

INTERNATIONAL TROPICAL TIMBER COUNCIL  
Fifth Session  
Yokohama, 14 - 16 November 1988

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DRAFT REPORT  
OF THE  
INTERNATIONAL TROPICAL TIMBER COUNCIL  
FIFTH SESSION

Yokohama  
14 - 16 November 1988

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## Introduction

1. The Fifth Session of the International Tropical Timber Council convened in Yokohama (Japan) from 14 - 16 November 1988. The Session was attended by 34 Members and by Observers representing governments, various organs of the United Nations, inter-governmental organizations and non-governmental organizations. The list of participants is reproduced as Annex II to this Report. The Council held four plenary meetings.

## Opening of the Session

2. The Session was opened by the Chairman, Mr. Otto Th. Genee (The Netherlands), after ascertaining that there was a quorum as required under Article 13, paragraph 1 of the Agreement.

3. In his Opening Statement, Mr. Genee welcomed all participants. He stressed the need to achieve technical excellence in the presentation and evaluation of project proposals. He referred to the prospect of adopting a decision on the project cycle which would assist the process of improving project work and development. The Chairman mentioned an important new initiative regarding a surcharge on tropical timber imports which could provide funding to ITTO. He further recalled a commitment in the Agreement for Producers and Consumers to join in partnership to address problems related to tropical forests and international trade in tropical timber.

## Adoption of the Agenda and Organization of Work (Agenda item A2)

4. The Council adopted the agenda of its Fifth Session as contained in document ITTC(V)/2 after including an additional item A6 a. "Consideration of the Proposed Amendment by Sweden to the Draft Report of the Council on its Fourth Session". The agenda, as amended, is contained in Annex III. The Council decided to establish an Informal Working Group under the Chairmanship of Mr. Y. Chiba (Japan) to examine agenda items C1, C2 and D2 and report back to it.

## Report on Membership of the Council (Agenda item A3)

5. The Council noted that since its Fourth Session, no new members had acceded to the Agreement.

## Distribution of Votes (Agenda item A4)

6. The Council took note of the distribution of votes among Members for the year 1988 as contained in Annex 1 of document ITTC(V)/2.

## Admission of Observers (Agenda item A5)

7. The Council admitted to its Fifth Session as Observers, Representatives of Argentina, Madagascar, Nigeria and Venezuela, and of

16 non-governmental organizations. The list of Observers is reproduced as Annex IV.

**Report of the Credentials Committee (Agenda item A6)**

8. The Chairman of the Committee (Brazil) reported to the Council that the Credentials Committee had not received written communications from four delegations attending the Council Session and had urged those delegations to do so in the future. The Committee found the Credentials of the other Delegates in good and due form and recommended to the Council that they be accepted.

9. The Council took note of the report and accepted the credentials of the Delegates.

**Consideration of Proposed Amendment to the Draft Report of the ITTC on its Fourth Session {documents ITTC(IV)/D.1 and ITTC(IV)/D.1/Add.1}**  
**(Agenda item A6 a.)**

10. The Council approved the Report of its Fourth Session with an amendment proposed by Sweden.

**Statement by the Executive Director (Agenda item A7)**

11. The Executive Director gave a report of developments since the Fourth Session of the Council.

12. He highlighted the Report of the World Commission on Environment and Development, familiarly known as the Brundtland Commission, and emphasized that ITTO's approach, in consonance with the recommendations of the World Commission on sustainable development, had been to take a global perspective on the question of sustainable forest development and act out of a sense of solidarity, mutual interest and collective responsibility. On the matter of international cooperation, he informed the Council that ITTO's activities had been carried out in close collaboration with existing international institutions - UN agencies; inter-governmental, national and professional organizations; trade and industry associations; and environmental organizations. The Executive Director drew attention to the resources needed for the Organization including the efficient administration of the Secretariat. He had appealed to defaulting Members to pay up their assessed contributions to the Administrative Budget. He had also not missed any opportunity to establish personal contacts with Governments and development aid agencies, urging them to respond positively to the Council's appeal for funds for the Special Account. He reminded the Council that the Agreement which entered into force in April 1985 would expire at the end of March 1990.

He called for starting consultations and crystallizing views on the next phase in the development of the Organization. With regard to calls from certain quarters for a ban on imports of tropical timber, he made a firm appeal to Members and the international community to disavow such a campaign since it was not consistent with the letter and spirit of the ITTA. He would continue to consult Members with a view to promoting agreement through policy dialogue on measures which would secure Members' increasing cooperation on sound sustainable forest management including scrupulous conservation practice. He welcomed the initiatives of major timber trade associations in Europe to provide, through a scheme of surcharge on tropical timber imports, funding to ITTO for sustainable forest management. He proposed that the Organization should take counsel through informal consultations and join current efforts in order to evolve consensus on the objectives of the surcharge proposal.

#### General Statements

13. General Statements were made by the Representatives of Brazil, Malaysia, the EEC, FAO and the spokesman of conservation non-governmental organizations.

14. The Representative of Brazil drew the attention of the Council to the review undertaken by Brazil to formulate policies for achieving efficient utilization and securing the sustainability of forest resources. Among other measures, export of logs has been prohibited and subsidies awarded for developing forest lands into agricultural uses have been withdrawn pending completion of the work of Government Commissions to establish the basis for an environmentally sound land-use policy.

15. The Representative of Malaysia stated that Malaysia is making concerted efforts to formulate pragmatic forest management systems to ensure sustained yield from forests, ecological balance and safeguard environmental quality and stability consistent with national objectives and priorities. Malaysia is seriously and actively involved in programmes for forest resource management and would welcome cooperation and assistance from ITTO and other agencies in such activities.

16. The Representative of the Commission of the EEC, Mr. E. Barratini, read a statement on behalf of the EEC and its Member States. He welcomed the progress which ITTO was making in its work. This was reflected in the spirit of cooperation and understanding which characterized deliberations, the work in forest conservation and utilization to secure sustainable supply of tropical timber and in the

arrangements made to adopt guidelines for setting priorities for projects and activities. He emphasized the problem of finances for the Organization and the need for rigorous and realistic financial management. He appealed for cooperation on the part of defaulting Members to regularize their financial obligations. He reiterated the assurance that the EEC and its Member States would continue to play their full part in the process of developing understanding and cooperation within the ITTO.

17. The Representative of the FAO, Mr. P. Wardle, spoke of the several activities in which FAO was already cooperating with the ITTO. Among these are projects which were prepared for ITTO by the FAO and which were still pending decision and implementation. Another project which had been executed, namely the Project on "Development of the Monthly Bulletin 'Tropical Forest Products in World Timber Trade'" and awaiting follow-up action. FAO had given assistance in the implementation of the Project "Natural Forest Management for Sustainable Timber Production". There were yet many more areas for cooperation which would be of benefit to ITTO, among which are the Tropical Forest Action Plan, the forthcoming Tropical Forest Resources Assessment 1990 and some other programmes of activities concerning ecosystems and genetic conservation. All these activities indicated the development of a warm spirit of collaboration between the two Organizations.

18. The Spokesman for the conservation NGO's, Dr. Julio Cesar Centeno, declared the imperative need for ITTO to succeed in its two major roles as a forum for consultation and discussion and as an institution for taking action to promote sustainable use and conservation of tropical forests. In these tasks, ITTO could count on the commitment and support of the environmental organizations. The NGO's expressed appreciation for the Organization's contribution to conservation work through studies carried out and particularly the recently held International Seminar on Sustainable Utilization and Conservation of Tropical Forests. They were, however, concerned about the meager resources available to the ITTO and especially about the fact that certain governments had not yet undertaken policy reforms necessary to lay a sound basis for the survival of the forests and their inhabitants. These were matters which required the serious attention of both producers and consumers of the ITTO.

19. The Chairman welcomed the statements as contributions to the functioning of the Council as a forum for dialogue among Members.

**Criteria and Priority Areas for Program Development and Project Work**  
**(Agenda item B1)**

20. The Permanent Committees met in a Joint Session to consider the Project Cycle prepared by the Secretariat and established a drafting working group. The Council considered and approved the revised Project Cycle as contained in document ITTC(V)/4/Rev.5.

21. The Council referred to its decisions as contained in Resolution 1(IV) on the Criteria and Priority Areas for Program Development and Project Work. Due to the lack of time, the Council invited Members to submit their comments and suggestions to the Secretariat. The Secretariat would collate all submissions and forward them in English, French and Spanish to Members eight weeks in advance of the next Session of the Council. Comments and suggestions received from other organizations would also be made available to Members. The Council decided to resume its consideration of the question at its next Session.

22. Mr. Jean Clément (France), Spokesman for the TFAP Forestry Advisors, and other Members of the Group informed the Council on the objectives and activities under the TFAP. They underscored the desirability for close coordination between the work of ITTO and that carried out under TFAP. ITTO was invited by the Representative of the World Bank to participate in carrying out a study on stumpage and tax policies in West Africa for which the terms of reference were being worked out.

23. Several Members expressed their support for closer cooperation by ITTO in TFAP activities and welcomed the opportunity for joint participation in the proposed study. It was recommended that ITTO should, as far as resources permit, participate in meetings of the TFAP Forestry Advisors.

24. The Executive Director expressed his intention to continue to cooperate closely with the TFAP Forestry Advisors in all future activities. He welcomed in particular the opportunity for cooperation over the proposed study initiated by the World Bank and in which ITTO was being invited to participate. He would consult on the details of the proposed study which is aimed at improving timber taxation and concession license arrangements. A report would be made to Members.

25. On behalf of the Council, the Chairman expressed appreciation for information provided by the Members of the TFAP Forestry Advisors Group.

**Reports of the Third Sessions of the Permanent Committees (Agenda item B2)**

26. The respective Chairmen presented the Reports of the Third Sessions of the three Permanent Committees as contained in documents PCM(III)/D.1, PCF(III)/D.2 and PCI(III)/D.3. {see Annex VI} The Council took note of the Reports and the recommendations of the three Committees. These recommendations on projects and pre-project activities were referred to a small Ad-Hoc Group chaired by the Chairman of the Council for further consideration taking into account available resources.

27. The Council endorsed the recommendations by the Working Group to the Permanent Committee on Reforestation and Forest Management contained in Appendix B to PCF(III)/D.2 regarding the development of action programmes for project and non-project work based on pre-project studies carried out by IIED, HIID and JOFCA to be initiated in December 1988.

28. Based on the consensus reached in the Ad-Hoc Group, the Council decided to approve the following four Projects:

PD 7.d/87 Rev.1	(M)	STATISTICAL INFORMATION AND MARKET INDICATORS: d. STUDY ON MAJOR IMPORT MARKETS FOR WOODEN FURNITURE
PD 41/88	(I)	THE IDENTIFICATION, PROPERTIES AND USES OF THE TROPICAL TIMBER IMPORTED TO CHINA FROM SOUTHEAST ASIA
PD 44/88	(I)	SEMINAR FOR THE PROMOTION OF FURTHER PROCESSING OF TROPICAL HARDWOOD TIMBER IN THE AFRICAN REGION
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

29. The Council authorized immediate financing and implementation of the following projects:

PD 7.d/87 Rev.1	(M)	STATISTICAL INFORMATION AND MARKET INDICATORS: d. STUDY ON MAJOR IMPORT MARKETS FOR WOODEN FURNITURE (US\$ 145,100)
PD 18/87 Rev.1	(I)	SELECTION AND INTRODUCTION OF LESSER KNOWN AND LESSER USED SPECIES FOR SPECIFIC END-USE (US\$ 212,800)



PD 41/88 (I) THE IDENTIFICATION, PROPERTIES AND USES OF THE  
TROPICAL TIMBER IMPORTED TO CHINA FROM  
SOUTHEAST ASIA  
(US\$ 33,000)

PD 44/88 (I) SEMINAR FOR THE PROMOTION OF FURTHER  
PROCESSING OF TROPICAL HARDWOOD TIMBER IN THE  
AFRICAN REGION  
(US\$ 154,400)

30. The Council authorized financing and implementation of Project 34/88 Rev.1 as soon as unearmarked funds are available in the Special Account.

