

INTERNATIONAL TROPICAL TIMBER COUNCIL
Fourth Session
Rio de Janeiro, 29 June - 1 July 1988

RESTRICTED
ITTC(IV)/D.1
2 July 1988
Original: English

DRAFT REPORT
OF
THE INTERNATIONAL TROPICAL TIMBER COUNCIL
FOURTH SESSION

Rio de Janeiro
29 June to 1 July 1988

Table of Contents

		<u>pages</u>
Report		1 - 12
Annex I	Texts of the Main Decisions Adopted by the Council at Its Fourth Session	13 - 21
Annex II	List of Participants	22 - 33
Annex III	Agenda	34 - 35
Annex IV	Distribution of Votes	36
Annex V	Reports of the Permanent Committees on Their Second Sessions	37 - 68
Annex VI	List of States and Organizations Which Applied for Observer Status and Were Admitted by the Council at Its Fourth Session	70

Introduction

1. The Fourth Session of the International Tropical Timber Council convened in Rio de Janeiro, Brazil, from 29 June to 1 July 1988. The Session was attended by 31 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 and expressed gratitude to the Government of Brazil for hosting the Session outside the Headquarters of the Organization. He read out a message received from His Royal Highness Prince Bernhard of the Netherlands in which he exhorted the Council to take prudent decisions for the protection and the sustainable management of tropical forests.

4. The Chairman referred to the overall concern of ITTO to promote economic productivity and ecological management of the tropical forests--an urgent concern shared by the world community. It is incumbent on the ITTO to develop an overall strategy and to set priorities of action which should involve all States, trade organizations and other non-governmental organizations, taking into account the initiatives of other international organizations. Resources would be needed for implementing the Organization's activities; he, therefore, appealed to Members to make prompt payment of their assessed budgetary contributions and more voluntary contributions for undertaking projects. The Chairman invited the Foreign Minister of Brazil to deliver the Key-note Address of the Opening Ceremony.

5. The Foreign Minister of Brazil, His Excellency Dr. Roberto De Abreu Sodre, welcomed all participants on behalf of the Government of Brazil. He set out at length and in some detail the implications for national development of the forestry policies of Brazil aimed at striking a judicious balance between rational utilisation of forest resources and their conservation. He emphasised that the Government of Brazil does not abdicate its responsibility to foster ecological awareness among its

people but it does not do so by taking a simplistic and narrow view of conservation. More funds must be channelled to environmental management but not at the expense of the already diminishing resources earmarked for development projects.

6. The task of formulating policies to administer and safeguard natural resources remains for Brazil an exclusive sovereign responsibility of the nation. Such policies must obey the imperatives of national development priorities, in particular the pressing problem of poverty which calls for urgent solutions and international action. Mere declarations of good intentions do not suffice to eliminate the vicious circle of environmental damage and the destruction of the forest cover. Various studies in the United Nations, among which "The Environmental Perspective to the Year 2000 and Beyond", and the Report of the World Commission on Environment and Development, have called for an urgent review of the principles underlying global economic relations in order to redress the inequities of the international economic order. Such inequities as the deteriorating terms of trade, and the protectionist policies of the developed countries put pressures and constraints on the natural patrimony of developing countries with grave consequences for adequately safeguarding its preservation. He spoke of projects submitted by Brazil to the ITTO and appealed for support for them since they constituted pioneering initiatives within the wider framework of sustainable forest management in Latin America.

7. Two African Ministers responsible for forestry who attended the Session were also invited by the Chairman to address the Opening Session. They were His Excellency Dr. Antoine Ossebi-Douniam, the Minister of Forestry Economy of the People's Republic of the Congo, and His Excellency Mr. Vincent-Pierre Lokrou, Minister of Forestry and Water Resources of the Côte d'Ivoire.

8. Dr. Ossebi-Douniam urged the Organization to pursue policies which will make it increasingly relevant to the needs of tropical timber producers. Tropical forest resources constitute the lasting wealth of the peoples of those areas. As a renewable resource its exploitation should be rational and regulated through sound conservation practices. This calls for concerted efforts and policies on the part of both producers and consumers of tropical timber products and an increasing reliance on research and development to promote sound forest management. The Congo remains unflinching in its support for the ITTO.

9. In his Address, Dr. Vincent-Pierre Lokrou emphasised the need for ITTO to promote equitable and remunerative terms of trade in tropical forest products and thereby provide an incentive for sustainable management and conservation of tropical forests. He referred to the efforts of the Government of the Côte d'Ivoire in sustainable forest management and reforestation, evidenced by the designation of 1988 as the Year of Forestry. He appealed to the Council to conduct its deliberations in a spirit of genuine dialogue and solidarity in order to create a world of progress, justice and peace.

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

10. The Council adopted the agenda of its Fourth Session as contained in document ITTC(IV)/1, reproduced in Annex III. It decided to examine agenda items C 1-3 and D 1-3 at closed meetings of Members only.

Report on Membership of the Council (Agenda item A3)

11. The Council formally welcomed Australia as a consumer Member.

Distribution of Votes (Agenda item A4)

12. The Council endorsed the list setting out the distribution of votes among Members for the year 1988 as proposed in Annex 1 of document ITTC(IV)/1, and which is reproduced in Annex IV to this Report.

Admission of Observers (Agenda item A5)

13. The Council admitted to its Fourth Session as Observers representatives of Argentina, Colombia, Mexico, Nigeria, Portugal, Venezuela and Zaire; of the Acuerdo de Cartagena, and of 21 non-governmental organizations. The list of Observers is reproduced in Annex VI.

Report of the Credentials Committee (Agenda item A6)

14. The Chairman of the Committee reported to the Council that the Credentials Committee found the credentials of delegates in good and due form and recommended to the Council that they be accepted. The Council took note of the report and accepted the Credentials of all the delegates.

