discussions to review market developments for tropical timber products in 1988 and prospects for 1989. The schedule of subjects and the timetable are set out and circulated in document PCM(IV)/1. The structure of the Discussion focussed on market developments in Europe, Asia/Pacific and North America; and on special topics including a presentation on the Forest Resources Situation, the Timber Trade and Industry of Côte d'Ivoire, supplies from Africa, and the development and application of hardwood grading rules.

The Market Review benefitted from the wide circle of participants from Member Governments, Timber Trade and Industry Associations, and conservation NGOs.

The analysis of the market developments and topics raised by participants is summed up in the Market Statement which was considered and approved by the Session and released to the Press. The Market Statement together with a summary Table of Tropical Timber Market Forecasts for 1987-1989, figures as Appendix A to this Report.

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

The Joint Session agreed to recommend to the Council to request the Secretariat to revise the document ITTC(VI)/3 "Elements for the 1988 Annual Review" in the light of the market discussions. The Council should request all participants to forward to the Secretariat by 1 August 1989 any suggestions for revisions.

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

The Committee considered Secretariat document PCM(III)/6: Building up of the Capability in Market Intelligence (Tropical Timber Statistics of Member Countries: Basis for Data Processing in ITTO). The

Committee expressed satisfaction with progress made so far in building up the in-house statistical capability of the ITTO, which is central to its priorities in the area of market intelligence. This development played an important part in the successful preparations for and outcome of the two-day Market Review. It recognized that further improvements are needed to guarantee the quality and timeliness of the data collection.

The Committee believes that the Market Review had been successful and decided to conduct an evaluation in order to refine and improve the procedure and the substance of the discussions. This evaluation will be placed on the agenda of the Fifth Session of the Committee.

The Committee endorsed the proposals of the Secretariat to reinforce ITTO's role in providing assistance to producing Members, in particular in improving their national statistical services in accordance with the objectives of the ITTA. In this regard the Executive Director should include the training of forestry Statisticians in the ITTO Fellowships Programme and should provide further training programmes through other existing statistical institutions.

7. Report on Project Work in Progress

The Committee took note of the Progress Report on six Projects already approved for financing and implementation by the Council and contained in document PCM(IV)/3. The Committee noted that FAO had initiated action in relation to Project PD 1/87 (M) under its Regular Programme of Activities.

8. Report on Completed Pre-Project Work

The Pre-Project Report on "The Structure of China's Tropical Timber Market, the Current Situation of International Cooperation of P.R.C., and Prospects to the Year 2000" was undertaken by the Institute of Scientific and Technical Information (ISTIF) of the Chinese Academy of Forestry with the assistance of an official of the UN ECE/FAO Agriculture and Timber Division. The Report is contained in document PPR 13/89 (M). The Report, as requested, resulted in a revised Project Proposal PD 42/88 Rev.1 (M). The Committee took note of the Pre-Project Report.

The Committee decided that the requested Pre-Project Proposal on a Forest Products Market Intelligence System for ITTO Producing Members of Asia/Pacific Region should be brought up for consideration at its next Session. This Pre-Project Proposal is an extension of a completed Pre-Project PPR 5/87 (M) Preliminary Market Transparency Study for Tropical Timber Produced in the Asean Region.

9. Consideration of Project Proposals

Two Project Proposals were submitted to the Committee for consideration.

PD 42/88 Rev.1 (M)      THE STRUCTURE OF CHINA'S TROPICAL TIMBER MARKET,  
THE CURRENT SITUATION OF INTERNATIONAL COOPERATION  
OF P.R.C., AND PROSPECTS TO THE YEAR 2000

The Committee is of the view that the revisions brought to this Project through the Pre-Project work have enhanced the substance of the

Project, setting out clearly the scope and the methodologies for carrying out the objectives of the Project. The Committee recommended the Project for implementation.

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

The Committee judged that the proposed study is vital for achieving market transparency in such a major international market. It suggested that the Study give particular emphasis to the market for higher value-added products, in keeping with the Organization's goals for further processing and forest management. It noted that this Study is closely related to part of the research to be undertaken under another project PD 43/88 (I) and should be a prerequisite for the successful implementation of that Project. It therefore called attention to the need to avoid duplication. Furthermore when the Work Plan of this Project comes to be set out, it should be done clearly to enhance the value of the outputs. Correction was made to indicate that the Implementing Agency for the Project would be a Project Co-ordinator to be designated later. The Committee recommended this Project for implementation.

The Table of technical evaluation of the above two Project Proposals is reproduced as Appendix B to this Report.

#### 10. Consideration of Project Ideas

Project Idea (I)                      Study of the Trade and Markets for Tropical  
Hardwoods in North America

The Committee considered that this Project Idea has a lot to commend it. For it to be of immediate value it should focus, like the study under PD 61/89 (M), on higher value added further processing of tropical timber products particularly in such sectors as builders' woodwork, joinery and wooden furniture. This would provide opportunities for the export of timber products whose added value would promote further processing and provide greater incentives for forest management in consonance with the objectives of the ITTA. The Committee therefore decided to recommend that a Project Document be prepared for consideration at its Fifth Session.

Project Idea (II)                      Development of the Monthly Bulletin: Tropical  
Forest Products in World Timber Trade

The Committee examined the scope of the proposals for further improvement of the Bulletin and their financial implications. It was judged appropriate that as a first step and in the interest of cost effectiveness, preference should be given to publishing a Quarterly Bulletin with monthly data collection. In this regard efforts should be made in the longer term through cooperation of producing countries and to the maximum extent possible to secure data on the basis of species identification and differentiation as already outlined in the technical report. It was recommended that project proposals be submitted for consideration at the Fifth Session of the Committee.



11. Review of Pre-Project Work in Progress

The Committee took note of the report on the Pre-Project activity: The Conservation Status of Tropical Timbers in Trade, which is to be carried out by the World Conservation Monitoring Centre (WCMC) in U.K.

12. Dates and Venue of the Fifth Session

It is presumed that the Fifth Session will take place in Yokohama. The exact dates will be determined by the Council.

13. Other Business

No other matters were raised for consideration by the Committee under this Item.

14. Recommendations to the Council

The Committee made the following recommendations:

- 1) that PD 42/88 Rev.1 (M) be approved for implementation,
- 2) that PD 61/89 (M) be approved for implementation,
- 3) that the two Project Ideas should be the subject of Project Proposals to be submitted to the Committee and Council for consideration at their next Sessions,
- 4) that funding be sought for PD 1/87 (M).

15. Report of the Session

The Committee approved the present Report for consideration by the Council.

Appendix A

TROPICAL TIMBER MARKET STATEMENT

AND

TROPICAL TIMBER MARKETS FORECASTS

(1987 - 1989)

1. TROPICAL TIMBER MARKET STATEMENT

1. ITTO has established a sound quantitative data base which represents 93 percent of the value of the total net exports of member nations and 89 percent of total world exports of tropical wood products.

2. The annual value of the international trade in tropical wood products (logs, sawnwood, plywood and veneer) is in excess of US\$ 6 billion. Between 1985 and 1987 the value traded has grown by 26 percent per annum. Net reduction in the volume of logs traded has been offset by increases in volumes of sawnwood, plywood and veneer.

3. Tropical hardwood log exports have fallen from 28.5 million cubic meters worldwide in 1987 to 22.9 million cubic meters in 1988, an annual drop of 19.5 percent, but are expected to rebound somewhat during 1989 to 24 million cubic meters. Producers' tropical sawn hardwood exports, which had already risen 2.4 percent from 9.10 million cubic meters in 1987 to 9.32 million cubic meters in 1988, are expected to rise more rapidly to 10 million cubic meters in 1989. In the case of tropical plywood, producers look forward to a modest 1.3 percent increase in their exports during 1989, up to 7.5 million cubic meters. This follows the strong expansion to 7.38 million cubic meters in 1988, from 6.86 million cubic meters of exports in 1987.

4. This trend reflects the desire by producing countries to add value to their forest based industries, to provide additional earning capacity, improved employment prospects and opportunities for planned development.

5. The pattern is expected to continue in the long-term and will gather momentum as secondary processing into semi-finished products consolidates and the manufacture of further finished items advances. Producing countries are firm in their resolve to meet the technological changes and training challenges which arise from the drive towards value added markets.

6. Short term market trends in all consuming regions (Europe, Asia/Pacific and North America) indicate that aggregate market growth has

reached a plateau characterized by a movement away from the trade in logs, a stabilization in the demand for sawnwood and a modest increase in the demand for plywood and further processed items.

7. This trend reflects moderation in the general level of economic growth in Europe and North America which directly influences the demand for wood products. Upward pressures on interest rates decrease stockholding, increase the cost of sales and induce hesitation in the market place. However in the Asia/Pacific region economic growth rates remain strong, resulting in increased demand for wood products. Domestic requirements in the major producing countries of the region may be expected to take an ever-increasing share of production.

8. Many tropical timbers maintain a strong share in market sectors which emphasize the intrinsic characteristics of the raw material. Few are uniquely free from substitution by alternative materials which include softwood, wood based panels and other substitute materials. Customer preference for lighter coloured woods has reinforced the demand for temperate conifer and broadleaved timbers.

9. Constraints in the international trade of tropical wood products lead to uncertainty in trade flow and debilitating instability in price structures. Rising export taxes may be expected to have commercial repercussions. The reduction of log supply and restraints imposed by national policies on sawnwood released to the export market are matters of concern to the timber industries in consuming countries. Many of these constraints arise from the perceived need to re-inforce more effective forest management methods.

10. A growing interest in the natural environment has generated world wide public awareness of the challenges posed in tropical resource management. ITTO is pleased to note a meaningful dialogue between environmental groups, those entrusted with the management of tropical resources and the tropical timber industries. In general more diffusion of information to the public about sustained yield management of tropical forests is necessary.

11. Those in consuming nations are becoming more aware that for many tropical countries the forest resource is a primary development asset. Destabilization of the international trade in tropical forest products is counter-productive to the sustainable management of this asset and may often accelerate its depletion.

12. In some consuming regions trade associations have expressed their intentions to provide positive assistance to producer countries to utilize their forest resources to best advantage. In Europe, the Union pour le Commerce des Bois Tropicaux dans la C.E.E. (UCBT) seeks the means to establish a surcharge on imported tropical wood products. In Japan, the newly established Environment Committee of the Japan Lumber Importers' Association (JLIA) will seek powers from their members to make funds available. Both these Trade Associations express the desire to channel additional resources into the Special Account of ITTO. In North America, the IHPA will commit resources to promote the preservation of the tropical forest through conservation, utilization, reforestation and education.

13. Within the totality of the international trade in wood products consuming countries recognize the aspirations of producing countries to raise the level of income from their forest products industries and to sustain forest resources. Producing countries maintain that more remunerative export prices are essential in order to further sustain tropical timber resources, and that ITTO has to take account of this fact. At the same time, the market share derived from tropical resources will be affected by the international market forces, which may induce preference for alternatives.

14. ITTO has proved to be a uniquely qualified forum to address the challenges and opportunities presented in the international tropical timber economy.

2.1 TROPICAL TIMBER MARKET FORECASTS, 1987-1989  
(Worksheets -- as at 19 May 1989 data file closure)

**ITTO PRODUCERS**

ITTO  
6th SESSION

PRODUCERS  
SAWN HARDWOOD (TOTAL)  
(including boxboards)

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

WORKSHEET No. 2

(m3)

Country	Domestic requirements			Production			Imports - Importations			Exports - Exportations		
	Besoins nationaux											
	1987	1988	1989	1987	1988	1989	1987	1988	1989	1987	1988	1989
1	2	3	4	5	6	7	8	9	10	11	12	13
Cameroon	419948	422151	446200	480207	492829	518000	411	300	200	60670	70978	72000
Congo	47700	NA	NA	60200	NA	NA	10100	NA	NA	22600	NA	NA
Cote d'Ivoire	NA	NA	NA	759200	536000	NA	NA	NA	NA	NA	NA	NA
Gabon												
Ghana	210000	199000	170000	390000	370000	320000	0	0	0	180000	171000	150000
Liberia												
ITTO AFRICA TOTAL												
Volume change												
Percentage change												
Stock change a/												
India												
Indonesia	5366880	6226270	5800000	8200000	9100000	9200000	0	0	0	2833120	2873730	3400000
Malaysia	2437383	1964316	1806349	6260000	5902000	5800000	24383	26316	25349	3847000	3964000	4019000
Papua New Guinea												
Philippines	588000	550000	550000	1233000	1200000	1200000	0	0	0	645000	650000	650000
Thailand	1442000	NA	NA	1074000	NA	NA	450000	279000	NA	82000	49000	NA
ITTO ASIA & PACIFIC TOTAL												
Volume change												
Percentage change												
Stock change a/												
Bolivia b/	17700	23900	28800	62100	79200	89900	0	0	0	44400	55300	61100
Brazil	NA	NA	NA	NA	NA	NA	214660	107580	53920	252950	266290	280330
Ecuador	666020	699320	734290	NA	NA	NA	NA	NA	NA	NA	NA	NA
Honduras												
Peru	211895	190706	171636	211895	190706	171636	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)  
b/ 1988,89 Exports calculated from Production and Domestic requirements data submitted to ITTO

a/ Tous les pays ne fournissent pas les données.