31. The Council took note of the decision of the Permanent Committees to implement the following Pre-Projects:

- (a) COORDINATED NATURAL FOREST MANAGEMENT AND SUSTAINABLE RURAL DEVELOPMENT IN AREAS ADJOINING SAPO NATIONAL PARK  
(US\$25,000)
- (b) THE CONSERVATION STATUS OF TROPICAL TIMBERS IN TRADE  
(US\$129,200)
- (c) THE STRUCTURE OF CHINA'S TROPICAL TIMBER MARKET, THE CURRENT SITUATION OF INTERNATIONAL COOPERATION OF PRC AND THE PROSPECTS TO THE YEAR 2000  
(US\$8,000)
- (d) STUDY OF THE CONSERVATION CONCERNS RELATING TO THE DIVERSIFICATION OF SPECIES EXTRACTED FOR TIMBER  
(maximum US\$224,000)

32. The Council authorized the financing of the first three Pre-Projects and authorized the Executive Director to transfer funds from the Project Sub-Account to the Pre-Project Sub-Account if necessary.

33. The Council decided that Projects and Pre-Projects for which funds are not immediately available could be implemented when earmarked contributions for them are received.

34. The Council urged Members to consider financing those Projects and Pre-Projects for which funds are not immediately available.

35. The Council also urged Members to consider further unearmarked funding to the Special Account and decided that except as noted in paragraph 30 above, any such future unearmarked funds should not be allocated for any approved Project without the prior authorization of the Council. {see Decision 1(V) in Annex I}

36. The Council authorized the Executive Director to receive Yen 1,000,000 to defray the additional costs of the International Seminar on Sustainable Utilization and Conservation of Tropical Forests organized in Yokohama (Japan) on 12 November 1988.

**Financial Resources to the Special Account (Agenda item B3 a., b., c.)**

37. The Council took note of the information provided by the Secretariat regarding the Pre-Project Sub-Account and the Project Sub-Account.

38. The Representative of The Netherlands informed the Council that his Government would contribute US\$70,000 towards the funding of Project 18/87 Rev.1. The Netherlands would consider a further contribution of US\$70,000 if that would assure full funding of the Project.

39. The Council expressed its appreciation for this pledge of funds.

40. The list of the approved Projects for which funds were not immediately available is reproduced in Annex VII.

**Non-Project Work Related to Article 27 and Article 28 (Agenda item B4 a)**

41. In connection with the Annual Review, the Representative of the U.S.A. referred to the decision of the three Permanent Committees to incorporate in the agenda of their Fourth Sessions a two-day market discussion. He expressed the view that this would improve ITTO's role in market intelligence, attract wider participation of trade and industry representatives, and contribute to a useful exchange of views during the annual review of the tropical timber situation.

**Staff Regulations and Rules (Agenda item C1)**

42. The Council considered the draft Staff Regulations and Rules prepared by the Informal Working Group under the Chairmanship of Mr. Y. Chiba (Japan). The Council decided to adopt the Staff Regulations and Rules as contained in document ITTC(V)/3, including the following amendments:

Rule 709: replace "five by "three" in line 3

Rule 906: insert "and initialled by him/her" after staff member in line 3.

43. The Council requested the Executive Director to implement the Staff Regulations and Rules fully as of 17 November 1988.

44. The Council urged the Executive Director to attain a balance between permanent and temporary staff members in the Secretariat as soon as possible.

45. The Council further requested the Executive Director to indicate immediately which staff members presently serving on temporary

appointments are eligible for permanent appointments, and to consider their time served in temporary appointments as full or partial fulfillment of the requirement for probationary periods in Regulation 3.5. {see Decision 2(V) in Annex I}

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

46. The Council decided to defer decision on Rule 32 of the Rules of Procedure of the Council to its next Session.

47. The Representative of China regretted that no solution had been reached on this matter and reiterated the request to include the Chinese language as one of the working languages of ITTO.

48. The Representative of the USSR reiterated the request to include the Russian language as one of the working languages of ITTO.

**Review of Contributions to the Administrative Budgets for the Initial Period, November/December 1986, First Half of 1987, Second Half of 1987 and 1988 (Agenda item D1)**

49. The Council was informed by the Secretariat of the arrears in contributions to the Administrative Budgets for the Initial Period, November/December 1986, First Half 1987, Second Half 1987 and for 1988. The Executive Director referred to his earlier statement on his urgent appeal to defaulting Members to pay up their assessed contributions. There had been some progress in payments of arrears and he expected to see some further positive responses subsequently.

50. The Delegate of Denmark expressed his deep concern with regard to the arrears in contributions owed by certain Members.

51. The Delegate of the United States of America informed the Council that his Government would make a payment during the calendar year 1989 in the same amount as in 1988, and that in 1990 the whole amount of their assessed contribution would be paid and that a schedule of payments would be worked out to clear up their arrears.

52. The Council strongly appealed to Members to pay their assessed contributions in accordance with the provisions of the ITTA.

53. The Council authorized the Executive Director to withdraw the necessary funds up to a maximum of US\$180,000 from the reserve resulting from budget savings up to 1 January 1988 for expenditures within the approved Budget for the remaining period of 1988.

**Administrative Budget for 1989 (Agenda item D2)**

54. The Chairman of the Informal Working Group reported to the Council the results of the discussions on the Draft Administrative Budget for 1989 submitted by the Secretariat.

55. The Council approved the revised estimated expenditure and receipts for the financial year 1989, the establishment complement for 1989 and the scale of assessed contributions of Members for 1989.

56. The Council decided further to transfer an amount of US\$318,000, out of the reserve resulting from budget savings up to 1 January 1988, to the Contingency Fund in order that obligations towards the staff could be met. {see Annex V}

57. On behalf of the Consumers, the Representative of Denmark recommended that the Executive Director should consider the possibility of revising the structure of the Secretariat to optimize its output. In recruiting staff, vacancy announcements should be widely circulated among Members including advertisement in the international press and submission of curricula vitae of successful applicants to Members. The Delegate of Japan, warned that international advertisements could be very costly and not always very practical. The Representative of Brazil, speaking on behalf of the Producers, held the view that such questions could not be discussed at this Session.

58. The Executive Director, however, assured the Council that in exercising his authority in the administration of the Secretariat he was always mindful of the need to gear the structure of the Secretariat towards evolving needs and tasks of the Organization. He would also take any useful suggestions into account in evolving practical procedures for recruiting staff.

**Appointment of Auditors for 1988 (Agenda item D4)**

59. The Council appointed for 1988 the firm Price Waterhouse, Yokohama, as independent Auditors for the Administrative Account and Special Account.

**Election of Chairman and Vice-Chairman for 1989 (Agenda item D3)**

60. The Council elected by acclamation Mr. Jaime Muñoz-Reyes (Bolivia) as its Chairman for 1989 and Mr. Markku Simula (Finland) as its Vice-Chairman for 1989.

61. In thanking the Council for entrusting him with the high office of Chairman for 1989, Mr. Jaime Muñoz-Reyes stressed the serious implications of tropical deforestation. Developing countries had to

derive revenues from forest utilization to improve their economic situation which is worsening due to decreasing commodity prices. ITTO's role should be to improve the resource base by promoting sustainable forest utilization. So far, ITTO had made some contribution, but much more remained to be done. The image of ITTO needed to be projected especially in producing countries and this could be better achieved through projects implemented on the ground.

62. The Delegate of Finland, on behalf of his Government and Mr. Markku Simula, expressed appreciation to the Council for the honour of electing Mr. Simula as Vice-Chairman for 1989.

**Dates and Venue of the Sixth Session of the Council and the Fourth Sessions of the Permanent Committees (Agenda item D5)**

63. The Delegate of Côte d'Ivoire announced the wish of his Government to invite the Council to hold its Sixth Session in Côte d'Ivoire during the second half of May 1989.

64. The Council decided to accept the invitation. The Sixth Session of the Council would be held on 23 and 24 May 1989, preceded by the Fourth Sessions of the Permanent Committees from 16 to 22 May 1989. A Joint Session of the three Permanent Committees would hold market discussions under an agenda item entitled "Market Review and Outlook" on 17 and 18 May 1989.

**Other Business**

65. The Council decided to consider at its Sixth Session the following agenda item: "Measures with regard to Article 42 of the International Tropical Timber Agreement, 1983".

**Closing of the Session**

66. The spokesman of the Producers (the Representative of Brazil) and the spokesman of the Consumers (the Representative of Denmark) expressed words of thanks and appreciation to the outgoing Chairman, Mr. Otto Th. Genée and noted his strong belief in and active efforts to achieve the objectives of ITTO.

67. The Executive Director, in his closing statement, emphasized the useful experience garnered by all in the continuing adjustment towards evolving consensus through the forum for exchange of views within the Council and Permanent Committees. The deliberations during the meetings had provided food for thought and substance for the work of the Secretariat which was ready to respond to the challenge. He pledged to deploy further efforts personally to assist in raising funds for the

Organization. Linked with this was his mission, assisted by the Secretariat Staff, to raise the profile of the ITTO. He appealed to Members and other Organizations to assist in bringing ITTO to the awareness of Governments. The Executive Director paid tribute to the outgoing Chairman for his dynamism and initiative, and to the Chairmen of the Permanent Committees for their pioneering role. He looked forward to the prospect of working closely with the in-coming Chairman and Vice-Chairman of the Council and the Chairmen of the Permanent Committees.

68. In his closing statement, the Chairman thanked all Members of the Council for the honour done him and the confidence and support which he had enjoyed during his tenure. Work in multilateral organizations had become complex with divergent interests and national policies. Nonetheless, within the ITTO some progress, however modest, had been registered. Members need to show greater sensitivity to the exigencies and expectations of the international community; they should avoid expending too much energy on administrative tasks which are not crucial to the urgency of tropical deforestation. The Council's decision on the Project Cycle should prove a useful guide to the Organization from which positive outputs of project work were expected. Achieving progress in the work would take time and the Chairman appealed for patience on the part of all. He congratulated the in-coming Chairman and Vice-Chairman. He paid tribute to the hard work of the Chairmen and the Vice-Chairmen of the Permanent Committees. He exhorted all to resolve to make ITTO acquire relevance and centrality in the consciousness of the international community. In this task, he emphasized, time is of the essence. He concluded by extending his thanks to his Special Advisor, authorities of the City of Yokohama, the Executive Director, the Staff of the Secretariat, the interpreters and translators and other conference staff. He formally declared the Fifth Session of the Council closed.

Annex I

Texts of the Main Decisions Adopted  
by the Council at its Fifth Session

{Documents : ITTC(V)/5  
ITTC(V)/6}

INTERNATIONAL TROPICAL TIMBER COUNCIL  
Fifth Session  
Yokohama, 14 - 16 November 1988

RESTRICTED  
ITTTC(V)/5  
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DECISION 1(V)

PROJECTS AND PRE-PROJECTS

The International Tropical Timber Council,

Having considered, at its Fifth Session, the recommendations of its three Permanent Committees on Projects as contained in PCM(III)/D.1, PCF(III)/D.2, PCI(III)/D.3,

1. Decides

(i) To approve the following Projects:

- |                      |   |
|----------------------|---|
| PD 7.d/87 Rev.1 (M)  | Statistical Information and Market Indicators: d. Study on Major Import Markets for Wooden Furniture                                  |
| PD 41/88 (I)         | The Identification, Properties and Uses of the Tropical Timber Imported to China from Southeast Asia                                  |
| PD 44/88 (I)         | Seminar for the Promotion of Further Processing of Tropical Hardwood Timber in the African Region                                     |
| 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 |

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

- PD 7.d/87 Rev.1 (M)
- PD 18/87 Rev.1 (I) (US\$ 212,800)
- PD 41/88 (I)
- PD 44/88 (I)

(iii) To authorize financing and implementation of Project 34/88 Rev.1 (F,I) as soon as unearmarked funds are available in the Special Account;



2. Notes the decision of the Permanent Committees to implement the following Pre-Projects:
  - a) COORDINATED NATURAL FOREST MANAGEMENT AND SUSTAINABLE RURAL DEVELOPMENT IN AREAS ADJOINING SAPO NATIONAL PARK  
(US\$ 25,000)
  - b) THE CONSERVATION STATUS OF TROPICAL TIMBERS IN TRADE  
(US\$ 129,200)
  - c) THE STRUCTURE OF CHINA'S TROPICAL TIMBER MARKET, THE CURRENT SITUATION OF INTERNATIONAL COOPERATION OF PRC AND THE PROSPECTS TO THE YEAR 2000  
(US\$ 8,000)
  - d) STUDY OF CONSERVATION CONCERNS RELATING TO THE DIVERSIFICATION OF SPECIES EXTRACTED FOR TIMBER  
(maximum US\$ 224,000)
3. Authorizes financing of the first three Pre-Projects (a), (b), (c) and authorizes the Executive Director to transfer funds from the Project Sub-Account to the Pre-Project Sub-Account if necessary;
4. Decides that Projects and Pre-Projects for which funds are not immediately available can be implemented when earmarked contributions for such Projects are received;
5. Urges Members to consider financing those Projects and Pre-Projects for which funds are not immediately available;
6. Urges Members to consider further unearmarked funding to the Special Account and decides that except as noted in paragraph 1 (iii), any such future unearmarked funds shall not be allocated for any approved Projects without the prior authorization of the Council.