Consideration of Proposed Amendments to the Report of the ITTC on Its Third Session (documents ITTC(III)/D.5 and ITTC(III)/D.5/Add.1 (Agenda item A7)

15. The Council approved the amendments proposed by Switzerland as contained in document ITTC(III)/D.5/Add.1.

Statement by the Executive Director (Agenda item A8)

16. The Executive Director gave a brief report of developments since the Third Session of the Council. The Headquarters Agreement had come into effect as from 27 May 1988. He had embarked on official visits to many Member States of Africa, Asia, Latin America, and Western Europe. His travel missions had facilitated direct contacts with Member Governments and afforded him the opportunity to promote awareness of ITTO and to consult the interests of Members while making them aware of their obligations and the support needed by the Organization. His visits to Nigeria, Zaire and Kenya had enabled him to discuss the prospects of these countries' eventual membership of the ITTO.

17. The Executive Director highlighted a number of issues which called for attention: the final approval of Staff Rules and Regulations, the first Report of the Auditors, strengthening the staff complement of the Secretariat, decision on measures to build up in-house capability in market intelligence, establishing a sound basis of working relations and collaboration with international agencies and the need to delineate clearly the criteria and priorities for ITTO's activities. He laid emphasis on the scope of work and the need for adequate resources to enable the Organization to fulfil its mandate. The Executive Director pledged the continued dedication to duty of the Secretariat staff to help realise the objectives of the ITTO.

General Statements

18. General Statements were made by the Representatives of Japan, Denmark, Peru, UNIDO, Environment Policy Institute (on behalf of conservation non-governmental organizations) and S.O.S. Mata Atlanta. Japan announced its pledge of an amount of 2,2 million US dollars to the Special Account for the fiscal year 1988. Denmark pledged an amount of three million Danish kroner for the years 1988 - 1990 earmarked for funding of specific approved projects.

19. On behalf of the Council the Chairman expressed appreciation for the pledges of contributions to the Special Account.

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 document prepared by the Secretariat entitled "Criteria and Priority Areas for Programme Development and Project Work (doc ITTC(IV)/3). They proposed a draft Resolution to the Council (see Resolution 4(IV) in Annex I to this Report).

21. By the Resolution, the Council decided that ITTO should concentrate its activities in the following three areas:

- (i) sustainable management of tropical timber resources, including appropriate harvesting methods
- (ii) further processing
- (iii) market transparency and trade diversification

22. In accordance with Article 25, ITTO should achieve a better balance between project and non-project activities. A number of listed activities should be undertaken on a priority basis.

23. The Representative of Denmark, speaking on behalf of the consuming countries, stressed that where appropriate the activities of ITTO should be coordinated with those under the Tropical Forestry Action Plan (TFAP).

24. The Council decided to continue its consideration of this question at its next Session.

25. The Council considered the proposed Project Cycle contained in section 6 of document ITTC(IV)/3. It decided to invite Members to study the proposal and submit written comments on it to the Secretariat. The Secretariat was requested to present a revised proposal taking fully into account any comments and suggestions to be made as well as the contents of document ITTC(IV)/9.

26. Henceforth any new project proposals for consideration by Committees and the Council must be processed and circulated (in the appropriate languages) to reach Members at least seven weeks in advance of Committee Sessions. (See Decision 2 (IV), Annex I.)

27. The Council further considered a proposal made by Switzerland and contained in document ITTC(IV)/INF3. The Council decided to request the Secretariat to prepare and circulate a questionnaire/profile sheet to Members and relevant international governmental and non-governmental

organizations in order to compile information on services available from individuals and institutions (see Decision 3(IV) of Annex I). The information should be used in determining the award of consultancy contracts.

Reports of the Second Sessions of the Permanent Committees (Agenda item B2)

28. The Reports of the Second Sessions of the three Permanent Committees were presented to the Council by the respective Chairmen as contained in Documents PCM(II)/4, PCF(II)/4 and PCI(II)/6 (see Annex V). The Council took note of the recommendations of the Committees. The recommendations on projects were referred to a small Ad-Hoc Group chaired by the Chairman of the Council.

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

- a) PD 7.c/87 Rev.1(M) STATISTICAL INFORMATION AND MARKET INDICATORS: c. MARKET NEWS SERVICE FOR TROPICAL TIMBER AND TIMBER PRODUCTS
- b) PD 24/88(F) INTEGRATION OF FOREST BASED DEVELOPMENT IN THE WESTERN AMAZON - PHASE I - FOREST MANAGEMENT TO PROMOTE POLICIES FOR SUSTAINABLE PRODUCTION
- c) PD 16/87 Rev.1(I) RESEARCH AND DEVELOPMENT ON THE STANDARDIZATION OF TROPICAL TIMBER AT THE ANDEAN SUB-REGIONAL LEVEL PHASE 1: REVIEW OF THE CURRENT SITUATION OF TIMBER STANDARDIZATION AND DEVELOPMENT OF WORK PLANS FOR SUBSEQUENT PHASES
- d) PD 18/87 Rev.1(I) SELECTION AND INTRODUCTION OF LESSER KNOWN AND LESSER USED SPECIES FOR SPECIFIC END-USE

30. The Council further approved the International Seminar as contained in Document PD 32/88(F) as an activity of ITTO.

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

PD 2/87(F) (US\$240,000); PD 11/87(I) (US\$345,000); PD 24/88(F); PD 16/87 Rev.1(I).

32. It also authorized financing and implementation of the Seminar contained in PD 32/88(F) and an additional budget allocation of US\$ 15,000 and US\$ 9,435 for the implementation of Projects PD 10/87(F) and PD 13/87(I) respectively.