Besoins nationaux moins consommation apparente (P+I-E).  
b/ Les chiffres sur les exportations pour 1988 et 1989 ont été calculés d'après les données sur la production et les besoins nationaux communiqués à l'OIBT

I T T O  
6th SESSIONPRODUCERS  
SAWN HARDWOOD (TEMPERATE ZONE)  
(including boxboards)PRODUCTEURS  
SCIAGES FEUILLUS (REGION TEMPEREE)  
(y compris les planches de caisserie)

WORKSHEET No. 2a

Country	Domestic requirements Besoins nationaux			Production			Imports - Importations			Exports - Exportations		
	1987	1988	1989	1987	1988	1989	1987	1988	1989	1987	1988	1989
	2	3	4	5	6	7	8	9	10	11	12	13
Cameroon												
Congo	0	NA	NA	0	NA	NA	0	NA	NA	0	NA	NA
Cote d'Ivoire	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Gabon												
Ghana	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
Liberia												
ITTO AFRICA TOTAL												
Volume change												
Percentage change												
India												
Indonesia	0	0	0	0	0	0	0	0	0	0	0	0
Malaysia	1030	1316	1268	0	0	0	1030	1316	1268	0	0	0
Papua New Quinea												
Philippines	0	0	0	0	0	0	0	0	0	0	0	0
Thailand	0	NA	NA	0	NA	NA	0	0	NA	0	0	NA
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	0	0	0	0	0	0
Ecuador	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Honduras												
Peru	0	0	0	0	0	0	0	0	0	0	0	0
Trinidad & Tobago												
ITTO LATIN AMERICA TOTAL												
Volume change												
Percentage change												

NA = Not available.

NA = Non disponible.



ITTO  
6th SESSION

PRODUCERS  
SAWN HARDWOOD (TROPICAL ZONE)  
(including boxboards)

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

WORKSHEET No. 2b

Country	Domestic requirements			Production			Imports - Importations			Exports - Exportations		
	Resoins nationaux											
	1987	1988	1989	1987	1988	1989	1987	1988	1989	1987	1988	1989
1	2	3	4	5	6	7	8	9	10	11	12	13
Cameroon	419948	422151	446200	480207	492829	518000	411	300	200	60670	70978	72000
Congo	47700	NA	NA	60200	NA	NA	10100	NA	NA	22600	NA	NA
Cote d'Ivoire	NA	NA	NA	759200	536000	NA	NA	NA	NA	NA	NA	NA
Gabon												
Ghana	210000	199000	170000	390000	370000	320000	0	0	0	180000	171000	150000
Liberia												
ITTO AFRICA TOTAL												
Volume change												
Percentage change												
India												
Indonesia	5366880	6226270	5800000	8200000	9100000	9200000	0	0	0	2833120	2873730	3400000
Malaysia	2436353	1963000	1805081	6260000	5902000	5800000	23353	25000	24081	3847000	3964000	4019000
Papua New Guinea												
Philippines	588000	550000	550000	1233000	1200000	1200000	0	0	0	645000	650000	650000
Thailand	1442000	NA	NA	1074000	NA	NA	450000	279000	NA	82000	49000	NA
ITTO ASIA & PACIFIC TOTAL												
Volume change												
Percentage change												
Bolivia	17700	23900	28800	62100	79200	89900	0	0	0	44400	55300	61100
Brazil	NA	NA	NA	NA	NA	NA	214660	107580	53920	252950	266290	280330
Ecuador	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Honduras												
Peru	211895	190706	171636	211895	190706	171636	0	0	0	0	0	0
Trinidad & Tobago												
ITTO LATIN AMERICA TOTAL												
Volume change												
Percentage change												

NA = Not available.

NA = Non disponible.

ITTO  
6th SESSION

PRODUCERS  
HARDWOOD LOGS

PRODUCTEURS  
GRUMES DE FEUILLUS

WORKSHEET No. 3

Country	Domestic requirements Besoins nationaux			Production			Imports - Importations			Exports - Exportations		
	1987	1988	1989	1987	1988	1989	1987	1988	1989	1987	1988	1989
1	2	3	4	5	6	7	8	9	10	11	12	13
Cameroon	1648596	1516763	1500000	2090596	1976759	2000000	0	4	0	442000	460000	500000
Congo	367200	NA	NA	694200	NA	NA	0	NA	NA	327000	NA	NA
Cote d'Ivoire	NA	NA	NA	1959000	1900000	NA	NA	NA	NA	567380	521500	NA
Gabon												
Ghana	708000	801000	645000	1027000	1136000	920000	0	0	0	319000	335000	275000
Liberia												
ITTO AFRICA TOTAL												
Volume change												
Percentage change												
Stock change a/												
India												
Indonesia	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	0	0
Malaysia	11727007	13145869	12339438	34580000	31107800	31056400	8	69	38	22853080	17962000	18717000
Papua New Guinea												
Philippines	3311000	3500000	3500000	3311000	3500000	3500000	70	0	0	6500	0	0
Thailand	2394000	NA	NA	2148000	NA	NA	286000	319000	NA	40000	61000	NA
ITTO ASIA & PACIFIC TOTAL												
Volume change												
Percentage change												
Stock change a/												
Bolivia	0	0	0	9100	0	0	0	0	0	2100	0	0
Brazil b/	NA	NA	NA	NA	NA	NA	38200	31670	26260	7360	268190	300000
Ecuador	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Honduras												
Peru	406838	366155	329540	406838	366155	329540	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  
6th SESSION

PRODUCERS  
HARDWOOD LOGS

PRODUCTEURS  
GRUMES DE FEUILLUS

Worksheet No. 3a

Country	TEMPERATE-ZONE WOOD - BOIS DES REGIONS TEMPEREES						TROPICAL-ZONE WOOD - BOIS DES REGIONS TROPICALES					
	Imports - Importations			Exports - Exportations			Imports - Importations			Re-exports - R]-exportations		
	1987	1988	1989	1987	1988	1989	1987	1988	1989	1987	1988	1989
1	2	3	4	5	6	7	8	9	10	11	12	13
Cameroon	0	0	0	0	0	0	0	4	0	442000	460000	500000
Congo	0	NA	NA	0	NA	NA	0	NA	NA	327000	NA	NA
Cote d'Ivoire	NA	NA	NA	0	0	NA	NA	NA	NA	567380	521500	NA
Gabon												
Ghana	0	0	0	0	0	0	0	0	0	319000	335000	275000
Liberia												
ITTO AFRICA TOTAL												
Volume change												
Percentage change												
India												
Indonesia	NA	NA	NA	0	0	0	NA	NA	NA	0	0	0
Malaysia	0	0	0	80	0	0	8	69	38	22853000	17962000	18717000
Papua New Guinea												
Philippines	0	0	0	0	0	0	70	0	0	6500	0	0
Thailand	0	0	NA	0	0	NA	286000	319000	NA	40000	61000	NA
ITTO ASIA & PACIFIC TOTAL												
Volume change												
Percentage change												
Bolivia	0	0	0	2100	0	0	2100	0	0	0	0	0
Brazil	0	0	0	0	0	0	38800	31670	26260	7360	268190	300000
Ecuador	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Honduras												
Peru	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Trinidad & Tobago												
ITTO LATIN AMERICA TOTAL												
Volume change												
Percentage change												

ITTO  
6th SESSION

PRODUCERS  
PLYWOOD a/

PRODUCTEURS  
CONTREPLAQUES a/

WORKSHEET No. 5

Country	Domestic requirements Besoins nationaux			Production			Imports - Importations			Exports - Exportations		
	1987	1988	1989	1987	1988	1989	1987	1988	1989	1987	1988	1989
1	2	3	4	5	6	7	8	9	10	11	12	13
Cameroon	NA	NA	NA	NA	NA	NA	NA	NA	NA	28000	30000	32000
Congo	5570	NA	NA	4800	NA	NA	800	NA	NA	30	NA	NA
Cote d'Ivoire	15000	17000	NA	44663	53000	NA	0	0	NA	29000	34000	NA
Gabon												
Ghana	52000	53000	50000	74000	74000	70000	0	0	0	22000	21000	20000
Liberia												
ITTO AFRICA TOTAL												
Volume change												
Percentage change												
Stock change b/												
India												
Indonesia	361122	135500	230000	6100000	6300000	6400000	0	0	0	5738878	6164500	6170000
Malaysia	266523	102000	182000	857000	746000	801000	20523	22000	22000	681000	666000	641000
Papua New Guinea												
Philippines	284000	300000	300000	592000	650000	650000	35	0	0	308000	350000	350000
Thailand	10000	NA	NA	91000	NA	NA	2000	2113	NA	83000	22165	NA
ITTO ASIA & PACIFIC TOTAL												
Volume change												
Percentage change												
Stock change b/												
Bolivia	NA	NA	NA	9100	NA	NA	NA	NA	NA	2100	NA	NA
Brazil c/	NA	NA	NA	NA	NA	NA	1290	730	0	118770	191980	310320
Ecuador	NA	NA	NA	NA	NA	NA	NA	NA	NA	7032	7735	8509
Honduras												
Peru	49127	44215	39794	47881	43093	38784	1246	1122	1010	0	0	0
Trinidad & Tobago												
ITTO LATIN AMERICA TOTAL												
Volume change												
Percentage change												
Stock change b/												

a/ Veneer and core plywood.

b/ Not all countries provide data.

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

a/ Contreplaques à âne et à plis.

b/ Tous les pays ne fournissent pas les données.

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

2.2 TROPICAL TIMBER MARKET FORECASTS, 1987-1989  
(Worksheets -- as at 19 May 1989 data file closure)

**ITTO CONSUMERS**

ITTO  
6th SESSION

CONSUMERS  
SAWN HARDWOOD (TOTAL)  
(including boxboards)

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

WORKSHEET No. 2

(1000 m3(s))

Country	Domestic requirements Besoins nationaux			Production			Imports - Importations			Exports - Exportations		
	1987	1988	1989	1987	1988	1989	1987	1988	1989	1987	1988	1989
1	2	3	4	5	6	7	8	9	10	11	12	13
Australia	1916	1970	1932	1708	1749	1724	230	243	230	22	22	22
China	NA	NA	NA	NA	NA	NA	30	44	NA	5	2	NA
Japan	5530	6212	NA	4000	4300	4000	1542	1922	1800	12	10	NA
Korea, Republic of	1598	1899	2279	1193	1340	1500	420	570	780	15	20	20
<b>ITTO ASIA &amp; PACIFIC TOTAL</b>												
Volume change												
Percentage change												
Stock change a/												
Austria a/	267	260	255	223	210	210	127	136	130	85	85	85
Egypt	0	0	0	0	0	0	0	0	0	0	0	0
Belgium )	714	660	660	250	250	250	565	510	510	121	120	120
Luxembourg )				20	20	20						
Denmark *	333	333	333	400	400	400	70	70	70	137	137	137
Finland	101	102	104	70	70	70	47	47	49	16	15	15
France	3392	3430	3410	3429	3530	3520	574	550	550	611	650	660
Germany, Fed. Rep. of b/	2090	2140	2050	1571	1600	1600	887	900	850	368	360	400
Greece	299	310	315	227	235	240	76	75	75	4	0	0
Ireland	50	50	50	6	6	6	58	58	58	14	14	14
Italy	2350	2400	2400	1100	1100	1100	1300	1350	1350	50	50	50
Netherlands	953	992	860	223	242	242	969	816	740	255	252	262
Norway	45	45	45	10	10	10	35	35	35	0	0	0
Spain	1239	1324	1330	610	610	615	634	728	730	5	14	15
Sweden	260	260	260	220	220	220	57	55	55	17	15	15
Switzerland	253	255	255	180	170	170	134	150	150	61	65	65
United Kingdom	1161	1370	1295	261	350	380	947	1010	980	5	20	25
<b>ITTO EUROPE TOTAL</b>												
Volume change	..	424	-309	..	223	30	..	10	-158	..	48	66
Percentage change	..	3.1	-2.2	..	2.5	0.3	..	0.2	-2.4	..	2.7	3.7
Stock change d/	-24	215	100									
<b>U.S.S.R.</b>												
							106	100	100			
Canada	1472	1299	1200	953	1000	950	819	750	700	380	440	400
United States	16970	17990	17460	17630	20060	19120	1210	1090	940	1870	3160	2600
<b>ITTO NORTH AMERICA TOTAL</b>												
Volume change	..	847	-629	..	2477	-990	..	-189	-200	..	1350	-600
Percentage change	..	4.6	-3.3	..	13.3	-4.7	..	-9.3	-10.9	..	60.0	-16.7

a/ Includes sleepers.

b/ Includes trade with German Democratic Republic.

1987 : 4000 m3 imported from German Democratic Republic.

1988 : Not available.

1989 : Not available.

d/ Not all countries provide data.

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

a/ Y compris les traverses.

b/ Y compris le commerce avec la République démocratique allemande

1987 : 4000 m3 importes de la République démocratique allemande.

1988 : Non disponible.