INTERNATIONAL TROPICAL TIMBER COUNCIL  
Fifth Session  
Yokohama, 14 - 16 November 1988

RESTRICTED  
ITTC(V)/6  
16 November 1988  
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DECISION 2(V)

The International Tropical Timber Council,

Having considered the Draft Staff Regulations and Rules prepared by an Ad Hoc Working Group under the Chairmanship of Mr. Y. Chiba of Japan,

1. Decides

(i) To adopt the Staff Regulations and Rules as contained in Document ITTC(V)/3, including the following amendments:

- (1) Rule 709: replace "five" by "three" in line 3
- (2) Rule 906: insert "and initialled by him/her" after staff member in line 3

(ii) To request the Executive Director to implement the Staff Regulations and Rules fully as of 17 November 1988.

2. Urges the Executive Director to attain a balance between permanent and temporary staff members in the Secretariat as soon as possible.

3. Requests the Executive Director to indicate immediately which staff members presently serving on temporary appointments are eligible for permanent appointments, and to consider their time served in temporary appointments as full or partial fulfillment of the requirement for probationary periods in Regulation 3.5.

Annex II

List of Participants

{Document : ITTC(V)/Info.4}

INTERNATIONAL TROPICAL TIMBER COUNCIL  
Fifth Session  
Yokohama, 14 - 16 1988

ITTTC(V)/Info.4  
16 November 1988  
English/French/Spanish

# LIST OF PARTICIPANTS

AT

## THE FIFTH SESSION OF THE INTERNATIONAL TROPICAL TIMBER COUNCIL

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- \* Participating Members: Australia, Bolivia, Brazil, Cameroon, Canada, China, Côte d'Ivoire, Ecuador, European Economic Community - Greece, France, Italy, Netherlands, United Kingdom of Great Britain and Northern Ireland, Belgium/Luxembourg, Denmark, Federal Republic of Germany - Finland, Ghana, India, Indonesia, Japan, Republic of Korea, Liberia, Malaysia, Norway, Papua New Guinea, Peru, Philippines, Sweden, Switzerland, Thailand, Union of Soviet Socialist Republics, United States of America.

MEMBERS

**AUSTRALIA**

- \* Mr. Peter C. Grey                      Agricultural Counsellor, Australian  
Embassy, Tokyo

**BOLIVIA**

- \* Mr. Jaime Muñoz Reyes              Principal Advisor, International  
Cooperation, Ministerio de Asuntos  
Campesinos y Agropecuarios
- \*\* Mr. Gonzalo Montenegro            Minister-Counsellor for Economic and  
Commercial Affairs, Embassy of the Republic  
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- Mr. Javier López                      Director General del Centro da Desarrollo  
Forestal
- Mr. Luis Goitia                        Técnico del Centro de Desarrollo  
Forestal
- Mr. Edgar Landivar                   President, Camara Nacional Forestal
- Mr. Jose Luis Camacho                President, Camara de Industria y Comercio

**BRAZIL**

- \* Mr. Marcos Caramaru de  
Paiva                                    Counsellor, Office of the Under-Secretary-  
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Relations
- \*\* Mr. Pedro Henrique Lopes  
Borio                                    First Secretary, Head of Economic Section,  
Brazilian Embassy, Tokyo
- Mr. Sérgio Barreiros                Secretary of Embassy, Basic Products  
Santana de Azevedo                  Division, Ministry of External Relations
- Mr. Diogenes Walter                Brazilian Cooperation Agency - ABC,  
Oliveira                                Ministry of External Relations
- Mr. Jorge Ney Macedo                Director for Studies and Research,  
Neves                                    Technology Foundation of the State of  
Acre - FUNTAC

**CAMEROON**

- \*\* Mr. Samuel Makon Wehiong        Directeur Général, Ministère de  
l'Agriculture, CENADEFOR
- \*\* Mr. Simo Hubert                    Chef Service Aménagement des Forêts,  
CENADEFOR

- 
- \* Representative/Représentant/Representante
- \*\* Alternate representatives/Représentants suppléants/Representantes  
alternos
- \*\*\* Advisers/Conseillers/Asesores

**CANADA**

Mrs. Patricia  
Marsden-Dole  
  
Mr. Ralph Roberts

Director, Resources and Commodity Trade  
Policy Division, Department of Foreign  
Affairs  
  
Director, Forestry Sector, Canadian  
International Development Agency

**CHINA**

\* Mr. De Lie Wu  
  
Mr. Xuhe Chen  
  
Mr. Zhang Jianjun

First Commercial Secretary, Embassy of the  
People's Republic of China, Tokyo  
Senior Engineer, Chief of Division,  
Research Institute of Wood Industry,  
Chinese Academy of Forestry  
Official, Department of International  
Relations, Ministry of Foreign Economic  
Relations and Trade

**COTE D'IVOIRE**

\* Mr. Denis Konan  
  
\*\* Mr. Francois Yamké  
  
Mr. Charles Kattié

Premier Conseiller Technique du Ministre  
des Eaux et Forêts  
Directeur de la Production et des  
Industries Forestières  
Sous-Directeur des Statistiques  
Forestières et de la Documentation

**ECUADOR**

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Mr. Jorge Barba  
  
Mr. Neptali Bonifaz

Chargé d'Affaires Ad-Interim, Embassy of  
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Director Ejecutivo, Asociacion  
Industriales Madereros  
Director Ejecutivo, Instituto de Estrategia  
Agropecuaria

**EUROPEAN ECONOMIC COMMUNITY**

**COMMISSION**

Mr. Enzo Barattini

Principal Administrator, Directorate-  
General for Development, DG VIII/A/3

**GREECE (Presidency)**

Mrs. Assimakopoulos

President of EEC Council

**FRANCE**

Mr. Philippe Dupont  
  
Mr. Jean Clément

Economic Division, Ministry of Foreign  
Affairs  
Chief, Forestry Bureau, Ministry for  
Cooperation and Development

**ITALY**

Mr. Peano	Embassy of Italy, Tokyo
Mr. Benedetti	Embassy of Italy, Tokyo
Mr. Domenico Cagliostro	Chief of Section, Ministry of Foreign Trade

**NETHERLANDS**

* Mr. W.A. Bastiaanse	Deputy Head, Commodities Section, Ministry of Economic Affairs
** Mr. Otto Th. Genée	Commodities Section, Ministry of Economic Affairs
Mr. W. Th. Mohr	Commodities Section, Ministry of Foreign Affairs
Mr. M. Heering	Ministry of Agriculture
Mr. E. Lamberts van Bueren	Ministry of Agriculture
*** Mr. A. Wesselink	Board Member, Hardwood Section, Netherlands Timber Trade Association
Mr. C.W.F. Bosdijk	Secretary, Hardwood Section, Panel Products Section, Netherlands Timber Trade Association
Mr. Ronald C. van der Giessen	Conservation and Information Officer, WWF - Netherlands
Dr. M.S. Ross	Advisor to the Chairman, ITTC

**UNITED KINGDOM OF GREAT BRITAIN & NORTHERN IRELAND**

* Mr. T. Veness	Head of Section, Department of Trade and Industry
** Mr. R. Kemp	Overseas Development Administration
*** Mr. R. Webster	UK Trade Specialist

**BELGIUM/LUXEMBOURG**

Ms. Christine Detaille	Second Secretary, Embassy of the Kingdom of Belgium, Tokyo
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**DENMARK**

Mr. Peter Lysholt Hansen	Head of Section, Ministry of Foreign Affairs
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**FEDERAL REPUBLIC OF GERMANY**

Mr. Gerhard Seufert	Assistant Head, Division for Wood Industry, Pulp, Paper and Paper Converting Industry, Printing Industry, Ministry for Economic Affairs
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**FINLAND**

- |                        |   |
|------------------------|---|
| * Mr. Pertti Harvola   | Minister-Counsellor, Embassy of Finland,<br>Tokyo |
| ** Mr. Pertti Kaukonen | Counsellor, Ministry for Foreign Affairs          |
| Dr. Markku Simula      | University of Helsinki                            |

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| * H.E. Mr. James L.M.<br>Amissah | Ambassador, Embassy of the Republic of<br>Ghana, Tokyo |
| Mr. E.O. Nsenkyire               | Principal Conservator of Forests                       |

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- |                |  |
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| Mr. Om Prakash | First Secretary, Embassy of India, Tokyo         |
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| * Mr. Soemarsono | Special Assistant to the Minister of<br>Forestry   |
| Mr. Ali Ardjoeno | First Secretary (Economic), Indonesian<br>Embassy, Tokyo                                   |
| Mr. Karsono      | Representative of the Ministry of<br>Forestry to the Indonesian Embassy, Tokyo             |
| Mr. Soeparmo     | Head of Foreign Relation Division,<br>Ministry of Forestry, Jakarta                        |
| Mr. Ibrahim Zain | Staff of Representative of the Ministry<br>of Forestry to the Indonesian Embassy,<br>Tokyo |

**JAPAN**

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|------------------------|--|
| * Mr. Katsuhisa Uchida | Deputy Director-General, Economic Affairs<br>Bureau, Ministry of Foreign Affairs   |
| ** Mr. Masaru Takagi   | Director, Developing Economies Division,<br>Economic Affairs Bureau, Ministry of<br>Foreign Affairs                            |
| Mr. Yasuo Saito        | Director, Developing Economies Division,<br>Economic Affairs Bureau, Ministry of<br>Foreign Affairs                            |
| Mr. Yasuo Chiba        | Chief of the ITTO Liaison Office,<br>Developing Economies Division,<br>Economic Affairs Bureau, Ministry of<br>Foreign Affairs |
| Mr. Motokatsu Watanabe | Assistant Director, Developing Economies<br>Division, Economic Affairs Bureau,<br>Ministry of Foreign Affairs                  |
| Mr. Takeichi Ishikawa  | Assistant Director, Wood Distribution<br>Division, Forestry Administration<br>Department, Forestry Agency                      |



Mr. Kazuya Ando	Official, International Economic Affairs Division, Economic Affairs Bureau, Ministry of Agriculture, Forestry and Fisheries
Mr. Reiji Kamezawa	Official, Planning Division, Private Forest Department, Forestry Agency
Mr. Mikito Sakata	Official, Wood Distribution Division, Forestry Administration Department, Forestry Agency
Mr. Mutsuo Yazaki	Official, Wood Distribution Division, Economic Affairs Bureau, Ministry of Foreign Affairs
Mr. Yoshihiro Kasahara	Official, Developing Economies Division, Economic Affairs Bureau, Ministry of Foreign Affairs
*** Mr. Katsuhiro Kotari	Technical Special Assistant to the President of Japan International Cooperation Agency
Mr. Kanemi Matsuki	Executive Director, Japan Lumber Importers Association
Mr. Masanari Harada	Director, Office of Foreign Administration and Coordination, The City of Yokohama
Mr. Takashi Arai	Director, General Affairs Bureau, The City of Yokohama