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

MANAGEMENT OF NATURAL TROPICAL MOIST FORESTS TO OBTAIN A SUSTAINABLE PRODUCTION OF WOOD AND OTHER FOREST PRODUCTS AND MAINTAIN THE ECOLOGICAL BALANCE IN ECUADOR (US\$75,000)

CONSERVATION, MANAGEMENT, UTILIZATION AND INTEGRAL AND SUSTAINED USE OF THE FORESTS OF THE CHIMANES REGION, BENI DEPARTMENT, BOLIVIA (US\$75,000)

HARMONIZATION OF SPECIFICATIONS OF TROPICAL TIMBER PRODUCTS (US\$50,000)

IMPROVEMENT OF HARVESTING SYSTEMS FOR SUSTAINABLE MANAGEMENT OF TROPICAL FORESTS (STAGE 1) (US\$150,000)

34. It authorized financing of all these Pre-Projects from the Pre-Project Sub-Account.

35. The Council authorized the Executive Director to transfer the amount of US\$50,000 from the Project Sub-Account to the Pre-Project Sub-Account to make up the amount needed to finance the first two of the Pre-Projects mentioned above.

36. The Council decided that Projects for which funds are not immediately available can be implemented when earmarked contributions for such Projects are received.

37. The Council urged Members to consider financing those Projects for which funds are not immediately available.

38. Furthermore, the Council urged Members to consider further unearmarked funding and decided that any such future unearmarked funds shall not be allocated for any approved Projects without the prior authorization of the Council. (See Decision 1(IV) of Annex I.)

Financial Resources for the Special Account (Agenda item B3 a,b and c)

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

40. The Representative of The Netherlands informed the Council that it had contributed an amount Dfl. 500,000 to the Special Account, half of the amount unearmarked and the other half to be earmarked for approved projects.

41. The Representative of Sweden announced the contribution of 500,000 Swedish kronas for the fiscal year 1987/88 and 500,000 Swedish kronas of

the fiscal year 88/89 to be used for the Pre-Project "Improvement of Harvesting Systems for Sustainable Management of Tropical Forests".

42. The Representative of Denmark repeated the decision of his Government to grant an amount of up to 3 million Danish kroner to fund approved projects in accordance with a specific set of criteria laid down by the Government of Denmark.

43. The Representative of Switzerland informed the Council that new contributions would not only depend on contributions of other donors but also on financial discipline of the Members with regard to the assessed contributions to the Administrative Account.

44. The Council took note of the announcements with great appreciation.

Assignment of Other Tasks to Permanent Committees (Agenda item B4)

45. No other tasks were assigned to the Permanent Committees.

Non-Project Work Related to Article 27 and Article 28 (Agenda item B5 a and b)

46. A number of delegates expressed their appreciation for the document prepared by the Secretariat entitled "Elements for the Annual Review and Assessment of World Tropical Timber Situation" (document ITTC(IV)/4) and suggested improvements. It was also stressed that the document was a tentative step in the important task given to the Council in Article 28. Members were therefore requested to provide the Secretariat with the information mentioned in this Article.

47. The Council decided to resume its consideration of this question at its next Session. It authorised unrestricted distribution of the document to interested parties.

48. The Council also took note of the draft Annual Report 1985-87 as contained in document ITTC(IV)/5 and requested the Secretariat, taking into account the amendments proposed, to make the report available to interested parties.

Staff Rules and Regulations (Agenda item C1)

49. The Council decided to defer the consideration of the draft Staff Rules and Regulations to its next Session.

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

50. The Council decided to defer the decision on Rule 32 of the Rules of Procedure of the Council to its next Session. The delegate of China repeated the request to include the Chinese language as one of the working languages of ITTO and drew the attention to the fact that Chinese is one of the working languages of the U.N., IJO and INRO.

Logo of ITTO (Agenda item C3)

51. The Council chose the green version of the two designs proposed by the Executive Director as the Logo of ITTO.

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

52. 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.

53. The Council requested the Secretariat to calculate the interest charges as provided under in Article 19 para. 7 for those Members which were still in arrears for the initial period, November/December 1986, the First Half 1987 or the Second Half 1987 as at 1 July 1988 and inform all Members in writing before 1 September 1988.

54. Taking into consideration the extremely difficult situation caused by arrears due from a number of Member countries' contributions to the Administrative Account the Council authorized the Executive Director to withdraw the necessary funds up to a maximum of US\$ 400,000 from the Contingency Fund for expenditures within the approved budget for the period up till December 1, 1988. The Council strongly appealed to Members to pay their assessed contributions in accordance with the provisions of the ITTA.

55. The Council authorized the Executive Director to accept the generous offer of Finland for the secondment to the Secretariat of a Programmer/Systems Analyst and for which Finland will bear all costs.

56. The Council requested the Executive Director to initiate consultations with interested Member governments with a view to securing a qualified Ecologist/Forest Management Expert to be seconded to the Secretariat.

57. The Council noted the intention of the Executive Director to further explore the possibility of strengthening the Secretariat with professionals seconded by Members in other relevant fields.

**Assessment of Contribution of Australia to Administrative Budget 1988
(Agenda item D2)**

58. The Council decided that the contribution of Australia to the 1988 Administrative Budget would be US dollars 20,010.

Report of Auditors for 1986 and 1987 (Agenda item D3)

59. The Council took note of the Report of the Auditors on the Administrative Account, Special Account and Provident Fund for 1986 and 1987. It further approved the Administrative Account and the Special Account for 1987 and 1988 and the audited balance sheets. The Council requested the Secretariat to obtain the relevant parts of the Auditors' Report on UNCTAD regarding the expenditures of US\$ 231,745.

Appointment of Credentials Committee (Agenda item D4)

60. The Council elected Brazil, Bolivia, Gabon, Japan, Korea, Malaysia, Norway and United Kingdom as Members of the Credentials Committee for 1988.