1989 : Non disponible.

d/ Tous les pays ne fournissent pas les données.

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

ITTO  
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 Besoins nationaux			Production			Imports - Importations			Exports - Exportations		
	1987	1988	1989	1987	1988	1989	1987	1988	1989	1987	1988	1989
	2	3	4	5	6	7	8	9	10	11	12	13
Australia	NA	NA	NA	NA	NA	NA	5	13	NA	22	22	22
China	NA	NA	NA	NA	NA	NA	6	9	NA	NA	NA	NA
Japan	4248	4685	NA	NA	4300	4000	260	395	400	12	10	NA
Korea, Republic of	NA	NA	NA	NA	NA	NA	54	70	100	10	15	15
ITTO ASIA & PACIFIC TOTAL												
Volume change												
Percentage change												
Austria a/	NA	NA	NA	NA	NA	NA	89	98	92	85	85	85
Egypt	NA	NA	NA	NA	NA	NA	0	0	0	0	0	0
Belgium )	NA	NA	NA	NA	NA	NA	261	250	250	61	60	60
Luxembourg )				NA	NA	NA						
Denmark *	NA	NA	NA	NA	NA	NA	43	43	43	127	127	127
Finland	77	77	77	70	70	70	23	22	22	16	15	15
France	2404	2490	2480	2912	3050	3050	81	70	70	589	630	640
Germany, Fed. Rep. of b/	NA	NA	NA	NA	NA	NA	291	300	300	324	316	356
Greece	207	205	210	145	145	150	65	60	60	3	0	0
Ireland	NA	NA	NA	NA	NA	NA	10	10	10	10	10	10
Italy	1897	1920	1920	1100	1100	1100	847	870	870	50	50	50
Netherlands	321	392	290	178	182	182	181	180	170	54	55	62
Norway	33	33	33	10	10	10	23	23	23	0	0	0
Spain	NA	NA	NA	NA	NA	NA	381	494	500	5	14	15
Sweden *	NA	NA	NA	NA	NA	NA	46	44	44	7	7	7
Switzerland	229	226	226	180	170	170	109	120	120	60	64	64
United Kingdom	445	613	566	251	338	369	237	260	255	1	15	18
ITTO EUROPE TOTAL												
Volume change	..	NA	NA	..	NA	NA	..	157	-15	..	56	61
Percentage change	..	NA	NA	..	NA	NA	..	5.8	-0.5	..	4.0	4.2
U.S.S.R.												
Canada												
United States												
ITTO NORTH AMERICA TOTAL												
Volume change												
Percentage change												

NA = Not available.

a/ Includes sleepers.

b/ Includes trade with German Democratic Republic.

1987 : 4000 m3 imported from German Democratic Republic.

1988 : Not available.

1989 : Not available.

NA = Non disponible.

a/ Y compris les traverses.

b/ Y compris le commerce avec la République démocratique allemande

1987 : 4000 m3 importes de la République démocratique allemande.

1988 : Non disponible.

1989 : Non disponible.

ITTO  
6th SESSION

CONSUMERS  
SAWN HARDWOOD (TROPICAL ZONE)  
(including boxboards)

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

WORKSHEET No. 2b

(1000 m3(s))

Country	Domestic requirements Besoins nationaux			Production a/			Imports - Importations			Exports - Exportations		
	1987	1988	1989	1987	1988	1989	1987	1988	1989	1987	1988	1989
1	2	3	4	5	6	7	8	9	10	11	12	13
Australia	NA	NA	NA	NA	NA	NA	225	230	NA	0	0	0
China	NA	NA	NA	NA	NA	NA	24	35	NA	NA	NA	NA
Japan	1282	1527	1400	0	0	0	1282	1527	1400	0	0	0
Korea, Republic of	NA	NA	NA	NA	NA	NA	366	500	680	5	5	5
<b>ITTO ASIA &amp; PACIFIC TOTAL</b>												
Volume change												
Percentage change												
Austria b/	NA	NA	NA	NA	NA	NA	38	38	38	0	0	0
Egypt	NA	NA	NA	NA	NA	NA	0	0	0	0	0	0
Belgium )	NA	NA	NA	NA	NA	NA	304	260	260	60	60	60
Luxembourg )	NA	NA	NA	NA	NA	NA						
Denmark *	NA	NA	NA	NA	NA	NA	27	27	27	10	10	10
Finland	24	25	27	0	0	0	24	25	27	0	0	0
France	988	940	930	517	480	470	493	480	480	22	20	20
Germany, Fed. Rep. of	NA	NA	NA	NA	NA	NA	596	600	550	44	44	44
Greece	92	105	105	82	90	90	11	15	15	1	0	0
Ireland	NA	NA	NA	NA	NA	NA	48	48	48	4	4	4
Italy	453	480	480	0	0	0	453	480	480	0	0	0
Netherlands	632	600	570	45	60	60	788	636	570	201	197	200
Norway	12	12	12	0	0	0	12	12	12	0	0	0
Spain	NA	NA	NA	NA	NA	NA	253	234	230	0	0	0
Sweden *	NA	NA	NA	NA	NA	NA	11	11	11	10	8	8
Switzerland	24	29	29	0	0	0	25	30	30	1	1	1
United Kingdom	716	757	729	10	12	11	710	750	725	4	5	7
<b>ITTO EUROPE TOTAL</b>												
Volume change	..	NA	NA	..	NA	NA	..	-147	-143	..	-8	5
Percentage change	..	NA	NA	..	NA	NA	..	-3.9	-3.9	..	-2.2	1.4
U.S.S.R.							106	100	100			
Canada												
United States							470					
<b>ITTO NORTH AMERICA TOTAL</b>												
Volume change												
Percentage change												

NA = Not available.

a/ From imported tropical zone sawlogs.

b/ Includes sleepers.

NA = Non disponible.

a/ A partir de grumes importées de la région tropicale.

b/ Y compris les traverses.



ITTO  
5th SESSION

CONSUMERS  
HARDWOOD LOGS

CONSUMMATEURS  
GRUMES DE FEUILLUS

WORKSHEET No. 3

(1000 m3(r))

Country	Domestic requirements Besoins nationaux			Production			Imports - Importations			Exports - Exportations		
	1987	1988	1989	1987	1988	1989	1987	1988	1989	1987	1988	1989
1	2	3	4	5	6	7	8	9	10	11	12	13
Australia	4481	4589	NA	4481	4589	4524	0	0	NA	0	0	NA
China	NA	NA	NA	9791	NA	NA	847	934	NA	NA	113	NA
Japan	16947	15522	NA	2522	2460	2430	14431	13065	12000	6	3	NA
Korea, Republic of	3715	4155	4662	35	37	40	3685	4130	4630	0	0	0
ITTO ASIA & PACIFIC TOTAL												
Volume change												
Percentage change												
Stock change a/												
Austria	333	310	310	395	387	385	61	75	70	128	150	145
Egypt	0	0	0	0	0	0	0	0	0	0	0	0
Belgium )	820	840	840	670	700	700	295	275	275	220	210	210
Luxembourg )				75	75	75						
Denmark *	510	515	515	418	420	420	117	120	120	25	25	25
Finland	1366	1379	1366	1311	1319	1311	63	80	70	17	15	15
France	8416	8260	8240	8712	8700	8500	1008	960	940	1304	1400	1200
Germany, Fed. Rep. of	3697	3680	3650	3165	3200	3200	791	730	700	259	250	250
Greece	406	440	470	235	250	270	171	190	200	0	0	0
Ireland	9	9	9	13	13	13	1	1	1	5	5	5
Italy	2326	2380	2380	571	600	600	1755	1780	1780	0	0	0
Netherlands	501	500	495	280	280	280	247	245	240	26	25	25
Norway	18	18	18	20	20	20	0	0	0	2	2	2
Spain	1654	1680	1730	900	900	950	788	800	800	34	20	20
Sweden	450	450	450	515	510	510	18	20	20	83	80	80
Switzerland	225	215	205	359	350	340	111	120	125	245	255	260
United Kingdom	479	595	638	440	550	600	57	65	63	18	20	25
ITTO EUROPE TOTAL												
Volume change	21210	21271	21316	18079	18274	18174	5483	5461	5404	2366	2457	2262
Percentage change	..	61	45	..	195	-100	..	-22	-57	..	91	-195
Stock change a/	..	0.3	0.2	..	1.1	-0.5	..	-0.4	-1.0	..	3.8	-7.9
U.S.S.R.							164	180	180			
Canada												
United States	37410	42010	39980	38030	42870	40610	694	500	500	234	250	250
							60	50	50	680	910	680
ITTO NORTH AMERICA TOTAL												
Volume change							754	550	550	914	1160	930
Percentage change							..	-204	0	..	246	-230
							..	-27.1	0.0	..	26.9	-19.8

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  
6th SESSION

CONSUMERS  
HARDWOOD LOGS

CONSUMMATEURS  
GRUMES DE FEUILLUS

Worksheet No. 3a

(1000 m3(r))

Country	TEMPERATE-ZONE WOOD - BOIS DES REGIONS TEMPEREES						TROPICAL-ZONE WOOD - BOIS DES REGIONS TROPICALES					
	Imports - Importations			Exports - Exportations			Imports - Importations			Export - Exportations		
	1987	1988	1989	1987	1988	1989	1987	1988	1989	1987	1988	1989
1	2	3	4	5	6	7	8	9	10	11	12	13
Australia	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
China	169	187	NA	NA	107	NA	677	748	NA	7	6	NA
Japan	710	1032	1000	6	3	NA	13721	12033	11000	0	0	0
Korea, Republic of	103	120	140	0	0	0	3582	4010	4490	0	0	0
ITTO ASIA & PACIFIC TOTAL												
Volume change												
Percentage change												
Austria	56	70	65	128	150	145	5	5	5	0	0	0
Egypt	0	0	0	0	0	0	0	0	0	0	0	0
Belgium ) Luxembourg )	222	210	210	210	200	200	73	65	65	10	10	10
Denmark *	112	115	115	20	20	20	5	5	5	5	5	5
Finland	63	80	70	17	15	15	0	0	0	0	0	0
France	76	60	60	1299	1395	1195	932	900	880	5	5	5
Germany, Fed. Rep. of	410	380	370	231	230	230	381	350	330	28	20	20
Greece	26	40	45	0	0	0	145	150	155	0	0	0
Ireland	1	1	1	5	5	5	0	0	0	0	0	0
Italy	1233	1280	1280	0	0	0	522	500	500	0	0	0
Netherlands	132	135	135	21	20	20	115	110	105	5	5	5
Norway	0	0	0	2	2	2	0	0	0	0	0	0
Spain	340	350	350	34	20	20	448	450	450	0	0	0
Sweden	12	14	14	83	80	80	6	6	6	0	0	0
Switzerland	85	90	95	245	255	260	26	30	30	0	0	0
United Kingdom	3	3	3	14	17	22	54	62	60	4	3	3
ITTO EUROPE TOTAL												
Volume change	2771	2828	2813	2309	2409	2214	2712	2633	2591	57	48	48
Percentage change	..	57	-15	..	100	-195	..	-79	-42	..	-9	0
	..	2.1	-0.5	..	4.3	-8.1	..	-2.9	-1.6	..	-15.8	0.0
U.S.S.R.	0	0	0				164	180	180			
ITTO NORTH AMERICA TOTAL												
Volume change												
Percentage change												
Canada												
United States												

ITTO  
6th SESSION

CONSUMERS  
PLYWOOD a/

CONSOMMATEURS  
CONTREPLAQUES a/

WORKSHEET No. 5

(1000 m3)

Country	Domestic requirements Besoins nationaux			Production			Imports - Importations			Exports - Exportations		
	1987	1988	1989	1987	1988	1989	1987	1988	1989	1987	1988	1989
1	2	3	4	5	6	7	8	9	10	11	12	13
Australia	173	181	NA	104	111	NA	69	71	NA	0	0	NA
China	1350	NA	NA	776	NA	NA	584	NA	NA	10	NA	NA
Japan	8801	9145	NA	7340	7259	7000	1481	1906	NA	20	20	20
Korea, Republic of	1060	1437	1379	1210	1283	1360	30	319	31	158	134	107
ITTO ASIA & PACIFIC TOTAL												
Volume change												
Percentage change												
Stock change a/												
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	217	217	217	60	62	62	283	285	285	126	130	130
Denmark *	130	130	130	30	30	30	158	160	160	58	60	60
Finland	117	124	124	606	610	600	6	6	6	495	492	482
France	607	635	640	446	485	510	330	370	350	169	220	220
Germany, Fed. Rep. of	802	775	780	349	335	340	572	590	590	119	150	150
Greece	63	60	60	70	70	70	1	0	0	8	10	10
Ireland	20	20	20	0	0	0	22	22	22	2	2	2
Italy	331	350	350	390	390	390	134	130	130	193	170	170
Netherlands	576	570	540	15	15	15	548	620	590	52	50	50
Norway	108	106	106	13	13	13	98	96	96	3	3	3
Spain	127	126	125	160	155	150	9	16	20	42	45	45
Sweden	159	169	172	73	81	82	117	120	120	33	30	30
Switzerland	132	140	140	26	30	30	116	120	120	10	10	10
United Kingdom	1255	1290	1225	17	18	20	1271	1300	1225	33	28	20
ITTO EUROPE TOTAL												
Volume change	4693	4761	4678	2273	2312	2330	3717	3887	3766	1364	1421	1403
Percentage change	..	68	-83	..	39	18	..	170	-121	..	57	-18
Stock change c/	..	1.4	-1.7	..	1.7	0.8	..	4.6	-3.1	..	4.2	-1.3
U.S.S.R.	1845	1905	2009	2300	2300	2400	30	25	29	485	420	420
Canada	2042	1953	1740	2229	2200	2000	99	75	50	272	320	320
United States	20540	19840	19430	19450	19210	18720	1840	1510	1460	750	880	750
ITTO NORTH AMERICA TOTAL	22582	21793	21170	21679	21410	20720	1939	1585	1510	1022	1200	1070
Volume change	..	-789	-623	..	-269	-690	..	-354	-75	..	178	-130
Percentage change	..	-3.5	-2.9	..	-1.2	-3.2	..	-18.3	-4.7	..	17.4	-10.8

a/ Veneer and core plywood.

c/ Not all countries provide data.