**KOREA, REPUBLIC OF**

* Mr. Jae-Myeong Jo	Director, Division of Forest Products, Forestry Research Institute
Mr. Hyun-Seop Seo	First Secretary, Embassy of the Republic of Korea, Tokyo
Mr. Sei-Ung Kim	Second Secretary, Embassy of the Republic of Korea, Tokyo
Mr. Sung-Hyun Nam	Deputy Director, Export Promotion Division Forestry Administration
Mr. Wae-Jung Kim	Senior Researcher, Department of Forest Products, Forestry Research Institute

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** Mrs. Adawiah Zakaria	Under-Secretary, Forestry, Timber and Commodities Trading Division, Ministry of Primary Industries
Mr. Mohd. Sinon Mudzakir	Principal Assistant Secretary, Forestry, Timber and Commodities Trading Division, Ministry of Primary Industries
Mr. Haji Baharuddin Haji Ghazali	Director General, Malaysian Timber Industry Board

Dato' Miller Munang  
Dr. Tho Yow-Pong

Mr. Syed Sultan Idris

Director, Forestry Department of Sabah  
Director, Techno-Economic Division, Forest  
Research Institute of Malaysia  
Second Secretary, Embassy of Malaysia,  
Tokyo

#### NORWAY

\* Mr. B. Holter Eriksen

Mr. Åge B. Grutle

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Foreign Affairs  
First Secretary, The Norwegian Embassy,  
Tokyo

#### PAPUA NEW GUINEA

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Nombri

\*\* Mr. Christopher Wariambu

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Tokyo  
First Secretary, Embassy of Papua New  
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#### PERU

\* H.E. Mr. Luis J.  
Macchiavello

\*\* Mr. Raul E. Bresani-Zavala

Mr. Luis Vargas-Quintanilla

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of Peru, Tokyo  
Counsellor, Embassy of the Republic  
of Peru, Tokyo  
Second Secretary, Embassy of the Republic  
of Peru, Tokyo

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\*\* Mr. Evan P. Garcia

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#### SWEDEN

\* Mr. Kaj Reinius

\*\* Prof. Nils Erik Nilsson

Second Secretary, Swedish Embassy, Tokyo  
Head of Prognostic Department, National  
Board of Forestry

#### SWITZERLAND

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\*\* Mr. Hans-Rudolf Hodel

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Division, Royal Forest Department,  
Ministry of Agriculture and Cooperatives

\*\* Mr. Chote Suvipakit Counsellor (Agriculture), Royal Thai Embassy, Tokyo

Mr. Somsak Triamjanganran Second Secretary, Royal Thai Embassy, Tokyo

UNION OF SOVIET SOCIALIST REPUBLICS

* Mr. Alesander Evdokimov	Deputy Trade Representative of the USSR in Japan
Mr. Anatoly Gribentchikov	Deputy Director v/o "Mebelintorg"
Mr. Igor Sharif	Second Secretary, Embassy of the USSR, Tokyo
Mr. Vadim Kruchinin	Senior Economist, The Trade Representation of the USSR in Japan
Mr. Damir Aitkoulov	Senior Legal Advisor, The Trade Representation of the USSR in Japan

UNITED STATES OF AMERICA

* Mr. John Medeiros	Director, Office of International Commodities, Bureau of Economic and Business Affairs, Department of State
** Ms. Stephanie Caswell	Office of Environment and Natural Resources, Bureau of Oceans and International Environmental and Scientific Affairs, Department of State
Ms. Diana Tasnadi	Primary Commodities Division, Department of Commerce
*** Mr. Robert Buschbacher	Director, Tropical Forestry Program, World Wildlife Fund, Washington D.C.
Mr. Robert R. Maeglin	Coordinator, Tropical Forestry Research, Forest Products Laboratory, Madison, Wisconsin
Mr. Richard C. Newman	President, Plywood Tropics USA, Inc., Portland, Oregon

**OBSERVERS**

**States**

**ARGENTINA**

Mr. Jorge Roballo

Second Secretary, Embassy of the Argentine Republic, Tokyo

**MADAGASCAR**

Mr. Norbert Rakotomalala

First Counsellor, Embassy of the Democratic Republic of Madagascar, Tokyo

**NIGERIA**

Dr. Chijioke W. Wigwe

Counsellor, Embassy of the Federal Republic of Nigeria, Tokyo

**VENEZUELA**

Mr. Julio Cesar Centeno

Director, Latin American Forestry Institute, Venezuela

**United Nations**

**INTERNATIONAL TRADE CENTER UNCTAD/GATT**

Mr. O. Karsegard

Co-ordinator, Market News Service Projects, Division of Product and Market Development

Mr. J. L. Albaladejo

Senior Market Development Officer, Market Development Section - Manufactured Products Division of Product and Market Development

**UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE**

Mr. T. J. Peck

Director a.i., FAO/ECE Agriculture and Timber Division

**Specialized and Related Agencies**

**FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS**

Mr. P. Wardle

Senior Forestry Economist, Forestry Department

**WORLD BANK**

Mr. R.D.W. Rowe

Senior Forestry Advisor

**Non-Governmental Organizations**

**ASIA-PACIFIC PEOPLES ENVIRONMENT NETWORK (APPEN)**

Mr. V. C. Mohan

**AUSTRALIAN CONSERVATION FOUNDATION**

Mr. Ian Penna                      Consultant

**ENVIRONMENTAL POLICY INSTITUTE**

Mr. James N. Barnes              Senior Attorney

**FRIENDS OF THE EARTH JAPAN (CHIKYU NO TOMO)**

Ms. Naomi Kamei                  Coordinator  
Mr. Yukio Tanaka  
Mr. Richard Forrest

**INTERNATIONAL INSTITUTE FOR ENVIRONMENT AND DEVELOPMENT (IIED)**

Dr. Duncan Poore                  Senior Consultant

**INTERNATIONAL UNION FOR CONSERVATION OF NATURE AND NATURAL RESOURCES (IUCN)**

Ms. Sara Oldfield                  Research Officer, Tropical Forest  
Programme

**JAPAN OVERSEAS FORESTRY CONSULTANTS ASSOCIATION (JOFCA)**

Mr. Jiro Namura                    Executive Director  
Mr. Tsutomu Handa                Director of Research and Development  
Division  
Mr. Kenkei Suzuki                  Research Officer  
Mr. Hiroshi Yamada                Research Officer  
Mr. Jun Kimura  
Mr. Takeyoshi Suzuki

**JAPAN INTERNATIONAL VOLUNTEER CENTER (JVC)**

Mr. Masashi Yamaguchi            Kanagawa Prefecture Representative of  
JVC

**JAPAN TROPICAL FOREST ACTION NETWORK (JATAN)**

Mr. Yoichi Kuroda                  Coordinator  
Ms. Naoko Funahashi

**LIAISON AND COORDINATION OFFICE FOR INTERNATIONAL ORGANIZATIONS, YOKOHAMA**

Mr. Sadao Saito                    Vice-Chairman

**RAINFOREST ALLIANCE**

Mr. Ivan Ussach                    Vice President

**SAHABAT ALAM MALAYSIA**

Mr. V. C. Mohan                      Research Officer

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

Mr. Musfihin Dahlan                      Coordinator of Information, Documentation  
and Research

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

Mr. Campbell Plowden                      President

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

Mr. Christopher Elliot	Conservation Officer
Ms. Nao Hasumi	Liaison Officer for Japanese Affairs
Mr. Adam Markham	Campaigns Officer
Mr. Gordon Shepherd	Director, Information and Education
Ms. Lulu Appleton	Media Relations
Ms. Anne-Marie Mikkelsen	Press Officer, WWF - Denmark
Mr. Yuta Harago	Tropical Forest Conservation Officer

-----  
**ITTO Secretariat**

Dr. B.C.Y. Freezailah  
Executive Director  
Mr. Iem G. Roos  
Assistant Director of Management Services  
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  
Dr. James P. Cunningham  
Statistician  
Mr. Rikio Shinohara, Administrative Assistant  
Ms. Bindu Advani, Secretary  
Ms. Hideko Kamo, Secretary  
Ms. Manami Ohshima, Secretary  
Ms. Dominique Thimus, Secretary  
Staff seconded from the City of Yokohama:  
Ms. Taeko Inagaki, Secretary  
Mr. S. Sato, Special Assistant  
Mr. T. Takahashi, Driver

Annex III

**AGENDA**

A. Opening of the Session

1. Ascertainment of Quorum
2. Adoption of Agenda and Organization of Work
3. Report on Membership of the Council
4. Distribution of Votes
5. Admission of Observers
6. Report of the Credentials Committee
  - a. Consideration of the Proposed Amendment by Sweden to the Draft Report of the Council on its Fourth Session
7. Statement by the Executive Director

B. Work Programme

1. Criteria and Priority Areas for Programme Development and Project Work (Doc. ITTC(IV)/3)
2. Projects
  - a. Report of the Third 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(IV)/4)

C. Establishment Matters

1. Staff Regulations and Rules (Doc. ITTC(IV)/2)
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 and 1988.
2. Budget Proposals for 1989 (Doc. ITTC(V)/1)
3. Election of Chairman and Vice-Chairman for 1989
4. Appointment of Auditors for 1988
5. Dates and Venue of Sixth Session of ITTC and Fourth Sessions of Permanent Committees

E. Other Business

F. Decisions and Report of the Session



Annex IV

List of States and Organizations which applied for Observer Status  
and were admitted by the Council at its Fifth Session

States

Argentina

Madagascar

Nigeria

Venezuela

Non-Governmental Organizations

Asia-Pacific Peoples Environment Network

Australian Conservation Foundation

Environmental Policy Institute

Friends of the Earth International

Friends of the Earth Japan

International Institute for Environment and Development

International Union for the Conservation of Nature and Natural Resources

Japan Forest Technical Association

Japan International Volunteer Center

Japan Tropical Forestry Action Network

Liaison and Coordination Office for International Organizations, Yokohama

Sahabat Alam Malaysia (Friends of the Earth Malaysia)

Sekretariat Kerjasama Pelestarian Hutan Indonesia

Rainforest Alliance

Tropical Ecosystem Research and Rescue Alliance International

World Wide Fund for Nature

Annex V

Administrative Budget for 1989

- Estimated Expenditure for the Financial Year 1989
- Estimated Receipts for the Financial Year 1989
- Assessed Contributions of Members for 1989
- Approved Posts for 1989

Estimated Expenditure for the Financial Year 1989  
(UN rate: US\$=125 Yen; Post Adjustment Multiplier: 251)

A.	Salaries and Benefits	(1,834,891)	
A1.	Salaries		719,129
A2.	Staff assessment		[ 38,960]*
A3.	Post adjustment		754,893
A4.	Rental Subsidy		72,000
A5.	Education grant plus travel		70,000
A6.	Dependency allowance		23,019
A7.	Home leave		27,000
A8.	Language allowance		4,000
A9.	Overtime		3,000
A10.	Assignment allowance		23,850
A11.	Repatriation Grants		20,000
A12.	Removal Costs		58,000
A13.	Travel		60,000
B.	Installation and Initial Travel	(78,000)	
B1.	Installation grant		69,000
B2.	Lumpsum		9,000
C.	Official Travel	(150,000)	
C1.	Tickets		-
C2.	DSA		-
D.	Social Security	(144,169)	
D1.	Provident fund		91,769
D2.	Accident/health insurance		8,200
D3.	Japanese National Scheme		44,200
E.	Consultants	(50,000)	
F.	Statistical Operations	(60,000)	
F1.	Computer software and servicing		10,000
F2.	Communications, user charges and supplies		40,000
F3.	Training and staff development		10,000
G.	Other Costs	(200,000)	
G1.	Communications		40,000
G2.	Publications		55,000
G3.	Transport		20,000
G4.	Library		20,000
G5.	Supplies		25,000
G6.	Hospitality		15,000
G7.	Bank charges		5,000
G8.	Auditor		20,000
H.	Council Meetings	(25,000)	
H1.	Costs not met by Japan		25,000
I.	Costs Met by Japan	(p.m.)	
I1.	Office, equipment, utilities		
I2.	Council meetings		
I3.	Initial travel		
I4.	Removal costs		
J.	Contingency	-	

2,542,060  
=====

\* Applied to Japan only.