Dates and Venue Fifth Session of ITTC and the Third Session of Permanent Committees (Agenda item D5)

61. The Council decided to hold its Fifth Session and the Third Session of the Permanent Committees in Yokohama, Japan from 9-16 November 1988. The Secretariat was requested to provide for a Joint Session of the Permanent Committees at the start of the Sessions in order to resume the discussions on the question of Criteria and Priority Areas for Program Development and Project Work.

62. The Executive Director was further asked to take into consideration during his consultations on fixing the dates of subsequent meetings of the Council, the calendar of meetings of other similar commodity organizations such as IJO and INRO.

Other Business (Agenda item E)

63. The Council requested the Secretariat to examine other ways and the means to ensure that documents despatched to Members at their capitals

would be received on time and to report to the Council at its Fifth Session.

64. The Council agreed to suggestions made to invite and urge Trade and Industry Associations in both producer and consumer countries to have a greater involvement in the work of ITTO.

65. Furthermore the Council decided henceforth to waive the application of Rule 34 of the Rules of Procedure except for certain documents. It requested accordingly the Secretariat to ensure wide distribution of documents to interested parties which would enable them to participate more effectively in the work of the Permanent Committees and the Council. By this decision, there would be greater transparency in the work and deliberations of the Organization.

66. Following a proposal by Brazil, the Council agreed to request the Secretariat to prepare and submit to the next Session a document setting out the resources made available for forestry development including the TFAP and other initiatives. The objective of the document would be to assist the Council to make a clear assessment of the support which the international donor community are giving to ITTO and other organizations in the forestry sector.

67. The delegate of Japan informed the Council that the Headquarters Agreement entered into effect on 27 May 1988. He reaffirmed Japan's commitment to give legal effect to the provisions of the Agreement and thus assist in realizing the objectives of the ITTO.

Decisions and Report of the Session

68. In accordance with Rule 31 of the Rules of Procedure the Chairman read out the main decisions of the Council and requested the Executive Director to submit the Draft Report on the Fifth Session as soon as possible.

Closing of the Session

69. The spokesman of the Consumers (the Representative of Denmark) and of the Producers (the Representative of Bolivia) made brief closing remarks thanking the host Government of Brazil for its hospitality and expressing satisfaction at the successful outcome of the Session due to the atmosphere of cooperation and consensus in which the deliberations had taken place.

70. The Representative of Brazil expressed appreciation for the

various expressions of gratitude and of kind sentiments conveyed to his Government. He wished all participants a safe return to their homes.

71. The Executive Director, Dr. B.C.Y. Freezailah, made a Closing Statement. He reviewed the outcome of the deliberations which were all directed in the final analysis at strengthening ITTO and making it resilient and capable of fulfilling its mandate. Among the significant developments were principally the proposals on establishing a set of criteria and priorities in order to rationalise the scope of work of the Organization, the call for continued and closer collaboration with relevant international agencies, and the concern over harnessing adequate resources to support the Organization. The Executive Director joined in conveying acknowledgements of gratitude to the Government of Brazil, to the Chairman of the Council and the Chairmen of the Permanent Committees and to all others who had contributed to the success of the meetings.

72. Before closing the Session, the Chairman of the Council extended thanks to Brazil for its hospitality and to Japan for providing the necessary finances for holding the meeting outside ITTO Headquarters. In this way ITTO would derive strength from the support of its various Member States in the Regions. The Chairman saw the successful outcome of the Session as a demonstration of the spirit of goodwill and cooperation which promotes continuing dialogue and confidence in the ITTO. He wished all participants a "bon voyage".

Annex I

Texts of the Main Decisions Adopted
by the Council at Its Fourth Session

(Documents: ITTC(IV)/11
ITTC(IV)/12
ITTC(IV)/13
ITTC(IV)/14)

DECISION 1(IV)

PROJECTS AND PRE-PROJECTS

The International Tropical Timber Council,

Having considered, at its Fourth Session, the recommendations of its three Permanent Committees on Projects as contained in PCM(II)/4, PCI(II)/6, PCF(II)/4,

1. Decides

(i) To approve the following Projects:

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

PD 24/88(F) INTEGRATION OF FOREST BASED DEVELOPMENT IN THE
WESTERN AMAZON - PHASE I - FOREST MANAGEMENT TO
PROMOTE POLICIES FOR SUSTAINABLE PRODUCTION

PD 16/87 Rev.1(I) RESEARCH AND DEVELOPMENT ON THE STANDARDIZATION OF
TROPICAL TIMBER AT THE ANDEAN SUB-REGIONAL LEVEL
PHASE 1: REVIEW OF THE CURRENT SITUATION OF TIMBER
STANDARDIZATION AND DEVELOPMENT OF WORK PLANS FOR
SUBSEQUENT PHASES

PD 18/87 Rev.1(I) SELECTION AND INTRODUCTION OF LESSER KNOWN AND
LESSER USED SPECIES FOR SPECIFIC END-USE

(ii) To further approve the International Seminar as
contained in Document PD 32/88(F) as an activity of
ITTO;

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

PD 2/87(F) (US\$240,000); PD 11/87(I)
(US\$345,000); PD 24/88(F); PD 16/87 Rev.1(I) and also of
the Seminar contained in PD 32/88(F)

(iv) To further authorize additional budget allocations of
US\$15,000 and US\$9,435 for implementation of Projects PD
10/87(F) and PD 13/87(I) respectively;