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

a/ Contreplaques à âme et à plis.

c/ Tous les pays ne fournissent pas les données.

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

Appendix B

TECHNICAL EVALUATION OF PROJECTS PROPOSALS  
IN THE FIELD OF ECONOMIC INFORMATION AND MARKET INTELLIGENCE

PROJECT DOCUMENT	ITTA OBJECTIVES ARTICLE 1	AREA OF ACTIVITY		CRITERIA Art. 23 Para. 6	ITTO BUDGET (US\$)	DURATION	GEOGRAPHICAL COVERAGE	RECOMMENDATION*
		Art. 23 Para. 2	Art. 23 Para. 5					
PD 42/88 Rev.1	a,b,c,d,g		a,d,e	a,b,c,d,e	99,500	2 years	China/Asia-Pacific	4
PD 61/89	a,b,c,d,e,g		a,e	a,b,c,d	210,000	1 year	Japan/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.

COMMITTEE ON REFORESTATION AND  
FOREST MANAGEMENT  
Fourth Session  
16-23 May 1989, Abidjan, Côte d'Ivoire

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REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL  
FOURTH SESSION OF THE PERMANENT COMMITTEE ON  
REFORESTATION AND FOREST MANAGEMENT  
16 - 23 MAY 1989

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Report

Appendix I      Technical Evaluation of Project Proposals

## REPORT

### 1. Introduction

The Fourth Session of the Committee was opened by the Chairman, Dr. Jean Clément on 16 May 1989. A list of participants is provided in document PCM(IV)/PCF(IV)/PCI(IV)/INF.1/Rev.1.

### 2. Adoption of the Agenda

At the first meeting on 16 May, the Committee adopted the Agenda of its Fourth Session as contained in document PCF(IV)/1. It was decided that deliberation on agenda items 4 and 5 should be done in joint sessions of the three Permanent Committees.

### 3. Admission of Observers

A list of Observers admitted by the Committee to attend its Fourth Session is contained documents PCM(IV)/PCF(IV)/PCI(IV) Info.2 and PCM(IV)/PCF(IV)/PCI(IV) Info.2/Add.1.

### 4. Market Review and Outlook (Joint Session)

A Joint Session of the three Permanent Committees convened for the two-day Market Discussion to review market developments for tropical timber products in 1988 and prospects for 1989. The schedule of subjects and the timetable are set out and circulated in document PCM(IV)/1. The structure of the Discussion focussed on market developments in Europe, Asia/Pacific and North America; and on special topics including a presentation on the Forest Resources Situation, the Timber Trade and Industry of Côte d'Ivoire, supplied from Africa, and the development and application of hardwood grading rules.

The Market Review benefitted from the wide circle of participants from Member Governments, Timber Trade and Industry Associations and conservation NGO's.

The analysis of the market developments and topics raised by participants is summed up in the Market Statement which was considered and approved by the Session and released to the Press. The Market Statement together with a summary Table of Tropical Timber Market Forecasts for 1987-1989, is attached as Appendix A 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)

The Joint Session agreed to recommend to the Council to request the Secretariat to revise the document ITTC(VI)/3 "Elements for the 1988 Annual Review" in the light of the market discussion. The Council should request all participants to forward to the Secretariat by 1st August 1989 any suggestions for revision.

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

A Draft Action Plan in the field of Reforestation and Forest Management, contained in document PCF(IV)/2, prepared by a Panel of Experts as proposed by the Third Session of the Committee and endorsed by the Fifth Session of the Council, was considered by the Committee.

From its review of the draft action plan, the Committee has drawn the following conclusions:

- a. The Action Plan should be considered more as a reference document indicating elements for action than as a real plan. Accordingly, it has been decided to change its title to "Elements for an Action Program in the Area of Reforestation and Forest Management."
- b. It is essential that similar work be undertaken in the two other areas of activity of ITTO--Forest Industry and Economic Information and Market Intelligence--to ensure overall consistency of ITTO activities.
- c. Given the very broad areas of activity that have been proposed, it becomes necessary to advise the Secretariat on which activities should be implemented first. The Committee has given high priority to the following activities:

Actions	Project activities	Other activities
Promotion	2	1-2-4
Diagnosis	5-6-9-10-11-14	5-11-13
Demonstrations	15	
Facilitation	16-17	16-17

- d. Some of the actions proposed have not been approved by all Committee members, and some of the members suggested others that had not been included in the report.
- e. The wording of certain paragraphs has elicited reservations particularly in matters concerning respect for the sovereignty of the member states of the Organization.

7. Report on Completed Projects

The International Seminar on Sustainable Utilization and Conservation of Tropical Forests was presented as a project proposal (PD 32/88 (F)) but was approved for implementation as an ITTO activity.

The Committee took note of the report on the Seminar, contained in Document PCF(IV)/3, "International Seminar on Sustainable Utilization and Conservation of Tropical Forests, PD 32/88 (F): Papers and Proceedings".

8. Review of Project Work in Progress

A status report by the Secretariat, on the four Projects, in the field of Reforestation and Forest Management, which were approved by the Council at its Third Sessions in November 1987, and one Project approved by the Fourth Session and one by the Fifth Session, in June and November of 1988 respectively, contained in document PCF(IV)/4, was considered by the Committee. The delegates of Malaysia, Brazil and Bolivia reported further on their projects. ( PD 10/87 (F), PD 24/88 (F) and PD 34/87 (F) respectively.) The delegates of the Netherlands and Gabon reported on the preparation for execution of PD 15/87 (F) in Gabon.

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

The Forest Agency of Japan made available partial financing (US \$ 240 000) from its 1988/89 budget for this Project.

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) has been contracted to execute it.

The Sub-project became operational on March 10, 1989 when the budget resources were made available by the Forest Agency of Japan. Preparatory work for the execution is in progress.

**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 August 8, 1988 and the Project became operational at that date, with the Forestry Department of Peninsular Malaysia as Executing Agency

The first Progress Report covering the first six months of Project execution was submitted in March 1988 and the first review of the progress of Project implementation was made by the Secretariat on 3 to 6 April 1989.

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 and work on initial surveys and demarcation of sub-plots are in progress and some experiments are being established. The general progress is well ahead of schedule.



**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.

**PD 17/87     Investigation of the Steps Needed to Rehabilitate the Areas of East Kalimantan Seriously Affected by Fire:**

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

The Agreement regulating the implementation of the Project was signed by the Government of Indonesia on 26 May 1988 and by ITTO on June 1 1988.

The start of the execution of the Project was delayed awaiting formal delegation of authority to the Executing Agency, the Agency for Research and Development of the Ministry of Forestry. The Project was formally declared operational on January 30, 1989, but some preparatory work had been initiated already in October 1988.

**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.

**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, but financing for immediate implementation was not available at that time.

**9.     Reports on Completed Pre-projects**

Pre-project report PPR 12/89 (F) **Plantation Establishment Methods** and pre-project report PPR 15/89 (F) **Enrichment Planting** was presented to the Committee.

Both these Pre-projects had been executed by Japan Overseas Forestry Consultants Association (JOFCA), which had been assisted by CTFT in the study concerning enrichment planting.

10. Consideration of Project Proposals

Thirteen Project Proposals were submitted to the Committee for consideration. Five of these Proposals had been submitted at earlier Sessions but the consideration of them had been deferred. Eight were new Proposals.

At its Second Session in June 1988 the Committee decided to defer consideration of five projects till pre-project studies on Natural Forest Management, Plantation Techniques and Enrichment Planting, which were then in progress, had been completed and reported on. Reports on these studies have been submitted and the Projects were considered by the Committee. The five projects are:

- PD 25/88 (F)      **ECONOMIC POLICIES AND INSTITUTIONAL ARRANGEMENTS FOR SUSTAINABLE TROPICAL TIMBER PRODUCTION,**
- PD 26/88 (F)      **MODEL FOR SUSTAINABLE TROPICAL HARDWOOD PRODUCING THROUGH MULTIPLE-USE MANAGEMENT,**
- PD 27/88 (F)      **ECOLOGICAL AND ECONOMIC EVALUATION OF BIOLOGICAL DIVERSITY FOR SUSTAINABLE FOREST MANAGEMENT,**
- PD 28/88 (F)      **SILVICULTURAL EXPERIMENTS AND ECONOMIC EVALUATION OF ALTERNATIVE MANAGEMENT, and**
- PD 36/88 (F)      **PLANTATION ESTABLISHMENT METHODS.**

PD 25/88 (F) - PD 28/88 (F) had been submitted by the Secretariat and were based on PPR 7/88 (F) "The Case for Multiple-use Management of Tropical Hardwood Forests" submitted to the Committee at its Second Session in June 1988. PD 36/88 (F) had been submitted by the Government of Papua New Guinea.

Draft Project Documents for eight new Projects were presented for consideration by the Committee.

**PD 46/88 Rev.1 (F), MANMADE FORESTS OF INDIGENOUS SPECIES - A SYSTEMATIC PREPARATION TO INDUSTRIAL TREE PLANTATIONS** submitted by the Government of Ghana,

**PD 52/89 (F), SILVICULTURAL TREATMENT THROUGH THINNING AS PART OF A PILOT FOREST DEVELOPMENT PROJECT IN THE SOUTH BAKUNDU FOREST RESERVE**

and

**PD 53/89 (F), PREPARATION OF A MASTER LAND-USE PLAN FOR FOREST AREAS** submitted by the Government of Cameroon,

**PD 55/89 (F), RESEARCH AND DEVELOPMENT ACTIVITIES IN THE FRAMEWORK OF FOREST MANAGEMENT OPERATIONS IN COTE D'IVOIRE'S CLOSED FORESTS: ESTABLISHMENT OF A TYPOLOGICAL CLASSIFICATION OF FORESTS ON THE BASIS OF SILVICULTURAL OPERATIONS** submitted by the Government of Côte d'Ivoire,

**PD 56/89 (F), STUDY INTO INTENSIVE PLANTATION ESTABLISHMENT** submitted by the Secretariat and based on PPR 12/89 "Intensive Plantation Establishment Methods",

**PD 57/89 (F,I), SEMINAR AND STUDY TOUR ON SUSTAINABLE DEVELOPMENT OF TROPICAL FORESTS AND TROPICAL TIMBER MANUFACTURING INDUSTRIES IN JAPAN** submitted by the Government of Japan,

**PD 58/89 (F), TROPICAL FORESTRY INTERNSHIP** submitted by the Government of the United States of America, and

**PD 62/89 (F), CONTRIBUTION TO THE IMPLEMENTATION OF THE NEW INDUSTRIAL PLANTATION COMPONENT OF THE FORESTRY SECTOR PROJECT, 1990-1994** submitted by the Government of Côte d'Ivoire.

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

11. Review of Pre-project Work in Progress

The Committee took note of Document PCF(IV)/5 "Report on Pre-project Work in Progress". The Document contains brief progress reports for the following four Pre-projects in progress:

**Improvement of Harvesting Systems for Sustainable Management of Tropical Forests,**

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

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

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

12. Decisions on Pre-project Work

The Committee decided to implement a pre-project on "Silvicultural Treatment through Selective Felling as part of a Pilot Forest Development Project in the South Bakundu Forest Reserve" in Cameroon to assist the Government of Cameroon to further develop the Project Proposal contained in PD 52/89 (F).

The Committee decided to implement a pre-project on "Manmade Forests of Indigenous Species - A Systematic Preparation to Industrial Tree Plantations" in Ghana to assist the Government of Ghana to further develop the Project Proposal contained in document PD 46/88 Rev.1 (F).

13. Non-project Work

No matters were considered under this Agenda Item.

14. Dates and Venue of the Third Session

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

15. Other Business

The Committee took note of a statement made by the Delegate of the USSR.

The Committee took note of a Project Idea submitted by the Government of the Federal Republic of Germany and recommended its further development into a Project Proposal.

The Committee took note of a Project Idea submitted by a group of environmental NGO's and recommended that the Delegations technically examine the Idea in preparation for next Committee Session.