Estimated Receipts for 1989  
(US\$)

1.	Interest Reserve	8,046
2.	Reserve Fund (savings from earlier budgets)	74,358
3.	Assessed Contribution of Members for 1989 (see page 35)	2,459,656
		<hr/>
		2,542,060
		<hr/>

Assessed Contributions of Members for 1989  
(Total: US\$ 2,459,656)

<u>Producers</u>	<u>Votes</u>	
<u>Africa</u>		
Cameroon .....	34	41,814
Congo .....	34	41,814
Cote d'Ivoire .....	34	41,814
Gabon .....	34	41,814
Ghana .....	33	40,584
Liberia .....	33	40,584
 <u>Asia</u>		
India .....	42	51,653
Indonesia .....	154	189,394
Malaysia .....	152	186,934
Papua New Guinea .....	35	43,043
Philippines .....	44	54,113
Thailand .....	26	31,975
 <u>Latin America</u>		
Bolivia .....	38	46,734
Brazil .....	189	232,438
Ecuador .....	29	35,665
Honduras .....	23	28,286
Peru .....	44	54,113
Trinidad and Tobago .....	22	27,056
Total	1,000	1,229,828
 <u>Consumers</u>		
Australia .....	21	25,826
Austria .....	12	14,757
Canada .....	17	20,907
China .....	41	50,423
Egypt .....	15	18,447
<u>European Economic Community</u>		
Belgium-Luxembourg .....	25	30,746
Denmark .....	14	17,217
France .....	55	67,641
Germany, Federal Republic of .....	47	57,802
Greece .....	14	17,217
Ireland .....	12	14,757
Italy .....	40	49,194
Netherlands .....	40	49,194
Spain .....	25	30,746
United Kingdom of Great Britain and Northern Ireland .....	54	66,411
Finland .....	11	13,528
Japan .....	334	410,763
Korea, Republic of .....	80	98,387
Norway .....	11	13,528
Sweden .....	11	13,528
Switzerland .....	11	13,528
Union of Soviet Socialist Republics .....	14	17,217
United States of America .....	96	118,064
Total	1,000	1,229,828

Approved Posts for 1989

1. Executive Director	ASG
2. Assistant Director Management Services	D1
3. Assistant Director Industry	D1
4. Assistant Director Resources	D1
5. Assistant Director Market Intelligence	D1
6. Statistician	P5
7. Finance/Administrative Officer	P3
8. Projects Manager	P4
9. Personal Assistant to Executive Director	G7
*10. Statistical Assistant (M)	G6
*11. Research Assistant	G6
12. Secretary	G5
13. Secretary	G5
14. Secretary	G5
15. Secretary	G5

City Staff

16. Assistant	-
17. Secretary	-
18. Driver	-

- \* Posts 10 and 11 shall only be filled if sufficient funds will become available. The Council may review this situation at its next Session.

Annex VI

Reports of the Permanent Committees  
on Their Third Sessions

{Documents : PCM(III)/D.1  
PCF(III)/D.2  
PCI(III)/D.3}

COMMITTEE ON ECONOMIC INFORMATION  
AND MARKET INTELLIGENCE  
Third Session  
Yokohama, 9-11 November 1988

RESTRICTED  
PCM(III)/D.1  
15 November 1988  
Original : English

REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL  
THIRD SESSION OF THE PERMANENT COMMITTEE ON  
ECONOMIC INFORMATION AND MARKET INTELLIGENCE

Table of Contents

Report

Appendix A

Appendix B

Technical Evaluation of Projects

Outline for Country Market  
Statements on Tropical Timber



1. Introduction

The Third Session was opened by the Chairman, H.E. Mr. J.L.M. Amissah (Ghana) on 9 November 1988. The List of Participants is reproduced in document PCM(III)/PCF(III)/PCI(III)/Info.1.

2. Adoption of the Agenda and Organization of Work

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

3. Admission of Observers

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

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

It was decided to consider this item in a joint session of the three Committees. Following the presentation by the Executive Director of the Secretariat's document ITTC(V)/4 and discussions in an informal Working Group, a proposal was prepared to the Council on the ITTO Project Cycle. The proposal is reproduced in document ITTC(V)/4 Rev.4.

5. Report on Project Work in Progress

The Committee considered a Report on Project Work in Progress (document PCM(III)/4) prepared by the Secretariat. The Committee took note of the Report. The following points on the 5 projects emerged from the consideration of the Report.

- i) **PD 7a/87 : Development of the Monthly Bulletin, "Tropical Forest Products in World Timber Trade" Phase 1**

The Committee took note of the two Technical Reports produced at the conclusion of the Project.

The Committee recommended that the Secretariat :

- a) seek the views of ITTO Members and relevant Trade and Industry Associations and appropriate conservation Non-governmental organizations on the content, extent of coverage and periodicity of the proposed ITTO/FAO Bulletin;
- b) request ITTO Members to indicate their capabilities and willingness to cooperate in furnishing information needed for the Bulletin;
- c) submit, in consultation with FAO, proposals to the Committee at its Fourth Session, indicating the additional costs for developing and publishing a Monthly Bulletin or a Quarterly Bulletin or both.

- ii) PD 7b/87 (M) : Study on Trends in the European Market for Tropical Hardwoods.

The Committee welcomed the presentation of the first draft of the study entitled : "Study of the Trade and Markets for Tropical Hardwoods in Europe" prepared for ITTO by the ECE/FAO Agriculture and Timber Division. In view of the lack of time for general discussions it was agreed that Members should forward any comments on the Study directly to the ECE Timber Committee Secretariat or through the ITTO Secretariat. These comments which must be submitted before the middle of December 1988 would be taken into account in revising the Study for publication in 1989 by ITTO.

In view of the usefulness of Studies of this type the Committee requested the Secretariat to present project ideas for similar Studies to be carried out on North America, Japan and other major and potential markets for tropical timber in consultation with the ECE/FAO Agriculture and Timber Division, other relevant institutions and the countries concerned.

- iii) PD 14/87 (M) : Market Analysis of the Wood Flow as a Basis for an Early Warning System for the Tropical Timber Market.

The Committee took note of progress on the work being done by the SBH (Netherlands) and appealed to Members to respond promptly to the questionnaire which had been sent to them by the ITTO on behalf of the SBH.

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

The Committee recommended to the Council to renew its appeal for funds to implement the Project.

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

The Committee welcomed the Statements by the Representatives of Sweden and Switzerland indicating the interest of their respective Governments in co-financing the project. The two Governments would be consulting in order to announce their final decision soon.

#### 6. Consideration of Project Proposals

The Committee considered three Project proposals submitted to it in Project Documents together with Project Briefs (Doc. PCM(III)/3). The technical appraisal of the proposals was initially undertaken by an Informal Working Group. The tabular outline of the technical appraisal of the Projects is attached as Appendix A.

- i) **PD 7d/87 Rev.1 (M) : Statistical Information and Market Indicators : Study on Major Import Markets for Wooden Furniture.**

This project document had been revised to take account of the outcome of the ITTO Seminar on Furniture Development and Promotion organized in Kuala Lumpur (8-11 August 1988). In the geographical coverage of the Study, Norway should be replaced by Italy in view of the latter's importance as the world's largest exporter of furniture. The Study envisaged under the Project would provide producers with adequate and up-to-date marketing information on value added wood products. The project is seen generally as a means to contributing to end-use studies needed for improving market transparency.

The Committee recommends the Project for immediate approval by the Council on a revised Budget of \$ 145,100.

- ii) **PD 5/87 Rev.1 (M) : A Forest Products Market Intelligence System for ITTO Producing Members of Asia-Pacific Region.**

The Committee considered that the Project is highly relevant to the ITTO's priority areas of activities in Market Intelligence. However, the Project, as at present formulated, is too broad in scope without a clear statement of the information needs of the participating countries. The project fails to give clear indications on the specific statistical capabilities of each target country, and the nature of cooperation expected between various national participating governments and a commitment on their part regarding their counterpart contributions.

Furthermore the estimated budget appears excessive and should be scaled down and made cost-effective by using, to the maximum extent possible, the facilities of existing relevant institutions in the region.

Consequently the Committee requested the ITTO Secretariat to ask the FAO to prepare a Pre-Project Proposal which would identify clearly the existing statistical capabilities of each participating country, its needs for market information, the extent and its willingness to expand its national capabilities.

- iii) **PD 42/88 : The Structure of China's Tropical Timber Market, the Current Situation of International Cooperation of PRC and the Prospects to the Year 2000.**

The Committee considered that the overall objective of the Project would be of global interest and fill a gap in long-term outlook Studies.

The Project, however, might require some reformulation on its scope, objectives and methodologies in order to place the

development in tropical timber within the broad context of the forests and forest products sector in China.

The Committee, therefore, decided to implement a Pre-Project Study costing not more than US\$ 8,000.

iv) **PD 39/88(I)(M): Development of Timber Products for Exports.**

This Project which has a marketing component was considered by the Committee on Forest Industry. The status of that Project is included in the report of the Committee.

7. Decision on Pre-Project Work

The Committee examined a Pre-Project Proposal formulated by the WWF in consultation with other NGOs and the ITTO Secretariat and circulated in document PCF(III)/3. The Committee is of the view that the pre-project work will assist ITTO in promoting forest management planning. The Committee decided to implement the Pre-Project activity subject to the following :

- i) the definitions of "conservation" and "scarcity" in relation to tropical timbers should be clarified;
- ii) the scope of the pre-project should not only cover species in trade which might be threatened by whatever factors but also non-traded species which could serve as trading alternatives;
- iii) the information collected should be made available in a format which is compatible with existing data bases on species properties;
- iv) it is understood that the pre-project Study should focus on the different policy alternatives possible;
- v) as the Executing Agency is the World Conservation Monitoring Centre in U.K. the budget estimates for the personnel employed on the Project should be revised down to reflect the prevailing rates of emoluments in the Centre. The total budget for the activity was revised from \$ 171,900 to \$ 129,200.

8. Non Project Work

(i) Organization of Market Discussions

This question was discussed in a joint session of the Committee on Forest Industry and of the Committee on Economic Information and Market Intelligence. Three documents were before the meeting : document PCM(III)/2 submitted by the US delegation and two documents prepared by the Secretariat : PCF(III)/5 and PCM(III)/5.

The Committee considered that the introduction of annual market discussions would provide the opportunity for a broad exchange of views among the Members, Trade and Industry Associations and conservation NGOs; and strengthen the role of the Council in its work of monitoring and

reviewing the tropical timber situation in accordance with Article 28 of the ITTA.

The Committee recommended that an item entitled "Market Review and Outlook" should be placed on the Agenda of all three Permanent Committees at the first of their bi-annual sessions.

Discussions should take place at a Joint meeting of all three Permanent Committees and should extend for a total duration of two days of the session time.

The background documentation for the discussion would comprise :

- a) Country Market Statements which are to be submitted by Members following the outline and guidelines set out in the document reproduced as Appendix B of this Report;
- b) Annual Review, prepared by the Secretariat which comprise statistics and available data on production, imports and exports of all tropical timber products, and analysis of economic and market developments;
- c) Worksheets prepared by the Secretariat in tabular form, on the basis of the Questionnaires calling for short-term forecasts;
- d) Any relevant information from other sources.

To ensure fruitful discussions participation should be encouraged from especially the trade and industry associations, conservation NGOs and relevant international organizations.

A statement prepared by the Secretariat at the conclusion of the discussions will be released after approval by Members.

The details of organizing these discussions should be worked out by the Secretariat. The effectiveness of these arrangements should be reviewed in the light of experience.