2. Notes the decision of the Permanent Committees to implement the following Pre-Projects:
 - a) MANAGEMENT OF NATURAL TROPICAL MOIST FORESTS TO OBTAIN A SUSTAINABLE PRODUCTION OF WOOD AND OTHER FOREST PRODUCTS AND MAINTAIN THE ECOLOGICAL BALANCE IN ECUADOR (US\$75,000)
 - b) CONSERVATION, MANAGEMENT, UTILIZATION AND INTEGRAL AND SUSTAINED USE OF THE FORESTS OF THE CHIMANES REGION, BENI DEPARTMENT, BOLIVIA (US\$75,000)
 - c) HARMONIZATION OF SPECIFICATIONS OF TROPICAL TIMBER PRODUCTS(US\$50,000)
 - d) IMPROVEMENT OF HARVESTING SYSTEMS FOR SUSTAINABLE MANAGEMENT OF TROPICAL FORESTS(US\$150,000)
3. Authorizes financing of all the Pre-Projects from the Pre-Project Sub-Account;
4. Further authorizes the Executive Director to transfer the amount of US\$50,000 from the Project Sub-Account to the Pre-Project Sub-Account to contribute to the financing of the two first mentioned Pre-Projects;
5. Decides that Projects for which funds are not immediately available can be implemented when earmarked contributions for such Projects are received;
6. Urges Members to consider financing those Projects for which funds are not immediately available;
7. Urges Members to consider further unearmarked funding and decides that any such future unearmarked funds shall not be allocated for any approved Projects without the prior authorization of the Council.

* * * * *

INTERNATIONAL TROPICAL TIMBER COUNCIL
Fourth Session
Rio de Janeiro, 29 June - 1 July 1988

RESTRICTED
ITTC(IV)/12
1 July 1988
Original: ENGLISH

DECISION 2(IV)

PROJECT CYCLE

THE INTERNATIONAL TROPICAL TIMBER COUNCIL,

STRESSING the importance of developing a rational and consistent project cycle.

WELCOMING the proposal for such a project cycle presented by the Secretariat in document ITTC(IV)/3.

D E C I D E S

1. To invite Members to submit written comments on the proposed project cycle to the Secretariat.
2. To request the Secretariat to present a revised proposal on the project cycle for consideration at the next session of the Council taking fully into account the suggestions and comments made in document ITTC(IV)/9 and comments requested in paragraph 1 above.
3. That new project proposals for consideration of the Third Sessions of the Committees and the Fifth Session of the Council must be circulated to Members at least seven weeks in advance in the appropriate languages. It is the responsibility of Member Governments submitting project proposals to co-ordinate with the Secretariat sufficiently in advance to ensure that the necessary consultation, translation and reproduction of their proposals can take place to meet the above deadline. New Project proposals circulated to Members later than that date will be deferred to the subsequent sessions.

* * * * *

INTERNATIONAL TROPICAL TIMBER COUNCIL
Fourth Session
Rio de Janeiro, 29 June - 1 July 1988

RESTRICTED
ITTC(IV)/13
1 July 1988
Original: ENGLISH

DECISION 3(IV)

RESEARCH AND OTHER SERVICES CONTRACTS

THE INTERNATIONAL TROPICAL TIMBER COUNCIL,

CONSCIOUS of the need for utmost transparency in all dealings of the Organization and especially in non-project, pre-project and project activities contracted to individuals and institutions,

EMPHASIZING the importance of making maximum use of available expertise in tropical timber producing and consuming countries and international organizations,

WISHING to

- facilitate relevant Council and Committee decisions;
- allow all interested institutions and consultants to offer their services on a technically and financially competitive basis;
- allow ITTO and donors better to evaluate the cost-benefit effectiveness of such activities.

DECIDES AS FOLLOWS:

1. The Secretariat is requested to prepare a questionnaire/profile sheet for distribution to member countries and concerned international governmental and non-governmental organizations.
2. This questionnaire is to include, inter alia, information on:
 - the general profile of a given organization
 - its special capabilities of interest for ITTO
 - the qualifications of its collaborators with regard to these areas
 - relevant publications and other works
 - costs charged for its services.
3. Member countries are invited to supply such information with regard to institutions and consultants in their countries.

4. Profile sheets pertaining to the institutions and consultants already under contract with ITTO should be submitted to the Council at its next session.
5. Information with respect to other such organizations would be made available to member countries after compilation by the Secretariat and for their records. Up-dating of such information should be carried out from time to time and as appropriate.

* * * * *

INTERNATIONAL TROPICAL TIMBER COUNCIL
Fourth Session
Rio de Janeiro, 29 June - 1 July 1988

RESTRICTED
ITTTC(IV)/14
1 July 1988
Original: ENGLISH

RESOLUTION 1(IV)

THE INTERNATIONAL TROPICAL TIMBER COUNCIL,

CONSCIOUS of the importance of the objectives of ITTA as set out in Art. 1.,

RECALLING the criteria set out in Art. 23,

ALSO RECALLING the functions of the Committees as set out in Art. 25,

RECOGNIZING the need to identify priorities for project and non-project activities for maximum effectiveness,

FURTHER RECOGNIZING that these priorities may change over time,

NOTING the unique role of ITTO being concurrently

- a commodity focussed organization that brings together tropical timber producing and consuming countries
- exclusively concerned with all the relevant aspects of the tropical timber economy
- concerned with achieving a better balance between utilization and conservation of forest resources,

RECALLING the need for close consultations and cooperation with other organizations and prevention of duplication of work (Art.14),

STRESSING the particular relevance of the Tropical Forestry Action Plan to the work of ITTO.