The Chairman proposed the establishment of an informal group which could be called upon to assist Member Governments in preparing Projects and drafting Project Documents. The idea was widely supported by Delegates of the Committee.

16. Recommendations to the International Tropical Timber Council

The Committee made the following recommendations:

- 1) To approve for implementation PD 53/89 (F) and allocate US \$ 480 000 for financing of the Project.
- 2) To approve for implementation PD 55/89 (F) and allocate US \$ 1 464 000 for financing of the Project.
- 3) To approve for implementation PD 57/89 (F,I) and allocate US \$ 95 000 for financing of the Project.
- 4) To approve for implementation PD 58/89 (F) and allocate US \$ 109 000 for financing of the Project.
- 5) To authorize the Executive Director to start work on Project PD 34/88 Rev.1 (F,I) and allocate US \$ 1 260 000 for financing of the Project.
- 6) To allocate US \$ 35 000 from the Pre-project Sub-account for the implementation of a pre-project entitled "Study on Manmade Forests of Indigenous Species - A Systematic Preparation to Industrial Tree Plantations" in Ghana.
- 7) To allocate US \$ 35 000 from the Pre-project Sub-account for the implementation of a pre-project study on "Silvicultural Treatment through Selective Felling as Part of A Pilot Forest Development Project in the South Bakundu Forest Reserve" in Cameroon.
- 8) To approve PD 62/89 (F) for ITTO sponsorship and promote its financing through other sources than ITTO.

- 9) To request the Executive Director to prepare a work programme of the Secretariat for the years 1990 and 1991 in the field of Reforestation and Forest Management based on the proposals made in the expert group document as well as on the comments by members of the Committee. The expert group members should be involved in drawing up of that programme.

17. Report of the Session

The Committee accepted this Report for submission to the Council.

Appendix I

TECHNICAL EVALUATION OF PROJECT PROPOSALS

PD 46/88 Rev.1 (F)      MANMADE FORESTS OF INDIGENOUS SPECIES - A  
SYSTEMATIC PREPARATION TO INDUSTRIAL TREE  
PLANTATIONS

The main purposes of the project are the preparation and implementation of a research program to determine the feasibility of market-oriented plantations, based on local species for Ghana and other West African countries. It is hoped that interest among various categories of land right owners for such plantations will develop.

This project is of considerable interest for the entire subregion. The Committee decided to implement a pre-project that would make it possible:

- to assess the work already accomplished or in progress in the various countries of the subregion (Côte d'Ivoire, Nigeria, Cameroon);
- to publish the findings in English and French and give them ample distribution;
- to prepare a project document proposing a 5-year research program in the areas of silviculture, growing and utilizing local species not yet under widespread research. This project will be presented by the Government of Ghana but it must involve, as far as feasible, the rest of the ITTO member countries of the subregion. It is suggested that ITTO allocates US\$35,000 for this pre-project.

PD 52/89 (F)      SILVICULTURAL TREATMENT THROUGH THINNING AS PART OF  
A PILOT FOREST DEVELOPMENT PROJECT IN THE SOUTH  
BAKUNDU FOREST RESERVE

The project involves a pilot forest development activity to be implemented in a forest reserve of some 20,000 hectares in a province located in South-Western Cameroon. Its main objectives are as follows:

- a) to develop silvicultural treatment methods for logged-over closed forests;
- b) to demonstrate the applicability and the benefits of forest management and to establish the economic benefits of actions undertaken;
- c) to train forest staff in managerial, technical and financial fields.

The Project requires revision to include the following:

- details of activities and an implementation schedule,

- detailed budget,
- dissemination of project results on a regional basis.

The Committee decided to execute a pre-project in order to assist the Government of Cameroon in redrafting the proposal. An allocation of US\$35,000 is suggested for this.

PD 53/89 (F)

PREPARATION OF A MASTER LAND-USE PLAN FOR FOREST AREAS

This project will prepare a master land-use plan for a forest area of 4,000,000 hectares in South Eastern Cameroon.

The main objectives of the project are:

- a) to conduct an in-depth analysis of exploratory inventory results;
- b) to develop a provisional zoning plan of the various forest areas according to their tenure and, on the basis of that plan, to divide the forest into management units and recommend areas for forest-based industry development and prepare road development plans;
- c) to develop an approach for the utilization of inventory data.

The scope of this project goes well beyond the frontiers of Cameroon and could be used as a methodological model approach to the problem of forest management in the untapped forests of Central Africa (Cameroon, Central African Republic, Congo, Gabon, Zaire). Its importance for the long-term preservation of these forests is self-evident.

It is proposed that this project be approved for immediate execution and financing.

PD 55/89 (F)

RESEARCH AND DEVELOPMENT ACTIVITIES IN THE FRAMEWORK OF FOREST MANAGEMENT OPERATIONS IN COTE D'IVOIRE'S CLOSED FORESTS: ESTABLISHMENT OF A TYPOLOGICAL CLASSIFICATION OF FORESTS ON THE BASIS OF SILVICULTURAL OPERATIONS

The objectives of the project are to develop classification systems for degraded forests which are indicative of the required silvicultural treatment, to design silvicultural techniques for the various forest classes, to establish demonstration and research plots and to train personnel.

The project will be implemented in the region of Sassandra, where degradation is considerable. The area will be stratified on the basis of plant formations and surveyed in detail. Based on the survey results, experiments will be designed and applied. These experiments will be monitored and evaluated and those treatments which appear successful and practical will be prescribed for application on an operational scale.

This project is of regional interest and concerns the use of practices applicable to logged-over semideciduous forests areas of West

Africa (Liberia, Côte d'Ivoire, Ghana) for restoring them for sustained timber production. This research and development Project fits into the plan to implement large forest management programs in logged-over forests. Similarly, it falls in line with a network of projects under way or to be undertaken in the various African countries.

It is proposed that this project is approved for immediate execution and financing.

PD 56/89 (F)      STUDY INTO INTENSIVE PLANTATION ESTABLISHMENT METHODS

The project proposal is the result of a pre-project study executed by JOFCA in 1988. This study indicates that intensive soil preparation and applications of fertilizers can substantially affect the growth of plantations. The objective of the project is to establish effective technologies for applying these measures. It will also study alternative approaches, other than fertilization, to maintaining soil fertility.

The document presented cannot be considered as a project document because of the lack of precision as to where and how it will be implemented.

The Committee suggests that the proposal is regarded as a project idea submitted to the member states for possible indications of interest on their part.

PD 57/89 (F)      SEMINAR AND STUDY TOUR ON SUSTAINABLE DEVELOPMENT OF  
TROPICAL FORESTS AND TROPICAL TIMBER MANUFACTURING  
INDUSTRIES IN JAPAN

The objective of the project is to attract and discuss constructive ideas and concepts regarding sustainable utilization and conservation of natural forests and to provide the participants at the Seventh Session of the Council with the opportunity of obtaining, during a trip, information on the timber-based industries in Japan.

It is suggested that the program of the seminar include the following:

- presentations by three experts from the three tropical regions of successful cases of utilization and conservation of tropical forests;
- participation of specialists which can describe the industrial aspects of sustainable utilization of tropical forests in producing countries;
- participation of industrial specialists from consuming countries.

The place and date of the seminar should be chosen so that all participants at the Seventh Session of the ITTC have possibility of attending without disturbing the work of the Council. It would be desirable either to hold the seminar after concluding the Council's work, or to allocate an extra day for the seminar.



The Committee delegates voiced the wish that the Government of Japan should kindly make the necessary arrangements for the members to travel to the site of the seminar.

It is proposed that the project be approved for immediate execution and financing.

PD 58/89 (F) TROPICAL FORESTRY INTERNSHIP

The aim of the project is to promote training and research in tropical forestry by allowing young researchers to participate in training and research at the USDA Forest Service's Tropical Forestry Institute in Puerto Rico.

The document presented answers all questions that were raised at the previous Session of the Committee.

It is proposed that the project is approved for immediate execution and financing.

PD 62/89 (F) CONTRIBUTION TO THE IMPLEMENTATION OF THE NEW INDUSTRIAL PLANTATION COMPONENT OF THE FORESTRY SECTOR PROJECT, 1990-1994

The objective of this project is to provide for the planting of an additional area of 9,000 hectares by SODEFOR. This US\$22,887,000 project has already received 87 percent of its financing (65 percent from the World Bank and 22 percent from CDC).

It is proposed that the Council approves for ITTO sponsorship and actively promotes its financing by other donors.

PD 36/88 (F) PLANTATION ESTABLISHMENT METHODS

This proposal presented by the Government of Papua New Guinea is not sufficiently detailed or precise to allow proper evaluation to be made.

The Committee decided to postpone the review to a later session and requested the Government of Papua New Guinea to revise the Proposal.

The Committee requests the Secretariat to inform the Government of Papua New Guinea of the comments and suggestions made by the delegates of the Committee.

PD 25/88 (F) ECONOMIC POLICIES AND INSTITUTIONAL ARRANGEMENTS FOR SUSTAINABLE TROPICAL TIMBER PRODUCTION

PD 26/88 (F) MODEL FOR SUSTAINABLE TROPICAL HARDWOOD PRODUCING THROUGH MULTIPLE-USE MANAGEMENT

PD 27/88 (F) ECOLOGICAL AND ECONOMIC EVALUATION OF BIOLOGICAL DIVERSITY FOR SUSTAINABLE FOREST MANAGEMENT

PD 28/88 (F)      SILVICULTURAL EXPERIMENTS AND ECONOMIC EVALUATION OF  
ALTERNATIVE MANAGEMENT SYSTEMS FOR TROPICAL HIGH FORESTS

These project documents were prepared by the Secretariat on the basis of pre-project studies conducted by HIID. Insofar as the findings of these studies have been taken into account in the preparation of the Plan of Action discussed by the Committee, it would be advisable to review them within the framework of the Plan of Action in the area of reforestation and Forest Management.

The Committee requests that the Secretariat to consider these Proposals for the activities that will be included in the Plan of Action.

TECHNICAL EVALUATION OF PROJECT PROPOSALS  
IN THE FIELD OF REFORESTATION AND FOREST MANAGEMENT

PROJECT DOCUMENT	ITTA OBJECTIVES ARTICLE 1	AREA OF ACTIVITY Art. 23 Para. 2	ACTIVITY Art. 23 Para. 5	CRITERIA Art. 23 Para. 6	BUDGET ITTO Contrib. (US\$)	DURATION Years	GEOGRAPHICAL COVERAGE	RECOMMENDATION*
25/88	h	Refor. & Forest M	-	a, b, c and e	484,820	2	Global	2
26/88	h	R & D	b, c and e	a, b, c, d and e	2,527,190	3	Global	2
27/88	h	Refor. & Forest M	-	b and e	789,512	3	Global	2
28/88	h	Refor. & Forest M/ R & D	b, c and e	a, b, c, d and e	4,568,900	5	Global	2
36/88	c, f and h	R & H	c	a, b, c, d and e	370,000	5	Papua New Guinea	2
46/88 Rev.1	c, f and h	R & D	c and e	a, b, c, d and e	565,000	1½	Ghana and West Africa	3
52/89	c, f and h	R & D	a, b, c, d and e	a, b, c, d and e	2,000,000	4	Cameroon and West Africa	3

PROJECT DOCUMENT	ITTA OBJECTIVES ARTICLE 1	AREA OF ACTIVITY Art. 23 Para. 2	ACTIVITY Art. 23 Para. 5	CRITERIA Art. 23 Para. 6	BUDGET ITTO Contrib. (US\$)	DURATION Years	GEOGRAPHICAL COVERAGE	RECOMMENDATION*
53/89	f and h	planning	b,c,d and e	a,b,c and e	480,000	1	Cameroon and West Africa	4
55/89	a,c,f and h	R & D	b,c,d and e	a,b,c,d and e	1,464,000	5	Côte d'Ivoire and West Africa	4
56/89	c and f	R & D	c and d	a,b,c,d and e	1,350,000	7	Global	2 To be used by members for new Proj.
57/89	a,b,c,d,e f,g and h	seminar	a,b,c,d and e	a,b,c and e	95,000	2 mos	Japan	4
58/89	c,f and h	training	b,c and d	a,b,c,d and e	109,500	3	Global	4
62/89	a,b and f	plantation R & D	c and e	a,b,c,d and e	2,813,000	5	Côte d'Ivoire and West Africa	6

- \* 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  
FOREST INDUSTRY  
Fourth Session  
16-23 May 1989, Abidjan, Côte d'Ivoire

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DRAFT REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL  
FOURTH SESSION OF THE PERMANENT COMMITTEE ON  
FOREST INDUSTRY  
16 - 23 MAY 1989

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## REPORT

### 1. Introduction

The Fourth Session was opened on 16 May 1989 by Mr. Xuhe Chen (China), the Vice-Chairman of the Committee. The list of participants is reproduced in document PCM(IV)/PCF(IV)/PCI(IV)/INF.1/Rev.1.

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

At its first meeting on 16 May 1989 the Committee adopted the agenda of its Fourth Session as contained in Document PCI(IV)/1.