- ii) Building up of the Capability in Market Intelligence - Tropical Timber Statistics of Member Countries : Basis for data processing in ITTO

Although lack of time prevented detailed consideration of the Secretariat's proposals contained in document PCM(III)/6 the Committee recognized that these proposals should remain under active consideration. The Committee intends to take up consideration of this question at its next Session.

9. Dates and Venue of the Fourth Session

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

10. Other Business

No matters were raised under this item.

11. Recommendations to the Council

The Committee made the following recommendations :

- i) that follow-up action on PD 7a/87 as recommended under item 5 be approved
- ii) that the Study under PD 7b/87 be revised in the light of comments received from ITTO and ECE Timber Committee Members and be published by ITTO
- iii) that funding be sought for PD 1/87 (M)
- iv) immediate approval of PD 7d/87 Rev. 1 (M)

12. Election of Chairman and Vice Chairman for 1989

The Committee elected Mr. John Medeiros (U.S.A.) as Chairman for 1989 and Mr. S. Makon Wehiong (Cameroun) as Vice Chairman.

13. Report of the Session

The Committee adopted this Report for submission to the Council.

Appendix A

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

PROJECT DOCUMENT	ITTA OBJECTIVES ARTICLE 1	AREA OF ACTIVITY		CRITERIA Art.23 Para.6	ITTO BUDGET US\$	DURATION	GEOGRAPHICAL COVERAGE	RECOMMENDATION*
		Art.23 Para.2	Art.23 Para.5					
PD 7d/87 Rev. 1	a,b,d,e,g		a	a,b,c, d & e	145,100	1 year	Global	4 **
PD 5/87 Rev. 1	a,b,d,g		e	a,b,c, d & e	1,726,563	3 years	Asia-Pacific Region	3
PD 42/88	a,b,c,d,g		a,d,e	a,b,c, d & e	81,000	2 years	Producing Countries & China	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.

\*\* The U.S. delegation did not concur to this recommendation.

Appendix B

OUTLINE FOR COUNTRY MARKET STATEMENTS  
ON TROPICAL TIMBER

1. A review of the general economic situation (economic growth, interest rates, exchange rates, government policies relating to investment, trade, etc.) general price movements, recent developments in the main utilization sectors in tropical timber (building and construction, furniture, etc.).
2. Forest management and policy changes and trends and short-term outlook in round wood production, particularly factors affecting supply, including availability of species.
3. Discussion of trends in wood-processing industries and short-term outlook; significant changes in capacity and type of production; use of lesser known species
  - (i) sawmilling
  - (ii) plywood and other wood-based panels
  - (iii) other further processing.
4. Discussion of export/import trends and short-term outlook (volume, stock changes, species considerations, etc.)
  - (i) logs
  - (ii) sawnwood
  - (iii) plywood and veneer sheets
  - (iv) wood manufactures.
5. Discussion of trends and short-term outlook in main end-use sectors
  - (i) By species (changes in species use in different end-use sectors) and products
  - (ii) By end-use sector (developments in specific user industries : doors, windows, other industrial joinery, furniture, etc.).
6. Recent developments or plans having an impact on markets of tropical timber (new export or import restrictions, freight, standardization, grading rules, investments) and other factors having an impact on markets and industry.
7. Other matters.



NOTES

1. This outline is intended for guidance only, and countries may wish to adapt their statements to their particular circumstances. It is strongly suggested, however, that their statements concentrate on the qualitative aspects of market developments. The statistical aspects will be covered in other documents, e.g. in the secretariat's Annual Review, the Worksheets containing countries' forecasts etc.
2. Country statements should be kept concise, and concentrate on the main changes over the past 12 months, and outlook for the coming year. A maximum length of 6 pages is suggested.
3. They should be in at least one of the official ITTO languages and, if possible, full or abbreviated versions in the other two.
4. Delegations should bring 100 copies to the meeting for distribution. An advance copy should be sent to reach the ITTO Secretariat three weeks before the meeting.
5. Countries may not need to report on every item of the outline. For example, exporters may need to deal, if at all, with item 5 only briefly; the same for importers for item 2.

COMMITTEE ON REFORESTATION AND  
FOREST MANAGEMENT  
Third Session  
Yokohama 9 - 11 November 1988

RESTRICTED  
PCF(III)/D.2  
15 November 1988  
Original: English

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

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Appendix A      Technical Evaluation of Project Proposals

Appendix B      Recommendations by the Working Group to the Permanent  
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## REPORT

### 1. Introduction

The Third Session of the Committee was opened by the Chairman, Mr. Mohamed Darus Haji Mahmud on November 9, 1988. A list of participants is provided in document PCM(III)/PCF(III)/PCI(III)/Info.1.

### 2. Adoption of the Agenda

At the first meeting on November 9, the Committee adopted the Agenda of its Third Session as contained in document PCF(III)/1.

### 3. Admission of Observers

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

### 4. Criteria and Priority Areas for Programme Development and Project Work (Joint Session)

It was decided to consider this item in a joint session of the three Committees. Following the presentation by the Executive Director of the Secretariat's document ITTC(V)/4 and discussions in an informal Working Group, a proposal was prepared to the Council on the ITTO Project Cycle. The proposal is reproduced in document ITTC(V)/4 Rev.5.

### 5. Report on 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 Session in November 1987 and the project approved at the Fourth Council Session in June/July 1988, was presented to the Committee and is contained in document PCF(III)/6. In addition, the delegates of Malaysia and Indonesia reported further on their projects. The delegate of the Netherlands reported on the preparation of the Gabon project.

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

The Forest Agency of Japan is ready to make available partial financing (US \$ 240 000) for the approved 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 has now been identified and the Secretariat is negotiating an agreement with the Japan Overseas Forest Consultants Association for the implementation of the Sub-project.

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

The agreement between ITTO and the Government of Malaysia was signed on August 8 1988. The Forestry Department, Peninsular Malaysia, as Executing Agency has already identified and secured the four study sites for this project. At two of these sites, the plots have been demarcated and forest inventories have been carried out. The data collected have already been processed and analyzed. Preparations to establish plots on the other two sites will be completed by the end of 1988. The project is well ahead of schedule. A progress report has been submitted to the Committee.

**PD 15/87                    The Biology of Okoume in Gabon:**

The implementation 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:**

Implementation of the Project started in June 1988. The Project is executed by the Agency for Research and Development of the Ministry of Forestry, Indonesia and the Deutsche Gesellschaft fur Technische Zusammenarbeit (GTZ) has been contracted to provide the required consultant services. A progress report has been submitted to the Committee by the Executing Agency.

**PD 24/88                    Integration of Forest-Based Development in the  
Western Amazon - Phase I - Forest Management to  
Promote Policies for Sustainable Production:**

The Project document is being amended according to the requirements laid down by the Committee at its Second Session in June 1988 and an Agreement regulating the implementation of the project is being discussed by ITTO and the Government of Brazil. The Technology Foundation of the State of Acre (FUNTAC) is proposed as Executing Agency.

The Delegate of Switzerland announced that his Government is prepared to contribute US\$ 220,000 to the budget of this Project provided that the Swiss Authorities are granted the right to participate in the ITTO evaluation team. Full funding for the Project is thereby assured.

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

The pre-project "Conservation, Management, Utilization and Integrated and Sustained Use of the Forests of the Chimanes Region, Beni Department, Bolivia", executed by Ministerio de Asuntos Campesinos y Agropecuarios, Government of Bolivia, was completed in October 1988. The Report on the study, entitled "Options for Forest Development in the Amazons, with Special Reference to the Tropical Forests of Chimanes of

Bolivia", is contained in document PPR 10/88 (F). The delegation of Bolivia presented a summary of the Report.

The Pre-project resulted in a revision of Project Proposal PD 34/88 (F,I).

The pre-project on "Natural Forest Management", executed by the International Institute for Environment and Development (IIED) was completed in September 1988. The Report on the Study, which is presented in five parts entitled "Natural Forest Management for Sustainable Timber Production", was submitted in October 1988 and is contained in document PPR 11/88 (F). A representative of IIED gave a resume of the report.

The Pre-project Report contains project ideas which can be combined with the project proposals PD 25/88 (F), PD 26/88 (F), PD 27/88 (F) and PD 28/88 (F) generated by the pre-project on "Multiple Use Management of Tropical Forests", the consideration of which was deferred by the Committee at its Second Session in June 1988.

7. Consideration of Project Proposals

Draft Project Documents for two proposed Projects were presented for consideration by the Committee.

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 is a revision of a Project Proposal presented at the Second Session of the Committee in June 1988. The revision is based on a Pre-project study.

PD 45/88 (F), COORDINATED NATURAL FOREST MANAGEMENT AND SUSTAINABLE RURAL DEVELOPMENT IN AREAS ADJOINING SAPO NATIONAL PARK was submitted by the Government of Liberia.

Details of the technical evaluation of the Projects are given in Appendices I and II of this report.

8. Review of Pre-project Work in Progress

Japan Overseas Forest Consultants Association (JOFCA), the executing agency of the two pre-projects "Enrichment Planting" and "Plantation Techniques", reported on the progress of these two studies.

The execution of the Pre-project "Management of Natural Tropical Moist Forests to Obtain a Sustainable Production of Wood and Other Forest Products and Maintain the Ecological Balance in Ecuador" is being prepared. The delegation of Ecuador reported on the status of these preparations.

9. Decisions on Pre-project Work

The Committee decided to implement a pre-project on "Coordinated Natural Forest Management and Sustainable Rural Development in Areas Adjoining Sapo National Park", Liberia, to assist the Government of Liberia to further develop the project proposal contained in PD 45/88 (F).

A proposal for pre-project work on "Study of Conservation Concerns Relating to the Diversification of Species Extracted for Timber", prepared by the Secretariat in cooperation with WWF was considered by the Committee. The Committee decided to implement the Pre-project.

This Agenda Item was discussed in a Working Group. Recommendations offered by the Group are contained in Appendix II of this Report.

10. Non-project Work

The Executive Director reported on consultations with environmental NGO's to explore the possibilities to develop some of the conservation concepts, outlined in the Paper distributed by WWF at the First Session of the Committee, into proposals for action by the Organization.

The Executive Director reported on discussions with NGO's on establishing a consultative process which will strengthen the cooperation between ITTO, the environmental NGO's and Trade and Industry Organizations. The Committee asked the ITTO Secretariat to report regularly to the Committee on discussions and consultations with NGOs.

The Executive Director reported on liaison with the TFAP Advisors' Group and exchange of information with the Coordinating Unit of the TFAP.

The Committee considered the development of programmes for Project and non-project work based on the Pre-project studies executed by IIED, HIID and JOFCA.

The Committee recommends that the Secretariat integrates the pre-project studies and takes into consideration other relevant programmes developed by other agencies, into an overview of the forest conservation, development and management situation in producing countries. This overview should be used as an input to the formulation of action programmes and priorities for ITTO. A report on this work should be submitted to the Fourth Session of the Committee.

All Member Governments are requested to assist the Secretariat in this activity and to nominate a panel of experts which will provide guidance in the final phases of the review and programmes development work.

A suggestion by the delegation from the Netherlands to identify locations where already, on an operational scale, sustained management of natural tropical forests is successfully practiced and select among them locations to serve as ITTO demonstration areas, was discussed and it was agreed that it could form part of the programmes for action.

The issue on programme development was discussed in detail in a Working Group. The recommendations of the Group are contained in Appendix II.

The Committee considered a "Preliminary Proposal to the International Timber Organization for ITTO Tropical Forestry Internship at the Institute of Tropical Forestry" submitted by U.S.A.

The Delegate of Japan announced that the City of Yokohama is offering to increase the funds available for the International Seminar on Sustainable Utilization and Conservation of Tropical Forests by ¥1,000,000 and requested the Committee to urge the Council to accept this contribution.

11. 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 Fifth Session.

12. Other Business

No matters were raised under this agenda item.