DECIDES:

1. ITTO shall concentrate its activities in the following three areas:
 - (i) sustainable management of tropical timber resources, including appropriate harvesting methods
 - (ii) further processing
 - (iii) market transparency and trade diversification

2. In accordance with Art. 25, ITTO shall achieve a better balance between project and non-project activities.
3. In accordance with paragraph 1. above, the ITTO shall pursue the following activities on a priority basis:

	Non-Project Activities	Project Activities
Committee on Reforestation and Forest Management	encourage the development of national policies aimed at sustainable utilization and conservation	research and development and project implementation of improved forestry and reforestation practices, including harvesting methods, for the sustained production of industrial tropical timber
Committee on Forest Industry	monitor on-going activities and promote exchange of information and transfer of technology; and encourage the harmonization of nomenclature and promote the development of uniform technical specifications of tropical timber products	activities aimed at the development of further processing, including in particular research and development to promote utilization of lesser-known species
Committee on Economic Information and Market Intelligence	remove deficiencies in collecting, analyzing, interpreting and disseminating data on trade, production and consumption, with a view to increasing market transparency	studies and collection of information to complement non-project work on tropical timber markets, and assistance towards strengthening the capability of producing countries in market data collection and processing

4. Each Permanent Committee shall specify in further detail the above-mentioned priorities.
5. In considering both project and non-project activities, each Permanent Committee shall consequently accord the highest priority to those activities which satisfy all relevant parts of this resolution.

* * * * *

Annex II

List of Participants

(Document: ITTC/(IV)/INF1)

INTERNATIONAL TROPICAL TIMBER COUNCIL
Fourth Session
Rio de Janeiro, 29 June - 1 July 1988

RESTRICTED
ITTC(IV)/INF 1
July 1988
English/French/Spanish

LIST OF PARTICIPANTS

AT

THE FOURTH SESSION OF THE INTERNATIONAL TROPICAL TIMBER COUNCIL

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

MEMBERS

AUSTRALIA

- * Mr. Charles Willoughby Director, Forestry Policy, Forestry and Land Resources Branch, Department of Primary Industries and Energy

BOLIVIA

- * Mr. Jaime Muñoz Reyes Advisor to the Ministry of Agriculture of Bolivia
- ** Mr. Javier Lopez Soria Executive Director of the Forestry Development Center of the Ministry of Agriculture
- Mr. Luis Goitia Forestry Development Center

BRAZIL

- * Mr. Valdemar Carneiro Leão Head of Commodities Division, Ministry of External Relations
- ** Mr. Antonio Guimarães President, IBDF
- Mr. Clemente Mourão Counsellor - Brazilian Agency of Cooperation (ABC), Ministry of External Relations
- Ms. Margarida Zobarán Counsellor, Ministry of External Relations
- Mr. Marco Antonio Castello Branco Director, The Brazilian Institute for Forestry Development (IBDF)
- Mr. Carlos Marx Carneiro Director, Project UNDP/FAO/IBDF/BRA/87
- Mr. Sergio Barreiros Azevedo Second Secretary, Commodities Division, Ministry of External Relations
- Mr. Basilio Vianez Representative of The National Institute for Amazonian Research (INPA)
- Ms. Rossana Barros Ministry of Science and Technology
- Mr. Gilberto Siquiera President, Technology Foundation of the State of Acre
- Mr. Diogenen Walter Oliveira Directory Advisor, Brazilian Agency of Cooperation, Ministry of External Relations
- Mr. Afonso Barbosa SG/CSN
- Mr. Joaquim Carlos Freire SG/CSN
- Mr. Jose Fernando Pedrosa Representative of IBDF in Rio de Janeiro
- *** Mr. Amantino R. de Freitas Director, Wood Division, IPT-SA, President, Brazilian Society of Forestry
- Mr. Antonio Kauffman Representative, National Association of Paper and Cellulose Manufacturers
- Mr. Fabio Medeiros Superintendent of Wood and Cellulose, Cia. Vale do Rio Doce

- * Representative/Representant/Representante
- ** Alternate representatives/Representants suppliants/Representantes alternos
- *** Advisers/Conseillers/Asesores

Mr. Flavio Carlos Geraldo	Research Officer (Wood Scientist)
Mr. Francisco Fonseca	Superintendent for Environment, Cia. Vale do Rio Doce
Mr. Gustavo Besse	Cia. Vale do Rio Doce
Mr. Ivan Tomaselli	Representative of ABIMCE (Brazilian Plywood Association)
Mr. José Baranek	Advisor-Director of The Brazilian Association of Wood Producers
Ms. Katia A.S. Genes	Cia. Vale do Rio Doce, Department of Natural Resources
Mr. Marco Antonio Mendes	Advisor to the Governor of Acre
Mr. Niro Higuchi	Agriculture and Forestry Director, National Institute for Amazonian Research (INPA)
Mr. Olivio Bulhoes	Cia. Vale do Rio Doce, Forest Management Department
Mr. Ovidio Gasparetto	Director, Brazilian Exporters Association; President, Amazonex
Ms. Vania Neto Pereira	Cia. Vale do Rio Doce, Environmental Project and Planning Advisor
Ms. Victoria Valli Braile	Rio de Janeiro State Institute of Forestry

CANADA

* Mr. Jean-Michel Roy	Economic/Commercial Counsellor, Canadian Embassy, Brasilia
** Mr. Michael Small	First Secretary, Canadian Embassy, Brasilia
*** Ms. Denise Jacques	Officer, Department of External Affairs

CHINA

* Mr. Liu Hengzhi	Minister-Counsellor, Chinese Embassy, Brasilia
** Mr. Qu Guiling	Chief of Division, Ministry of Forestry
*** Ms. Li Yang Liang	Third Secretary (Commercial), Chinese Embassy, Brasilia
Mr. Wang Dan	Staff Member, Commercial Office, Chinese Embassy, Brasilia

CONGO

* H.E. Dr. Antoine Ossebi Douniam	Ministre de l'Economie Forestière
** Mr. Alexandre Denguet Attiki	Directeur General/President de l'Office Congolais de Bois (OCB)
*** Mr. Joseph Opouya	Conseiller aux Forêts et aux Industries Forestières