### 3. Admission of Observers

The list of Observers admitted by the Committee figures in document PCM(IV)/PCF(IV)/PCI(IV)/INF.2.

### 4. Market Review and Outlook (Joint Session)

A Joint Session of the three Permanent Committees convened for the two-day Market Discussion to review market developments for tropical timber products in 1988 and prospects for 1989. The schedule of subjects and the timetable are set out and circulated in document PCM(IV)/1. The structure of the Discussion focussed on market developments in Europe, Asia/Pacific and North America; and on special topics including a presentation on the Forest Resources Situation, the Timber Trade and Industry of Côte d'Ivoire, supplies from Africa, and the development and application of hardwood grading rules.

The Market Review benefitted from the wide circle of participants from Member Governments, Timber Trade and Industry Associations and conservation NGO's.

The analysis of the market developments and topics raised by participants is summed up in the Market Statement which was considered and approved by the Session and released to the Press. The Market Statement together with a summary Table of Tropical Timber Market Forecasts for 1987-1989, is attached as Appendix A 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)

The Joint Session agreed to recommend to the Council to request the Secretariat to revise the document ITTC(VI)/3 "Elements for the 1988 Annual Review" in the light of the market discussion. The Council should request all participants to forward to the Secretariat by 1st August 1989 any suggestions for revision.

### 6. Criteria and Priority Areas for Program Development and Project Work

The Committee expressed the view that a detailed Action Plan in the field of Forest Industry should be drafted for later integration with

Action Plans in the other fields of work in the Organization. The Committee recommended to Council the formation of a panel as an ITTO activity aiming at preparing a Draft Action Plan for its consideration at its next Session. The Committee further recommended participation of Committee Members, representatives of appropriate United Nations and specialized agencies, trade, industry, and conservation NGOs. Participation in the panel should be limited to a maximum of 12 members to facilitate discussions and enhance efficiency of work.

7. Report on Completed Project

The Committee took notice of the completion of the project "Roundtable on Opportunities and Constraints to Latin American Tropical Hardwood-Based Industrial Development" (PD 21/87). The Committee expressed its satisfaction with the successful implementation of this project as reported in PCI(IV)/3.

8. Report on Projects on Progress

The Committee reviewed the work underway in the eight ITTO approved and financed projects in the field of Forest Industries.

The full report on projects on progress is reproduced in document PCI(IV)/4.

9. Report on Completed Pre-Projects.

The Committee took note of the completion of the pre-project study on Sawing of Difficult Species (PPR 14/89). The Committee expressed satisfaction with the comprehensive exam of the basic elements of sawing carried out in the study. The pre-project surveyed the materials used for metal cutting that might be used for wood cutting; discussed the problems found in current saw designs; and assessed the breadth of the problem by compiling a list of high density and siliceous tropical woods. The study recommended further research (1) to examine the potential for using polycrystalline diamond, silicon nitride and new formulations of tungsten carbide for saw teeth; and (2) to investigate effects of force levels, power requirements, vibration, and sawdust particles motion and compaction on sawing. The results of the study are guiding the preparation of a project proposal addressing the problems reviewed. The project proposal is expected to be finalized in time to be appraised in the Committee's next Session.

The Committee expressed its gratitude to the Government of the United States and its Forest Products Laboratory for their generous assistance in the implementation of this pre-project.

The Committee recommended to the Council to request the Executive Director to reproduce and disseminate the pre-project report as an ITTO information report.

10. Consideration of Project Proposals

The Committee technically appraised and evaluated eleven project proposals (PD 3.a/87 Rev.1 (I), PD 4/87 Rev.1 (I) PD 37/88 Rev.2 (I), PD 43/88 (I), PD 47/88 Rev.1 (I,F), PD 48/88 Rev. (I), PD 49/89 (I),

PD 50/89 (I), PD 51/89 (I), PD 59/89 (I), PD 60/89 (F, M, I) submitted in time for its consideration. The detailed results of the Committee's evaluation and appraisal of project proposals are presented in Appendix 1.

Project documents 29/88 Rev.2 and 54/89 submitted by the Government of the Republic of Korea were not appraised as this Member requested postponing their consideration until the next Committee Session.

11. Review of Pre-Project Work in Progress

The Committee took note of progress of work in the pre-project Study on Harmonization of Specifications on Tropical Timber Products. The study is being implemented by the Technical Association of the Tropical Timber Industry (ATIBT), which presented to the Committee a detailed report of the work and results attained. The report is reproduced in Appendix 2.

12. Decision on Pre-Project Work

After evaluating and revising terms of reference prepared by the Secretariat, the Committee decided to approve a pre-project Study on Tropical Timber in Construction and Development of Harmonized Stress Grading Rules. The estimated costs of the pre-project study amount to US\$ 50,000. The approved terms of reference are included in Appendix 1.

The Committee also approved a pre-project study on "Industrial Processing of Rubberwood Timber in Africa" (Cameroon, Cote d'Ivoire, Ghana, Liberia). The estimated costs for implementing this pre-project amount to US\$ 133,000. The approved proposal describing this study is included in Appendix 3.

The Committee approved a third pre-project titled "Appropriate Supply of Wood Raw Materials in Producing Countries with Dwindling Forest Resources: The Case of the Philippines". The estimated costs for implementing this pre-project amount to US\$ 25,000. The terms of references for this study are included in Appendix 4.

13. Dates and Venue of the Fourth Session

The Committee decided that the date and venue of its Fifth Session will be agreed upon by ITTC in its Sixth Session.

14. Other Business

The Committee took note of a UNIDO invitation for ITTO cooperation and assistance to the preparation of the Second Consultation on Wood and Wood Products, to be convened during the 1990-1991 biennium. The Committee expressed its appreciation to UNIDO for the valuable information provided and for the proposal for cooperation. The Committee decided to consider the proposal in its next Session, when further details on the Consultation and envisaged cooperation will be available.



15. Recommendation on Project Proposals

The Committee recommended to ITTO Council to approve for implementation by ITTO the following project proposals:

- PD 3.a/87 Rev.2 (I)      ENHANCING LOCALLY THE VALUE OF LESSER KNOWN SPECIES  
(MANUFACTURE OF BLOCKBOARDS FROM LESSER KNOWN  
SPECIES IN CAMEROON)
- PD 4/87 Rev.1 (I)      TRAINING IN PLANNING AND MANAGEMENT OF FOREST  
INDUSTRIES IN DEVELOPING COUNTRIES
- PD 37/88 Rev.3 (I)      INDUSTRIAL USE OF NEW FOREST SPECIES IN PERU
- 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
- PD 60/89 (F,M,I)        FELLOWSHIP AND RELATED ASSISTANCE PROGRAM TO  
PROMOTE TROPICAL FOREST SECTOR DEVELOPMENT

The Committee recommended to ITTO Council that the following project proposals be revised:

- PD 47/88 Rev.1(I,F)    DEVELOPMENT OF LESSER USED SPECIES AS ALTERNATIVE  
RAW MATERIALS FOR FOREST-BASED INDUSTRIES WITH LUS  
INDUSTRIAL TREE PLANTATION ESTABLISHMENT
- PD 50/89 (I)            CATEGORIZATION OF AFRICAN FOREST SPECIES BY TYPES  
OF UTILIZATION
- PD 51/89 (I)            ENHANCING THE VALUE OF RUBBER-WOOD IN CAMEROON
- PD 59/89 (I)            DEEP IMPREGNATION OF SUITABLE TROPICAL WOODS FOR  
CONSTRUCTION WORK IN THE TROPICS

## APPENDIX 1

TECHNICAL EVALUATION OF PROJECTS IN THE AREA OF FOREST INDUSTRY

PROJECT DOCUMENT/ PRE-PROJECT	ITTA	AREA OF ACTIVITY		CRITERIA	ITTO	DURATION	GEOGRAPHICAL COVERAGE	RECOMMENDATION
	OBJECTIVES ARTICLE 1	Art.23 Para.2	Art.23 Para.5	Art.23 Para.6	BUDGET US\$			
PROJECT								
3.a/87 Rev.2	c,e	Processing/ Training	a,b	a,b,c,d,e	US\$ 159,000	12 months	Cameroon	4
4/87 Rev.1	c,e,g,h	Training	a,b,d,e	a,b,c,d,e	US\$1,773,500 (Finland)	4 ½ years	All three producing regions	4
37/88 Rev.3	c,e,g	Processing	a,d	a,b,c,d,e	US\$ 910,000	2 years	Peru	4
43/88 Rev.2	b,c,e,g	R & D/ Market Promotion	a,d	a,b,c,d,e	US\$ 920,000	2 years	Latin America/Caribbean and Japan, China, and Republic of Korea	4
47/88 Rev.1	c,e,f	R & D	a,c	a,b,c,d,e	US\$1,537,020	5 years	Philippines	2
48/88 Rev.1	c	R & D	a,d	a,b,c,d,e	US\$ 475,737	5 years	All three producing regions and the United States	4
49/89	c,g	Market Promotion	a	a,b,c,d,e	US\$ 96,000	2 years	All three producing regions and Europe	4
50/89	c,e	R & D	a,b	a,b,c,d,e	US\$ 631,000	3 years	Cameroon	2
51/89	c,e	Processing	a	a,b,c,d,e	US\$ 500,000	18 months	Cameroon	2
59/89	c,e,g	R & D	a	a,b,c,d,e	US\$ 340,000	4½ months	Ghana	2
60/89		Training	a,b,c,d	a,b,c,d,e	US\$ 204,000	1 year	All Member countries	4

PROJECT DOCUMENT/ PRE-PROJECT	ITTA OBJECTIVES ARTICLE 1	AREA OF ACTIVITY		CRITERIA Art.23 Para.6	ITTO BUDGET US\$	DURATION	GEOGRAPHICAL COVERAGE	RECOMMENDATION
		Art.23 Para.2	Art.23 Para.5					
PRE-PROJECT								
Tropical Timber in Construction and Development of Harmonized Stress Grading Rules	b,c,e,g		a	a,b,c,d,e	US\$ 50,000	1 year	All Member countries	3
Industrial Processing of Rubberwood Timber in Africa	c,e		a	a,b,c,d,e	US\$ 133,000	7 months	Cameroon, Côte d'Ivoire, Ghana, Liberia	3
Appropriate Supply of Wood Raw Materials in Producing Countries with Dwindling Forest Resources: The Case of the Philippines	c,e,f		a	a,b,c,d,e	US\$ 25,000	6 months	Philippines	3

- 
- \* 1: Recommend to the ITTO Council that the proposal should not be further considered by ITTO.  
2: Recommend to the ITTO Council that the proposal be revised.  
3: Decide on pre-project activities including Executing Agency and estimated budget.  
4: Recommend to the ITTO Council to approve the (amended) proposal for implementation by ITTO.  
5: Recommend to the ITTO Council that ITTO should sponsor the proposal in accordance with Article 20.  
6: Recommend to the ITTO Council that ITTO should approve the proposal for ITTO sponsorship without funding and refer it to other relevant financial institutions.

TECHNICAL EVALUATION OF PROJECT PROPOSALS  
COMMENTS ON FOREST INDUSTRY PROJECTS

PD 3.a/87 Rev.2 (I)     **ENHANCING LOCALLY THE VALUE OF LESSER KNOWN SPECIES (MANUFACTURE OF BLOCKBOARDS FROM LESSER KNOWN SPECIES IN CAMEROON)**

This 12-month project will transfer to Cameroon technologies for processing lesser known species wood raw materials into a manufactured stable product (edge-glued panel).

In this revised form the project is cost effective and also takes into account the need to carry out market studies and market trials. Also, the project document now includes provisions for dissemination of results to both English and French speaking African countries.

The Committee recommends to the implementing agency the inclusion of species with regional or sub-regional availability

PD 4/87 Rev.1 (I)     **TRAINING IN PLANNING AND MANAGEMENT OF FOREST INDUSTRIES IN DEVELOPING COUNTRIES**

This 4½-year project is an expanded version of ITTO approved (but yet unfinanced) project 4/87 (I). This expanded version (prepared by FINNIDA/FTP in consultation with ITTO Secretariat) basically introduced additional follow-up training activities at national level in 6 countries, and proposed a phased implementation wherein the regional training program would be tested in one region and evaluated before proceeding with implementation in the other two producing regions.

The training project is technically sound and addresses some of the key problems in the producing countries. In this present expanded version it has been again unanimously supported and recommended for approval and implementation.

PD 37/88 Rev.3             **INDUSTRIAL USE OF NEW FOREST SPECIES IN PERU**

This project involves formulation and implementation of an applied research program to promote industrialization and commercial introduction of 20 lesser known timber species found in Peru.

The Committee recognizes that this project introduces a practical approach involving the private sector to promote the industrial use of lesser known species and if it is successfully implemented can be adopted also in other producing Members.

The selection of species shall take into consideration the resource base and the distribution of species. In particular, care should be taken to select species that are also available in other Amazonian countries, and whose utilization is consistent with sustainable forest management. It is recommended that the implementing agency seek the advise of the Peruvian Foundation for the Conservation of Nature

(FPCN) and other conservation NGOs on the conservation status of the species to be promoted.