13. Recommendations to the ITTC

The Committee made the following recommendations:

1. To approve for implementation PD 34/88 Rev.1 (F,I), "Conservation Management, Utilization, Integral and Sustained Use of the Forests of the Chimanés Region, Department of El Beni, Bolivia".
2. To allocate US\$25,000 from the Pre-Project Sub-account for the implementation of a pre-project study on "Coordinated Natural Forest Management and Sustainable Rural Development in Area Adjoining Sapo National Park", Liberia.
3. To allocate maximum US\$224,000 from the Pre-project Sub-account for the implementation of study on "Conservation Concerns Relating to the Diversification of Species Extracted for Timber" described in document PCF(III)/2.
4. To make available US\$41,000 from the Administrative Budget for the development of action programmes for project and non-project work, based on pre-project studies carried out by IIED, HIID and JOFCA to be initiated in December 1988 as recommended by the Working Group and detailed in Appendix II.

14. Election of Chairman and Vice-Chairman for 1989

The Committee elected Dr. Jean Clement (France) Chairman and Mr. Sumarsono Hartosudigdo (Indonesia) Vice-chairman for 1989.

15. Report of the Session

The Committee accepted this Report for submission to the Council.

Appendix A

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

PROJECT DOCUMENT	ITTA OBJECTIVES ARTICLE 1	AREA OF ACTIVITY		CRITERIA Art. 23 Para. 6	BUDGET ITTO Contrib. (US\$)	DURATION Years	GEOGRAPHICAL COVERAGE	RECOMMENDATION*
		Art. 23 Para. 2	Art. 23 Para. 5					
34/88	b,c,e,f g and h	R & D	a,b,d and e	a,b,c,d and e	1 260 000	5	Amazon Region	4
45/88	c,f and h	R & D	b,c,d and e	a,b,c d and e	250 000	3	West Africa	2

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



Appendix B

**Recommendations by the Working Group to the Permanent Committee on  
Reforestation and Forest Management**

Agenda Item 7 Consideration of Project Proposals

**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.**

The project forms an integral part of a research and development effort in Latin America which includes ITTO supported projects and pre-projects in Brazil and Ecuador. The Project can, in this context, contribute to the development in other countries by serving as a demonstration area.

It is suggested that the Project be recommended for immediate implementation and funding. It was generally felt that the project should incorporate some identification of priorities with respect to activities being carried out and not attempt too much in too short a time.

The three-year project will produce a report on the results achieved which may then be used as the basis for further work to be funded from national resources.

**PD 45/88 (F) Coordinated Natural Forest Management and  
Sustainable Rural Development in Areas Adjoining  
Sapo National Park**

The Project need, to some extent, to be re-designed and the Project Document needs to be improved and partially re-drafted to incorporate the following:

1. The Project Document need to be expanded to include a work plan with timing of activities, outputs and inputs;
2. The budget should be presented in more detail over time;
3. Coordination of the Project Proposal with other projects in the region and in Latin America and Asia should be achieved and described;
4. Schedule for reviews and reporting should be added.  
It is proposed that the Committee decides to implement a pre-project to assist the Government of Liberia to carry out some preliminary studies and to re-design the project and revise the Project Document. It is suggested that up to US \$ 25 000 may be used for this purpose.

Agenda Item 9 Decision on Pre-projects

**PCF(III)/2 (with Addendum presented on November 11 1988)  
Study of Conservation Concerns Relating to the Diversification of Species  
Extracted for Timber**

The Working Group finds the Pre-project interesting and relevant for ITTO's work and recommends that it be implemented.

The Committee should recommend to the Council that maximum US\$ 224 000 be allocated from the Pre-project Sub-account for this purpose.

However it was generally felt that the budget requirement could be reduced and the Committee should urge the Secretariat to find ways of making savings when implementing the Pre-project.

The Committee should recommend to the Secretariat that a decentralized approach can be used when implementing this project in order to make full use of expertise available in institutions in Producer and Consumer countries. This could be achieved by giving sub-contract to such institutions to prepare reports, as part of the Project.

When implementing the Pre-project, the decision by the Permanent Committee on Economic Information and Market Intelligence to implement a pre-project on Conservation Status of Tropical Timber in Trade should be considered and the implementation of the two pre-projects should be efficiently coordinated with particular attention to the relative timing of actions in each project to ensure the most efficient use of resources.

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

The Working Group proposes that a Pre-project be implemented to assist the Government of Liberia to revise Project Proposal PD 45/88 (F). The Committee should recommend to the Council that maximum US \$ 25 000 be allocated from the Pre-Project Sub-account for this purpose.

Agenda Item 10 Non-project work

The Working Group examined and discussed the position and status of the four pre-projects already undertaken by ITTO. These include:

1. The Case for Multiple-Use Management of Tropical Hardwood Forests
2. Natural Forest Management for Sustainable Timber Production
3. Enrichment Planting
4. Plantation Establishment Methods

All these studies have now been completed. It was noted however that the JOFCA reports have not been finalized. In considering how to maximize and optimize the utilization of the findings of pre-projects,

the group recognized that the findings from these studies will need to be reviewed holistically and supplemented by other relevant information.

The group therefore came to a consensus that these four studies could be effectively integrated into an overview of the forest conservation, development and management situation in producing countries, taking into consideration such other major and relevant programmes that have been developed by other international agencies. This overview would provide inputs to the formulation of action programmes and priorities for ITTO. These could then be developed into both project and non-project work that ITTO could promote.

The group agreed to recommend to the Committee that the Secretariat initiate the necessary steps to produce a report that incorporates:

- a) to review the findings of the four pre-projects, taking into consideration such other major relevant programmes developed by other international agencies;
- b) based on this review, to identify appropriate action programmes and priorities for the promotion of the sustainable management of tropical forest resources for the Permanent Committee and hence for ITTO;
- c) to develop relevant proposals for non-project activities for ITTO;
- d) to prepare guidelines for project and non-project activities.

In carrying out this exercise, it is further recommended that a panel of technical experts designated by Member Governments of Producing and Consumer countries, if so required, as well as NGOs and other Organizations be identified to assist in the preparation of this report. The report should be made available to all Members of the Committee for consideration before the 6th ITTO Session.

#### Work Programme Proposal

Initially, the Secretariat will invite Member Countries to contribute ideas and other inputs to the study.

The Pre-project reports and relevant information available from other sources should be reviewed by the Secretariat and compiled into an overview. This first draft of the overview document will be sent for review and comments to all ITTO Members. A panel of 8 technical experts, taking into account the need for appropriate geographic representation, should assist the Secretariat to revise the first draft on the basis of the comments obtained from Members. Based on the review the panel should try to identify the need for action and outline an action programme for ITTO. The revised version and the action programme outline will, eight weeks before the Fourth Session of the Committee, be distributed to all Members.

The panel should consist of:

- a) one expert each from the three producing regions;
- b) three experts from the consuming regions;
- c) one expert from an international agency involved in tropical forestry activities;
- d) one expert from the environmental NGOs;
- e) the Chairman and Vice-chairman of the Permanent Committee on Reforestation and Forest Management.

#### Schedule of Events

The following time plan is proposed:

- Week 1 - week 8: Request by the Secretariat for Member Country inputs;  
Review and compilation of information by the Secretariat;  
Preparation of outlines of action alternatives by the Secretariat.
- Week 9: Distribution for comment to ITTO Members.
- Week 12: Meeting of the panel of experts for review of first draft and outline of action programme.
- Week 13-14: Revision of draft by Secretariat and report on action programme outline.
- Week 15: Distribution to ITTO Members.
- Week 23 - 24: Review of draft programme by Committee (and Council if possible).

In order to complete the work, in accordance with the above time table, before the Fourth Session of the Committee, the work has to start in early December 1988.

#### Budget

Assuming that the panel meets in Yokohama, the following budget requirements can be foreseen:

	US \$
- Travel, panel members (eight members, one trip)	28 000
- DSA, panel members (eight members, five days, US\$ 250 per day)	10 000
- Translation	3 000
Total	<u>41 000</u>

The Committee should request the Council to make available the above amount in order that the work can be initiated in December 1988 as proposed.

**PCF(III)/4**

**Preliminary Proposal to the International Tropical Timber Organization  
for ITTO Tropical Forestry Internship at the Institute of Tropical  
Forestry**

The Working Group considered the above proposal by U.S.A and recommends that the Committee request the delegates to submit comments on the Preliminary Proposal in writing direct to the Institute of Tropical Forestry, Puerto Rico, and thereby assist the Institute to prepare a final proposal to be presented at the Fourth Session of the Committee.

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COMMITTEE ON FOREST INDUSTRY  
Third Session  
Yokohama, 9 - 11 November 1988

RESTRICTED  
PCI(III)/D.3  
15 November 1988  
Original: English

REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL  
THIRD SESSION OF THE PERMANENT COMMITTEE ON  
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Appendix A            Technical Evaluation of Project Proposals

## REPORT

### 1. Introduction

The Third Session was opened on 9 November 1988 by Dr. Markku Simula (Finland), the Chairman of the committee. The list of participants is reproduced in document PCM(III)/PCF(III)/PCI(III)/Info.1.

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

At its first meeting on 9 November 1988 the Committee adopted the agenda of its Third Session as contained in Document PCI(III)/1.

### 3. Admission of Observers

The list of Observers admitted by the Committee figures in document PCM(III)/PCF(III)/PCI(III)/Info.2 and Info.2/Add.1.

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

It was decided to consider this item in a joint session of the three Committees. Following the presentation by the Executive Director of the Secretariat's document ITTC(V)/4 and discussions in an informal Working Group, a proposal was prepared to the Council on the ITTO Project Cycle. The proposal is reproduced in document ITTC(V)/4/Rev.5.

### 5. Report on Completed Project

The Committee took notice of the completion of the project International Seminar on Furniture Development (PD 13/87). The Committee expressed its satisfaction with the successful implementation of this project as reported in PCI(III)/2, and recommended the Council to request the Executive Director to distribute the Seminar proceedings to concerned agencies of ITTO Member countries, in particular those of producing Members.

The Committee also recommended that lessons learned in the organization of this Seminar be taken into account when designing and implementing ITTO-sponsored similar training events.

### 6. Report on Projects in Progress

The Committee reviewed the work underway in the six ITTO approved and financed projects in the field of Forest Industries. A progress report on these projects (3.d/87, 3.e/87, 11/87, 16/87Rev.1, 20/87 and 21/87) is reproduced in document PCI(III)/3.

The Committee noticed with pleasure the overall progress in the implementation of projects 3.d/87, 3.e/87, 20/87 and 21/87, while expressing concern for delays in commencement of project 11/87.

The Committee expressed its gratitude to FAO and CTFT for their contributions in the translation and printing of technical documents in project 20/87.

On the basis of analysis of implementation difficulties reported for project 16/87 Rev.1, the Committee recommended to ITTC to approve a new implementation arrangement for the project with the National Institute for Agriculture Research of Peru and JUNAC (Junta del Acuerdo de Cartagena) as implementing agencies, limiting ITTO's responsibilities to participation on the evaluation of the project.

7. Report on Completed Pre-Projects.

The Committee took note of the completion of the pre-project study on Seasoning Mixed Species of Tropical Hardwoods (PPR 9/88). The Committee expressed satisfaction with the findings of the study. Although the study concluded that there is no solution at hand to overcome obstacles hindering commercial drying of mixed tropical species, it pointed out that more research in the subject is needed and identified several important timber properties to be further researched and used as a basis to group tropical species for drying. Furthermore, the study led to a project proposal (PD 48/88 (I)) to 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. This Project Proposal will 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 technical document.

8. Consideration of Project Proposals

The Committee technically appraised and evaluated five project proposals (PD 38/88 (I), PD 39/88 (I,M), PD 40/88 (I), PD 41/88 (I) and PD 44/88 (I)) submitted in time for its consideration. Project Document 43(I)/88 submitted by the Government of Brazil was not evaluated as this Member requested postponement of its consideration in view of the current comprehensive revision on Brazilian tropical forest policies being carried out by a pool of specialized Brazilian agencies. The Committee took note of the Brazilian reassurance of its interest in the project and agreed to time its evaluation to a future Session to be indicated by the submitting government. The examination of the following additional project proposals was deferred until the next Session:

DEVELOPMENT AND HARMONIZATION OF STANDARDS AND MEASURING  
METHODS FOR TROPICAL LOGS AND SAWN TIMBER  
(submitted by the Government of the Republic of Korea)

DEVELOPMENT OF LESSER USED SPECIES AS ALTERNATIVE RAW  
MATERIALS FOR FOREST-BASED INDUSTRIES AND INDUSTRIAL TREE  
PLANTATION ESTABLISHMENT  
(submitted by the Government of the Republic of the Philippines)



DRYING MIXTURES OF TROPICAL HARDWOODS  
(submitted by ITTO Secretariat)

INDUSTRIAL USE OF NEW FOREST SPECIES IN PERU  
(submitted by the Government of the Republic of Peru)

The detailed results of the Committee's evaluation and appraisal of project proposals are presented in Appendix A.