CÔTE D'IVOIRE

* H.E. Mr. Vincent-Pierre Lokrou	Ministre des Eaux et Forêts
-------------------------------------	-----------------------------

** H.E. Mr. Bertin Zeze Baroan	Ambassadeur de Côte d'Ivoire au Brésil
*** Mr. Denis Konan	Premier Conseiller Technique du Ministre des Eaux et Forêts
Mr. Francois Yamke	Directeur de la Production et des Industries Forestières et de la Documentation
Mr. Charles Kattie	Sous-Directeur, Statistiques Forestières et de la Documentation
Mr. Bernard Tanoh-Boutchoue	Conseiller Economique et Commercial, Ambassade de Côte d'Ivoire au Brésil
Mr. Oumar Sylla	Attaché de Cabinet, Ministère des Eaux et Forêts

ECUADOR

* Mr. Teodoro Bustamante	Fundación Natura-Ecuador
Mr. Roberto Fausto	Adjunto Civil, Consulado de Ecuador

EUROPEAN ECONOMIC COMMUNITY

COMMISSION

* Mr. Michel Vanden Abeele	Head of Division, Directorate-General for Development
** Mr. Enzo Barattini	Principal Administrator, Directorate- General for Development, DG VIII/A/3

SECRETARIAT GENERAL OF THE COUNCIL

Mr. Rudiger Bandilla	Head of Division, EC Council
----------------------	------------------------------

FEDERAL REPUBLIC OF GERMANY (Presidency)

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

FRANCE

* Mr. Philippe Dupont	Direction Economique, Ministère des Affaires Etrangères
** Mr. Jean-Pierre Cremer	Sous-Directeur des Industries du Bois, Ministère de l'Agriculture
Mr. Jean Clement	Chef du Bureau Forêts et Environnement, Ministère de la Coopération

ITALY

* Mr. Ignazio di Pace	Consul General of Italy, Rio de Janeiro
** Mr. Domenico Cacliojtro	Official, Ministry of Foreign Trade
Mr. Antonio Donatelli	Official, Ministry of Industry

NETHERLANDS

- * Mr. Otto Th. Genee Commodities Section, Ministry of
Economic Affairs
- ** Mr. Wilfred Mohr Commodities Section, Ministry of
Foreign Affairs
- Mr. M. Heering Ministry of Agriculture
- Mr. Louk Dielen Stichting Bos en Hout
- *** Mr. Alle Stoit Chairman, Hardwood Section,
Netherlands Timber Trade Association
- Mr. C.W.F. Bosdijk Secretary, Hardwood and Panel
Products Sections, Netherlands Timber
Trade Association
- Mr. Ronald C. Van Der
Giessen W.W.F./I.U.C.N.
- Mr. Michael S. Ross Advisor to the Chairman of ITTC

UNITED KINGDOM OF GREAT BRITAIN & NORTHERN IRELAND

- * Mr. T. Veness Head of Section, Department of Trade
and Industry
- ** Mr. C. Dowling Department of Trade and Industry
- Mr. R. Kemp Senior Forestry Advisor, Overseas
Development Administration
- *** Mr. R. Webster U.K. Trade Specialist

BELGIUM/LUXEMBOURG

- * Mr. Paul L.J. Mees Vice-Consul, Consulate General in Brazil
- ** Mr. André Baudru Vice-Consul/Commercial Attaché,
Consulate General of Belgium

DENMARK

- * Mr. Peter L. Hansen Chief of Section, Ministry of Foreign
Affairs

FINLAND

- * Mr. Markku Simula University of Helsinki

GABON

- * Mr. Jean Boniface Memvie Directeur General Adjoint des Eaux et
Forêts
- ** Mr. Faustin Legault Directeur du Reboisement

GHANA

- * H.E. Mr. James L.M.
Amissah Ambassador of Ghana, Ghana Embassy,
Tokyo
- ** Mr. John Francois Chief Conservator of Forests
- Mr. S. Kwasi Appiah Ag. Managing Director, Timber Export
Development Board

INDIA

Mr. Shyam Kumar

Commercial Secretary, Embassy of India
Brasilia

INDONESIA

* Mr. Hartono Wirjodarmodjo

Special Assessor of the Minister of
the Ministry of Forestry

** Mr. Karsono

Representative of the Ministry of
Forestry at the Indonesian Embassy,
Tokyo

Mr. Edhimurti Sunoko

First Secretary, Indonesian Embassy,
Brasilia

JAPAN

* Mr. Chihiro Tsukada

Consul-General of Japan, Rio de Janeiro
Director, Wood Distribution Division,
Forestry Administration

** Mr. Masaru Takagi

Department, Forestry Agency

Mr. Motokatsu Watanabe

Assistant Director, Developing Economies
Division, Economic Affairs Bureau,
Ministry of Foreign Affairs

Mr. Reiji Kamezawa

Offical, Developing Economies Division,
Economic Affairs Bureau, Ministry of
Foreign Affairs

*** Mr. Katsuhiko Kotari

Technical Special Assistant to the
President of Japan International
Cooperation Agency

Ms. Yuki Yajima Chaves
Campos

Secretary, Consulate General of Japan

KOREA, REPUBLIC OF

* Mr. Yong Dae Lee

Director, Forest Protection Department,
Forestry Research Institute, Seoul

** Mr. Yun Kyung Duk

Assistant Director, Forestry
Administration

MALAYSIA

* Mr. Mohd. Yusof Basir

Deputy Secretary General, Ministry of
Primary Industries

** Mr. Mohd. Sinon Mudzakir

Principial Assistant Secretary, Ministry of
Primary Industries

Dato' Mohd. Darus Haji
Mahmud

Director General, Forestry Department of
Peninsular Malaysia

Mr. Herman Anjin

Senior Assistant Director, Forestry
Department of Sabah, Malaysia

Haji Baharuddin Haji
Ghazali

Director General, Malaysian Timber
Industry Board

Dr. Yow-Pong Tho

Director, Techno-Economic Division,
Forestry Research Institute

NORWAY

* Mr. Svein Sevje Senior Executive Officer, Ministry of Foreign Affairs

PERU

* Mr. Miguel Palomino Cónsul General del Péru, Rio de Janeiro
** Mr. Juan José Calle Cónsul Adjunto