The delegation of Peru informed that the project will be implemented over a two year period, requiring ITTO funds in the amount of US\$ 448,750 in the first year and US\$ 461,250 in the second year.

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**

The project in this revised form will assess the problems affecting the marketing of Latin American/Caribbean timber in selected Asian markets and carry out a promotion program to increase the trade between the two regions.

The project introduces a novel approach to promote imports and consumption of processed products manufactured with tropical species little known or not known in major Asian markets.

In view of market intelligence studies planned in project 61/89 (M), recommended for appraisal and implementation in the Committee on Economic Information and Market Intelligence, care should be taken to avoid overlapping and duplication of work. Market intelligence work in particular should be phased to take into account results of project 61/89 (M).

With inclusion of selected market outlets of Korea and China in the project and correspondent adjustment of other project elements, this project became commendable for recommendation for Council approval. Proper coordination with concerned agencies in all ITTO Latin American/Caribbean Members is of foremost importance to realize the project objectives and maximize project benefits.

ITTO Secretariat shall consult Korean parties to decide if there is a need for translation into Korean language of technical documents to be produced under the Project.

PD 47/88 Rev.1 (I,F)      **DEVELOPMENT OF LESSER USED SPECIES AS ALTERNATIVE RAW MATERIALS FOR FOREST-BASED INDUSTRIES WITH LUS INDUSTRIAL TREE PLANTATION ESTABLISHMENT**

This 5-year project aims at contributing to maximize the utilization of Philippines forest resources by developing appropriate processing and plantation techniques to allow sustainable production of timber products from lesser-used species.

The project must be reformulated with the processing and promotion component separated from the trial plantation program. The later shall then be appraised by the Permanent Committee on Reforestation and Forest Management.

The reformulation of the research and development plan for assisting utilization and market shall take into account (i) market requirements; (ii) the regionalization requirement; (iii) the potential

tropical species. Also, the work being carried out under ITTO projects 3.d/87, 3.e/87 and 18/87 Rev.1 shall be taken into account.

The study in its initial phase should include at the most a few dozen species, selected taking into account also their regional or sub-regional availability and species silvicultural aspects.

Provision of information on existence and demand for laboratory and timber testing facilities in the region will also facilitate decision on equipment inputs and overall project appraisal.

PD 51/89 (I)

#### **ENHANCING THE VALUE OF RUBBERWOOD IN CAMEROON**

This 18-month project will build and operate on a pilot and demonstrative basis a sawmill designed for the processing of heretofore unused logs of old rubberwood trees from plantations in Southwestern Cameroon.

The Committee recognized the importance of this project to help reducing pressure on native forests in Cameroon and other African countries having rubberwood plantations. Rubberwood products have guaranteed external markets where producing countries can be very competitive and the development of strong rubberwood industries in Asian producers may be emulated by countries in Africa and also Latin America/Caribbean.

The project proposal needs to be further detailed and reformulated to provide essential information on the feasibility of the proposed sawmill. The Committee decided to approve a pre-project to implement a pre-feasibility study focussing on raw material availability and supply, technology, equipment and products. The pre-project will include a study tour to selected Southeast Asian countries that have developed successful rubberwood processing industries. Approved terms of reference for the pre-project study are listed in Appendix 3.

PD 59/89 (I)

#### **DEEP IMPREGNATION OF SUITABLE TROPICAL WOODS FOR CONSTRUCTION WORK IN THE TROPICS**

This 4.5-month project propose to formulate a new market strategy aiming at promoting the use of properly reserved tropical timbers for construction work in Ghana and other markets. A survey and analysis of successful research and development efforts directed at increasing use of preserved timber by the construction industry will be carried out in England, Papua New Guinea, Australia, New Zealand, United States, and in some African countries that have taken the lead in usage of deep impregnated wood from local species. These studies will provide the basis for preparation of (i) market strategies to enhance the use of tropical woods for construction; (ii) a manual summarizing tests, trials and current knowledge successfully applied to increase use of preserved timber in construction; and (iii) recommendations for technical trials.

The Committee recognized the overall importance of the project and recommended its reformulation taking into account (i) regionalization requirements, (ii) the need for careful selection of countries to be visited in the study tour, and (iii) the importance of achieving higher cost effectiveness.

of small scale industries and markets for high value products in view of low individual species volumes that may be available; (iv) the need to identify the species to be studied and to consider also their silvicultural and conservation aspects.

The Committee decided to approve a pre-project study. Approved terms of reference for the pre-project study are listed in Appendix 4.

PD 48/88 Rev.1 (I)      **DRYING MIXTURES OF TROPICAL HARDWOODS**

The project will carry out research activities to develop the basis of a grouping system that can deal effectively with Drying Mixtures of Tropical Hardwood species that have a wide range of characteristics. The grouping systems will be developed by correlating specific gravity and initial moisture content with drying time and then grouping together species of similar estimated drying times. The project outputs may provide a useful tool to facilitate processing (drying mixtures of species), but not trade, as specific gravity is not a good basis for marketing.

The selection of three cooperating research agencies and participating scientists from ITTO producing Member countries shall be decided in consultation with ITTO Secretariat.

PD 49/89 (I)      **CREATION OF INTERNATIONAL PROMOTION CENTER FOR LESSER KNOWN SPECIES IN EUROPE**

This project will establish and operate a permanent Promotion Center for the introduction of approximately 30 to 50 lesser known species (LKS) in the European market. The Center will have a timber yard and trading office in the harbour of Antwerp (Belgium) where trial volumes of lesser known species would be stocked, promoted and traded.

This practical and direct approach to promote export of lesser known species has been analyzed by certain delegations as affecting the trade. Other delegations expressed the view that the project could reflect positively on exports of producing countries.

Considering the potential of the concrete promotion approach proposed the Committee recommended the approval of the preparatory phase designed to inform producing countries in the three regions and to secure their inputs and participation. The proposal for implementation of the subsequent operational activities (center opening and running) will be appraised by the Committee in the light of the evaluation of the preparatory phase results.

PD 50/89 (I)      **CATEGORIZATION OF AFRICAN FOREST SPECIES BY TYPES OF UTILIZATION**

This project will carry out an important timber testing program to allow classification of Cameroonian tropical species according to utilization or potential utilization. In order to avoid duplication of work the project document should be improved by providing additional information on technical information already available for African

The studies concerning timber preservatives shall pay due attention to environment and pollution aspects that may be associated with the chemicals under consideration.

PD 60/89 (F, M, I) **FELLOWSHIP AND RELATED ASSISTANCE PROGRAM TO PROMOTE TROPICAL FOREST SECTOR DEVELOPMENT**

This project addresses the large demand for fellowships and small grants to assist tropical timber-based development in producing Member countries.

The program has a high potential to project ITTO's image. The author's contract mechanism for preparation of technical documents may be particularly cost efficient.

Also of considerable importance is the possibility of financing short term training of personnel from producing countries in preparation of appropriate projects. Training fellowships may also be incorporated as complementing activities in relevant ITTO projects which have already been approved.

The fellowship program approved under the project will confer highest priority to applications on the following priority areas within the fields of the three Permanent Committees:

Forest Industry: Further Processing and Project Development within the Further Processing Field;

Economic Information and Market Intelligence: Development of National Statistics Capability within the Tropical Timber Field;

Reforestation and Forest Management: Improvement of Sustainable Management of Natural Tropical Forests

Under this project ITTO shall not be involved in implementation of any training programs or activities. The Committee recommends that administration of the fellowship component of the project and fellowships granted by the Committee be subcontracted with FAO and/or UNIDO or any other implementing agencies of Member countries. For instance, JICA is eligible to be a subcontractor. In the case of JICA any training costs excluding travel and lodging would be borne by JICA itself. The Committee also recommended that the project budget be increased to US\$ 204,000 to allow subcontracting FAO and/or UNIDO.

Pre-Project **STUDY ON TROPICAL TIMBER IN CONSTRUCTION AND DEVELOPMENT OF HARMONIZED STRESS GRADING RULES**

This pre-project study was recognized as of importance to both producing and consuming countries.

Emphasis shall be given to compilation and analysis of documentation already available and to organization of the existing knowledge to facilitate problem understanding.



The approved terms of reference for the study are as follows:

- (1) Compile and review the available documentation on (i) use of tropical timbers in structural applications and on (ii) stress grading rules.
- (2) Review the status of tropical timber utilization in construction in the three producing regions and prepare a comprehensive manual on tropical hardwood timber construction. This manual shall include structural characteristics of at least 5 species or groups of species largely used in construction in each of ITTO producing regions, giving priority to species that are also exported for structural uses abroad.
- (3) Review the timber stress grading systems effectively in use (if any) in the three producing regions. The study shall also identify the major constraints preventing larger production and consumption of stress graded hardwood timber in producing countries and external markets. The study shall also take into account stress grading rules in use in consuming countries and the recent trends and developments on machine stress grading.
- (4) Taking into account inputs from the construction sector (builders, architects, engineers, housing financial agencies, etc.) assess potential contribution that the development and application of harmonized regional or global stress grading rules (such as the UNIDO model stress grading rules) could make for the increased and more rational use of tropical timber in construction, both in producing and consuming countries.
- (5) Prepare recommendations and proposals for actions to promote production, trade and consumption of appropriately stress graded tropical sawn hardwood. In case adoption of harmonized stress grading rules is accorded high priority in the range of activities proposed to promote production and use of stress graded tropical timber, assess the desirability of carrying out a pilot study to test the UNIDO draft stress grading rules and implement a full program to recommend and promote use of a final form of the revised rules.

The Committee requested the Secretariat to seek the assistance of the United States Forest Products Laboratory and/or A.T.I.B.T. to carry out this pre-project study.

APPENDIX 2

**PROGRESS REPORT ON PRE-PROJECT STUDY:  
HARMONIZATION OF SPECIFICATIONS ON TROPICAL TIMBER PRODUCTS**

Committee on Forest Industry - Agenda item interim progress report - pre-project "Harmonization of Specifications on Tropical Timber Products"

1. Study is proceeding in accordance with terms of reference as contained in PCI(IV)/5 led by the expert nominated by ATIBT Board of Directors.
2. Pre-project as a whole - its objectives - its possibilities - perceived obstacles - methodology to be adopted - was debated at length at the ATIBT bi-annual forum held in Washington D.C. last year.
3. So far in 1989 detailed tasks undertaken - gathering in information from Member countries and from international organizations such as UNIDO. As many existing sets of grading rules as can be obtained are being examined - to analyze similarities and highlight differences.
4. ATIBT is seeking information as to how widely in practice grading rules are being observed. A deadline has had to be imposed for the beginning of June 1989 in order to finish the report on schedule. So it will not be practicable to incorporate information or evidence received after that date.
5. Self evidently it is too early to anticipate the conclusions which will be drawn from this study. However one can see already that some important questions will be posed.

For example:

Can specifications and standards be more performance related?

How can specifications for tropical timber measure up to new quality assurance standards being established in certain consuming countries?

Can systems of measurement be standardized?

Can a coherent system be devised to cover both coniferous and broadleaved tropical species?

How can training of personnel engaged in the grading and measurement of tropical timber be best undertaken?

How effective and how widespread are national and/or regional inspection and enforcement agencies?

6. At this stage, Mr. Chairman, may I conclude this interim, preliminary report, by saying that if your Committee so wishes, my association may be willing to undertake the further pre-project PCI(IV)/5 covering use in construction and stress grading. This could be a logical follow-on to this present study with which you have entrusted us.

APPENDIX 3

PRE-PROJECT STUDY FOR THE INDUSTRIAL PROCESSING  
OF RUBBER-WOOD IN AFRICA  
(CAMEROON, COTE D'IVOIRE, GHANA, LIBERIA)

Prepared by: CENADEFOR/CAMEROON  
Submitted by: CENADEFOR/CAMEROON  
Duration: 7 months  
Field of Activity: Forest Industry  
Implementing Agency: CENADEFOR/CAMEROON  
Estimated Starting Date: October 1989  
Estimated Project Costs: US\$133,000  
Financing Sources and Amount:  
ITTO Contribution: US\$133,000

The study will take place at the same time in Cameroon, Côte d'Ivoire, Ghana and Liberia, all of which are ITTO member countries with considerable rubber-tree plantations for latex production.

There will be three phases to the study:

PHASE I: Study Travel - 1 month

A. In Malaysia, 3 weeks

- Visit to rubber-wood plantations reforestation sites
- Visit to rubber-wood sawmill
- Visit to a rubber-wood furniture factory
- Visit to the KEPONG Research Institute
- Visit to the Malaysian Timber Industry Board

B. In France (CTFT), 3 days

For supplementary information

Note: The study travel is for two specialists each from Cameroon, Côte d'Ivoire, Ghana and Liberia.

PHASE II: Market Study, 3 days

This study will be conducted in the four countries by national specialists who would make recommendations aimed at modifying the terms of tenders put out by the state in those countries, particularly concerning the utilization of rubber-wood for school furniture and other uses.

PHASE III: Feasibility Study

A. Evaluation of Resources

Nationals of each country will conduct this evaluation with the cooperation of an ITTO consultant (agricultural expert specializing in rubber-wood), who would work 15 days in each site. The study should include, for each country, a geographical distribution of their potential.