9. Review of Pre-Project Work in Progress

The Committee took note of progress of work in two previously approved pre-projects:

- (i) The study on Sawing Difficult Tropical Timbers, which is being executed by the USDA Forest Products Laboratory (FPL). Although expected to be ready for the present Session it will be completed only early in 1989. The Committee was pleased with the report on progress in this study presented by Dr. Robert R. Maeglin, Research Coordinator, Forest Products Laboratory.
- (ii) The study on Harmonization of Specifications on Tropical Timber Products, which has been contracted with the Technical Association of the Tropical Timber Industry (A.T.I.B.T.). The Committee expressed its satisfaction with the pragmatic implementing approach agreed with ATIBT for this study, while praising ATIBT's contribution to the study budget or in the form of expert's time.

10. Decision on Pre-Project Work

The Committee requested the Secretariat to prepare the terms of reference for a possible pre-project study on Tropical Timber in Construction and Development of Harmonized Stress Grading Rules.

11. Non-Project Activities

The Committee reviewed further information regarding two proposals of non-project activities introduced by the Secretariat at the Committee's request. These proposals, detailed in document PCI(III)/5, refer to:

- (i) the establishment and operation of a Fellowship Program to select and finance study tours and short term activities to effect transfer of technology and/or training in order to foster the development of processing activities in producing Member countries;
- (ii) establishing a regular practice of presenting reports by Committee Members on themes of interest for forest industry development.

With regard to the Fellowship Program, the Committee expressed the opinion that it should cover the fields of all three ITTO Permanent Committees, with specific areas to be defined on the basis of ITTA objectives and priorities set in the ITTA and defined in the Council Resolution 1(IV). Members were requested to provide comments on the

proposal submitted by the Secretariat in document PCI(III)/5. The Committee also recommended the Secretariat to prepare a project proposal to implement this program and circulate to and seek comments on the proposal from UNIDO and FAO.

The Committee authorized the Secretariat to announce the possible availability of Fellowships in the form of an ITTO project to be implemented as a pilot activity, and requested it to provide the Committee with written briefs on Fellowship applications that reach the Organization at least three months before the Fourth Session.

The proposal to establish an annual reporting by Committee Members was discussed jointly with the Committee on Economic Information and Market Intelligence, and results are presented in the report of that Committee.

12. Dates and Venue of the Fourth Session

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

13. Recommendation on Project Proposals

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

- |              |  |
|--------------|--|
| PD 41/88 (I) | The Identification, Properties and Uses of the Tropical Timber Imported to China from Southeast Asia |
| PD 44/88 (I) | Seminar for the Promotion of Further Processing of Tropical Hardwood Timber in the African Region    |

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

- |                |   |
|----------------|---|
| PD 39/88 (I,M) | Development of Timber Products for Export |
| PD 40/88       | Managerial Training for the Timber Sector |

The Committee also agreed to recommend to ITTO Council that ITTO should approve for sponsorship the project proposal "Quality Control for Board Products, Treated Lumber and Furniture for Ecuador and the Andean Region" (PD 38/88 (I)), after revision, without funding and refer it to other relevant financial institutions.

14. Election of Chairman and Vice-Chairman of the Year 1989

Mr. Jorge Barba (Ecuador) and Mr. Chen Xu He (China) were, respectively, elected Chairman and Vice-Chairman of the Committee for the year 1989.

Appendix A

TECHNICAL EVALUATION OF PROJECTS IN THE AREA OF FOREST INDUSTRY

PROJECT DOCUMENT	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\$			
38/88	c,e		a,d,e	a,b,c,d,e	US\$ 658,506	3 years	Andean Region	6 (after revision)
39/88	c,e,g		a,e	a,b,c,d,e	US\$ 703,800	3 years	Ecuador	2
40/88	c,e		a,d	a,b,c	US\$1,123,400	3 years	Andean Region	2
41/88	c,g		a,d,	a,b,c,d,e	US\$ 33,000	1½ years	Asian producers and China	4
44/88	c,e,g		a,d,e	a,b,c,d,e	US\$ 154,400	8 months	Africa	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.

COMMENTS ON FOREST INDUSTRY PROJECTS

PD 38/88 (I)      QUALITY CONTROL FOR BOARD PRODUCTS, TREATED LUMBER AND FURNITURE FOR ECUADOR AND THE ANDEAN REGION

The general project objectives coincide well with ITTO priorities. The PD has not been prepared according to the ITTO rules; outputs, inputs and activities are presented in one chapter and they have not been clearly separated. General objectives are rather a list of activities to be carried out. However, the project appears to be well founded and various activities are explained in considerable detail but there remain outputs which are not supported by respective inputs.

The project aims at developing quality control and certification system. The training activities are limited to few specialists. In order to make the proposed system effective in Ecuador, considerable training and extension efforts are likely to be required to make these systems operational in the export industry. Outputs which appear in the monitoring section include a training school and 18 training courses. It is not clear whether such training/extension would be funded by local sources or whether they would be part of the project (cf. PD 40/88).

The title make reference to the Andean region but no activities are included to make use of the outputs of the project on regional level. The project seems to be a national project and as such it is not a typical ITTO project. It is suggested that the project be improved and presented to a more appropriate organization, with ITTO support in the form of sponsorship.

PD 39/88 (I,M)      DEVELOPMENT OF TIMBER PRODUCTS FOR EXPORT

The problems of presentation are the same as in PD38/88.

The project problem is well defined and the project strategy can be supported. Better integration of marketing, production and raw material supply is needed for industrial development. In principle, the project can be supported.

Almost half of the ITTO inputs will be used for market surveys which are not described in sufficient detail. Such studies could be carried out in a coordinated way to provide information for several producing countries. They should also be more strictly defined drawing on the improvement of the available data, particularly studies carried out by ITC to assist the timber industry of Ecuador. These shortcomings could be taken into account when drafting the detailed terms of reference for the market surveys on specific products.

Industry-level product development has not been very efficient in other countries. Better results could be possibly obtained through an enterprise-level approach where specific inputs are reserved for this dissemination of the results to non-participating enterprises. It is not clear how many enterprises would be participating, how they will be

selected and what their obligations will be. These have proved to be critical aspects in some earlier respective projects.

The project should be modified to make it regional or sub-regional, as promotion activities and market survey studies proposed can be designed to benefit other countries in the region. A reformulated project can function as a pilot project where more countries of the region can participate and benefit from the integrated product development/marketing program proposed.

Adequate description of objectives, outputs, activities and inputs should be expected. The ITTO inputs should not be used for permanent staff salaries but for strictly project-related activities. If permanent staff has to be paid by the project, it is not a sign of sustainability. Further clarification is needed on what kind of personnel would be involved in project implementation.

Phasing of activities would allow effective monitoring which now remains relatively vague.

PD 40/88 (I)           MANAGERIAL TRAINING FOR THE TIMBER SECTOR

This PD does not follow the rules of ITTO (cf PD 38 and 39). In view of its size, a more detailed information would be needed to enable appropriate evaluation.

The general objective appears to be to establish a national training center for managerial training and organize 18 training courses. Four background studies have been carried out and the formulation of the training program has been derived from them.

There is possibly an overlap between PD 38/88 and this project. Both projects will provide 18 courses for the same target group in the largely similar subject area. This illustrates the fact that a general framework for the industrial training should be useful in assessing the projects viability. The two projects could either be merged or differentiated clearly.

About 80% of inputs are to be used for equipment. It is not however clear where these would be installed and how they would be utilized beyond the project. Local staff of running such a facility as a long-term effort is not adequately defined.

The training of instructors is largely based on studies abroad (two thirds of inputs) and no international long-term specialists are foreseen. It can be questioned whether this is the most appropriate strategy to train instructors. Mechanisms should be established to eliminate drop-outs in the implementation stage, a frequent problem in similar projects elsewhere. The funds for instructor training inputs appear to be inadequate.

A reference is made to the regional nature of the project. Whether this is a statement of principle or an operational proposal is not clear. In the latter case, the interest by other ITTO members should be confirmed and appropriate mechanisms indicated how they would benefit from

the project. More details should be provided on CORMADERA and what is the project's contribution to its overall capability.

The project addresses strategic training needs that are probably of interest to other countries in the region. Project reformulation aiming at regionalization can benefit from exchange of information among ITTO Members in the region. The ITTO sponsored Roundtable (PD 21/87) to be held in Brasilia 20 - 23 February 1989 can provide an opportunity for such exercise. A paper should be presented in Roundtable addressing the industry's training needs and regional training strategies, providing background information that can lead to modifications in this project proposal to reflect more appropriately regional needs and appropriate action strategies. Further evaluation of this project shall then be deferred until results of the Roundtable in Brasilia becomes available.

PD 41/88 (I)

THE IDENTIFICATION, PROPERTIES AND USES OF THE TROPICAL  
TIMBER IMPORTED TO CHINA FROM SOUTHEAST ASIA

The Chinese market has great potential and the work propose can contribute to expand export of several Asian countries.

The project was revised by the Committee to include the appropriate inputs to accomplish its objectives. A list of activities was also incorporated in the document.

The implementing agency may consult respective institutions and trade associations in producing countries to make an appropriate selection of species. Provisions were included in the project to assure that the data of wood properties will be stored in computer in a format that is compatible with the already existing networks.

An increase of US\$ 3,000 in the project funds is recommended to allow translation of the final report in French and Spanish so that producing countries from other regions can benefit from the study findings.

The project in this revised form is commendable for ITTO approval and financing.

PD 44/88 (I)

SEMINAR FOR THE PROMOTION OF FURTHER PROCESSING OF  
TROPICAL HARDWOOD TIMBER IN THE AFRICAN REGION

This small project is adequately designed and should be given a high priority.

In the detailed design of the seminar program, experience on the ITTO Latin American Roundtable could be drawn on. The seminar could also be used to strengthen the project preparation capacity of the African Member countries, or another, more training-oriented project could be formulated for this purpose later on.

ITTO Secretariat shall review the project costs and prepare a more detailed budget reducing the project funds if any inputs are found to be overcosted.

Annex VII

List of Approved Projects for which Funds are not  
immediately available

<u>PD No.</u>	<u>Title</u>	<u>Amount</u>
1. PD 1/87 (M)	STRUCTURE OF TROPICAL MARKETS IN BELGIUM-LUXEMBOURG, FEDERAL REPUBLIC OF GERMANY, NETHERLANDS AND UNITED KINGDOM AND METHODS TO STUDY THE MAIN END-USE SEGMENTS	211,418
2. PD 2/87 (F)	REHABILITATION OF LOGGED-OVER FORESTS IN ASIA/PACIFIC REGION	(1,227,000 -/-240,000)
3. PD 4/87 (I)	REGIONAL TRAINING IN PLANNING AND MANAGEMENT OF FOREST INDUSTRIES IN DEVELOPING COUNTRIES	921,000
4. PD 7c/87 Rev.1 (M)	STATISTICAL INFORMATION AND MARKET INDICATORS: c. MARKET NEWS SERVICE FOR TROPICAL TIMBER AND TIMBER PRODUCTS	772,078
5. PD 12/87 (I)	RESEARCH ON UTILIZATION OF TROPICAL TIMBER IN CONSTRUCTION	273,884
6. PD 18/87 Rev.1 (I)	SELECTION AND INTRODUCTION OF LESSER-KNOWN AND LESSER-USED SPECIES FOR SPECIFIC END-USES	212,800
7. 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