B. Technical Study

This study will be conducted with assistance from an ITTO consultant (sawmilling specialist) and will cover the following areas:

- determination of production capabilities
- effect of economies of scale
- sites for sawmills
- logging methods and materials
- technical specifications of sawmills
- facilities
- determination of sawing methods
- technical specifications for maintenance of saws
- drying and preservation specifications
- staffing and training requirements

The study will be conducted over a period of three months, one month in Cameroon, 15 days in Côte d 'Ivoire, 15 days in Ghana, 15 days in Liberia and 15 days at headquarters for the consultant.

C. Financial Analysis

This analysis will be the responsibility of an ITTO consultant (economist) and should include the following:

- foreign and national capital requirements
- cost effectiveness
- marketing methods
- profit margins of factories to be installed
- analysis of possible results

This activity will last two and a half months, 15 days in each country and 15 days at headquarters for the consultant.

BUDGET

A.	PHASE I		
	Travel and per diem expenses for the eight African specialists	US\$ 68,000	
B.	PHASE II P.M.		
C.	PHASE III		
	Travel expenses and honoraria for three consultants	US\$ 60,000	
D.	PRINTING REPORTS AND MISCELLANEOUS	US\$ 5,000	
	Total	US\$133,000	

Note: This budget is fully funded by ITTO in the understanding that the salaries of the African experts who will participate in the study and the vehicles to be used shall be paid by the respective countries (Cameroon, Côte d'Ivoire, Ghana, Liberia).

## PLANNING OF ACTIVITIES

PHASE I	_____		
PHASE II	_____		
PHASE III			
. Agronomist		_____	
. Sawmilling expert			_____
. Economist			_____

## Codes

CMR	Cameroon
CI	Côte d'Ivoire
GHA	Ghana
LIB	Liberia
_____	one month
s	headquarters

APPENDIX 4

Pre-project study on: Appropriate Supply of Wood Raw Materials in  
Producing Countries with Dwindling Forest  
Resources: The Case of the Philippines

Terms of Reference

1. Assess the demand for industrial tropical timber raw materials in the Philippines. The study shall examine the quality, available volumes and dimensions using information provided in recent inventories, and assess the competitiveness of the various potentially available raw materials to supply the country's tropical timber industries.
2. Review logging, transport, and raw material processing requirements and other problems associated with industrial utilization of available raw materials particularly in remaining native forests, including conservation aspects.
3. In light of available knowledge assess the silvicultural potential of the selected species that meet the availability, quality, economic competitiveness and market requirements for industrial utilization and consumption.
4. Prepare recommendations that may include follow-up activities aiming at promotion of industrial use and plantation of the selected species that are plantable and that meet the requirements listed in Item 2 and 3.

Pre-project cost: US\$ 25,000

Duration: 6 months

Implementing Agency: To be decided by ITTO Secretariat in consultation with the Government of Philippines

**Annex V**

Texts of the Main Decisions and Resolution  
Adopted by the Council at its Sixth Session

{documents: ITTC(VI)/11  
ITTC(VI)/12  
ITTC(VI)/13  
ITTC(VI)/14}

INTERNATIONAL TROPICAL TIMBER COUNCIL  
Sixth Session  
16-24 May 1989, Abidjan, Côte d'Ivoire

Distr. Gen.  
ITTTC(VI)/11  
24 May 1989  
Original: English

DECISION 1(VI)

PROJECTS AND PRE-PROJECTS

The International Tropical Timber Council,

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

1. Decides

i) To approve the following Projects:

- |                     |  |
|---------------------|--|
| PD 42/88 Rev.1 (M)  | The Structure of China's Tropical Timber Market, the Current Situation of International Cooperation of P.R.C., and Prospects to the Year 2000  |
| PD 61/89 (M)        | Statistical Information and Market Indicators: Study of the Trade and Market for Tropical Hardwoods in Japan   |
| PD 53/89 (F)        | Preparation of a Master Land-Use Plan for Forest Areas   |
| PD 55/89 (F)        | Research and Development Activities in the Framework of Forest Management Operations in Côte d'Ivoire's Closed Forest: Establishment of a Typological Classification of Forests on the Basis of Silvicultural Operations |
| PD 57/89 (F,I)      | Seminar and Study Tour on Sustainable Development of Tropical Forests and Tropical Timber Manufacturing Industries in Japan  |
| PD 58/89 (F)        | Tropical Forestry Internship   |
| PD 3.a/87 Rev.2 (I) | Enhancing Locally the Value of Lesser-known Species (Manufacture of Blockboards from Lesser-known Species in Cameroon)   |
| PD 37/88 Rev.3 (I)  | Industrial Utilization of New Forest Species in Peru   |



- 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 Centre for Lesser-known Species in Europe
- PD 60/89 (F,M,I) Fellowship and Related Assistance Program to Promote Tropical Forest Sector Development
- PD 62/89 (F) Contribution to the Implementation of the New Industrial Plantation Component of the Forestry Sector Project, 1990-1994 for ITTO sponsorship.

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

- PD 7.c/87 Rev.1 (M)
- PD 42/88 Rev.1 (M)
- PD 61/89 (M)
- PD 57/89 (F,I)
- PD 34/88 Rev.1 (F,I)
- PD 4/87 Rev.1 (I)
- PD 3.a/87 Rev.2 (I)
- PD 60/89 (F,M,I)

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

- PD 53/89 (F)
- PD 58/89 (F)
- PD 37/87 Rev.3 (I)
- PD 43/88 Rev.2 (I)
- PD 48/88 Rev.1 (I)
- PD 49/89 (I)

iv) To authorize financing and implementation of Project PD 55/89 (F) as soon as unearmarked funds are available in the Special Account.

v) To urge the donor community to support Project PD 62/89 (F).

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

- a) Silvicultural Treatment through Selective Felling as Part of A Pilot Forest Development Project in the South Bakundu Forest Reserve (\$35,000)
- b) Manmade Forests of Indigenous Species - A systematic Preparation to Industrial Tree Plantations (\$35,000)

- c) Tropical Timber in Construction and Development of Harmonized Stress Grading Rules (\$50,000)
  - d) Industrial Processing of Rubber Wood Timber in Africa (\$133,000)
  - e) Appropriate Supply of Wood Raw Materials in Producing Countries with Dwindling Forest Resources: The Case of the Philippines (\$25,000)
3. Authorizes financing of the above five Pre-Projects for immediate implementation.
  4. Decides that those Projects for which funds are not immediately available may be implemented when earmarked contributions for them are received.
  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.

INTERNATIONAL TROPICAL TIMBER COUNCIL  
Sixth Session  
16-24 May 1989, Abidjan, Côte d'Ivoire

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ITTC(VI)/12  
24 May 1989  
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DECISION 2(VI)

The International Tropical Timber Council,

Recognizing the objectives of the International Tropical Timber Organization as set out in Article 1 of the International Tropical Timber Agreement,

Reaffirming Council Resolution 1(IV),

Expressing appreciation for the Report by the Panel of Experts (contained in doc. PCF(IV)/2) "Draft Action Plan in the Field of Reforestation and Forest Management",

Recognizing the importance of establishing an Action Plan to cover all activities of ITTO,

Takes note of the Reports of the three Permanent Committees in this area.

Requests the Executive Director to prepare a work programme of the Secretariat for the years 1990 and 1991 in the field of reforestation and forest management based on the proposals made in doc. PCF(IV)/2 and on the comments made on those proposals.

Further requests the Executive Director to propose activities for priority implementation in the following areas of action:

- Develop guidelines for "best practice" and sustainability in relation to the sustainable management of natural forests and plantations,
- Develop the economic case for natural forest management,
- Strengthen policy initiatives embracing the forestry sector,
- Increase awareness and mobilize support to ensure the sustainable management and conservation of tropical forests,
- Develop demonstration models of management for the sustainable production of timber and non-timber products and conservation,
- Strengthen research on responses to silvicultural treatment,

- Develop human resources in tropical forest management,
- Consider incentives to encourage sustainable management.

Requests the Secretariat to prepare elements for an Action Plan in the areas of forest industry and economic information and market intelligence supported by a panel of experts in forest industry to be submitted to the next Sessions of the Permanent Committees and of the Council.

Decides to include this item on the agenda of the next Session of each of the three Permanent Committees and of the Council with a view to adopting a comprehensive action plan to serve as a basis for the work programme of the Organization and the Secretariat.

INTERNATIONAL TROPICAL TIMBER COUNCIL  
Sixth Session  
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DECISION 3(VI)

The International Tropical Timber Council,

Decides to extend the International Tropical Timber Agreement for a period of two years starting 1 April 1990 and ending 31 March 1992.

Recognizes that this decision may be part of a four-year extension of the Agreement and that the Council may decide to extend the Agreement by additional two years in accordance with Article 42, paragraph 2.

Further decides to return to this question at the Tenth Session of the Council.

INTERNATIONAL TROPICAL TIMBER COUNCIL  
Sixth Session  
16-24 May 1989, Abidjan, Côte d'Ivoire

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RESOLUTION 1(VI)

THE PROMOTION OF SUSTAINABLE FOREST MANAGEMENT  
A CASE STUDY IN SARAWAK, MALAYSIA

The International Tropical Timber Council,

Reaffirming the obligation and commitment of all Members to the objectives of the ITTA, 1983,

Bearing in mind Article 1 (a) of the ITTA, "to provide an effective framework for co-operation and consultation between tropical timber producing and consuming Members with regard to all relevant aspects of the tropical timber economy", and Article 1 (h) of the ITTA, "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",

Recalling the Statement made by the Representative of Malaysia at the Fifth Session of the International Tropical Timber Council informing the Council of the serious efforts to promote sustainable forest management in Malaysia and inviting international assistance to support the implementation of these policies,

Taking note of the Statement made by the representative of Malaysia at its current Session of the ITTC,

Expressing its appreciation to the Government of Malaysia for its readiness to welcome a Mission to visit Sarawak, Malaysia at a date to be decided by mutual agreement,

1. Establishes a Mission with the following terms of reference:
  - a) To assess the sustainable utilization and conservation of tropical forests and their genetic resources as well as the maintenance of the ecological balance in Sarawak, Malaysia, taking fully into account the need for proper and effective conservation and development of tropical timber forests with a view to ensuring their optimum utilization while maintaining the ecological balance, in the light of recent ITTO studies on forest management for sustainable timber production in Member countries and relevant reports by other organizations;

- b) Based on its findings, to make recommendations for further strengthening of sustainable forest management policies and practices, including areas of international co-operation and assistance.
2. Authorizes financing not exceeding \$330,000 from the Pre-Project Sub-Account for the work of the Mission.
  3. Appreciates the readiness of the Government of Malaysia to fully co-operate in facilitating the work of the Mission and to allow it to visit any part of Sarawak, to meet any persons and also to make available information relevant to the work of the Mission.
  4. Invites all Members, and relevant international organizations and international institutions to lend their fullest support for the success of the Mission.
  5. Appeals to all members, bearing in mind Article 30 of the ITTA, to use their best endeavours to co-operate to promote the attainment of the objectives of the ITTA and avoid any action contrary thereto.
  6. Requests the Executive Director to take all necessary measures for the implementation of this Resolution and to prepare the necessary documentation for this purpose.
  7. Requests the Executive Director to communicate this Resolution to all international organizations and others interested in the work of the ITTO.
  8. Further requests the Mission to present, on a confidential basis, a Progress Report at the Seventh Session and its final Report at its Eighth Session.

Annex VI

REVISED DISTRIBUTION OF VOTES FOR 1989  
(AS AT 6TH ITTC)

	(1988) <u>VOTES</u>	(1989) <u>VOTES</u>
<u>Producers</u>		
Africa		
Cameroon .....	34	33
Congo .....	34	33
Côte d'Ivoire .....	34	33
Gabon .....	34	33
Ghana .....	33	33
Liberia .....	33	33
Asia		
India .....	42	43
Indonesia .....	154	165
Malaysia .....	152	150
Papua New Guinea .....	35	34
Philippines .....	44	39
Thailand .....	26	27
Latin America		
Bolivia .....	38	35
Brazil .....	189	183
Ecuador .....	29	25
Honduras .....	23	20
Panama .....	-	21
Peru .....	44	41
Trinidad and Tobago .....	22	19
Total	1,000	1,000
 <u>Consumers</u>		
Australia .....	21	19
Austria .....	12	11
Canada .....	17	15
China .....	41	41
Egypt .....	15	15
European Economic Community		
Belgium-Luxembourg .....	25	25
Denmark .....	14	13
France .....	55	53
Germany, Federal Republic of .....	47	45
Greece .....	14	14
Ireland .....	12	12
Italy .....	40	38
Netherlands .....	40	41
Spain .....	25	26
United Kingdom of Great Britain and North. Ireland.	54	54
Finland .....	11	11
Japan .....	334	336
Korea, Republic of .....	80	82
Norway .....	11	11
Sweden .....	11	11
Switzerland .....	11	11
United States of America .....	96	100
Union of Soviet Socialist Republics .....	14	14
Total	1,000	1,000