PHILIPPINES

* H.E. Mr. Lauro Baja Ambassador, Philippine Embassy, Brasilia

SWEDEN

* Mrs. Margareta Kristianson Third Secretary, Trade Department, Ministry for Foreign Affairs
** Professor Nils-Erik Nilsson Head of Prognostic Department, National Board of Forestry

SWITZERLAND

* Mr. Christian Haeberli Representant Suisse auprès de l'OIBT, Office Fédéral des Affaires Economiques Extérieures
** Mr. M. Francois Pillonel Consul Général, Consulat Général de Suisse, Rio de Janeiro

UNION OF SOVIET SOCIALIST REPUBLICS

* Mr. Valeri V. Voinov Deputy Trade Representative of the USSR in Brazil
** Mr. Anatoly Gribentchikov V/O "Mebelintorg"
*** Mr. Mikhail Smirnov Legal Adviser of the Trade Delegation, Embassy of the U.S.S.R., Brazil

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
Mr. Milton Drucker U.S. Consulate General, Rio de Janeiro
Ms. Diana Tasnadi Primary Commodities Division, Department of Commerce

Private Sector Advisors:

Mr. Robert Buschbacher Director of Tropical Forestry Program, World Wildlife Fund
Mr. Warren Jimerson President, Contact International, Inc.

Specialized and Related Agencies

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

Mr. M. de Montalembert Chief, Policy and Planning Service,
Forestry Department
Mr. Hidenori Kasai Experto del Proyecto FAO/Japón, Peru

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Mr. Robert Hallet Industrial Development Officer

Inter-Governmental Organizations

AFRICAN TIMBER ORGANIZATION

Mr. Gahuranyi Tanganika Secretary General

Non-Governmental Organizations

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

Mr. Michael C. Latham President

BRAZILIAN MOVEMENT IN DEFENSE OF LIFE

Ms. Sonia Regina de Brito President
Pereira

CENTRE TECHNIQUE FORESTIER TROPICAL (CTFT)

Mr. Patrick Y. Durand Regional Representative, Southeast Asia
Mr. Paul Vantomme Research Officer at The National Institute
for Amazonian Research (INPA), Manaus

COMPANHIA POPULAR EM DEFESA DA NATUREZA

Mrs. Ruth Christie President
Ms. Claudia Kohler Secretary

ENVIRONMENTAL POLICY INSTITUTE

Mr. James N. Barnes Senior Attorney

FORD FOUNDATION (BRAZIL)

Ms. Laura Snook Consultant, Rural Poverty and Resources
Program

FUNDAÇÃO BRASILEIRA PARA A CONSERVAÇÃO DA NATURA

Ms. Maria Christina Weyland Counsellor
Vieira

FUNDAÇÃO S.O.S. MATA ATLANTICA

Mr. Mesquita Rodrigo	President
Ms. Marina Ugo Santos	Forestry Engineer and Director of Science Division
Ms. Cristina Ruaix Ouran	Staff Member
Mr. Luis Carlos Ramos	Staff Member
Mr. Mauro Antonio Moraes Vitor	Staff Member

FRIENDS OF THE EARTH BRAZIL (AMIGOS DA TERRA - ADFG)

Ms. Magda Renner	President
Ms. Giselda Castro	Founding Member-Vice President

FRIENDS OF THE EARTH U.K.

Mr. Simon Counsell	International Campaign Officer
--------------------	--------------------------------

FRIENDS OF THE EARTH U.S.A.

Ms Kathleen Reilly	Researcher Officer, Tropical Timber Campaign
--------------------	---

GRUPO DE LOS CIEN

Mr. Homero Aridjis	President
--------------------	-----------

INTERNATIONAL INSTITUTE FOR ENVIRONMENT AND DEVELOPMENT (IIED)

Dr. Duncan Poore	Senior Consultant
------------------	-------------------

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

Mrs. Sara Oldfield	Research Officer, Tropical Forest Programme, IUCN Conservation Monitoring Centre
--------------------	--

INTERNATIONAL UNION OF FORESTRY RESEARCH ORGANIZATIONS (IUFRO)

Mr. Amantino R. de Freitas	Deputy Coordinator, Division 5, "Forest Products"
----------------------------	--

JAPAN OVERSEAS FORESTRY CONSULTANTS ASSOCIATION (JOFCA)

Mr. Tsutomu Handa	Director of Research and Development
Mr. Motohiro Arihara	Principal Research Officer

PERUVIAN FOUNDATION FOR THE CONSERVATION OF NATURE

Mr. Gustavo Suarez de Freitas	Director of Projects
----------------------------------	----------------------

RAINFOREST ACTION NETWORK, U.S.A.

Mr. Randall Hayes Executive Director

RAINFOREST INFORMATION CENTRE, AUSTRALIA

Mr. Ian Peter Director

SOCIEDADE BRASILEIRA DE SILVICULTURA

Mr. Amantino R. de Freitas President

TROPICAL ECOSYSTEM RESEARCH AND RESCUE ALLIANCE (TERRA)

Mrs. Ruth Christie
Ms. Claudia Kohler

WORLD WIDE FUND FOR NATURE (WWF INTERNATIONAL)

Mr. Gordon Shepherd	Director-Information and Education
Ms. Nao Hasumi	Japan Liaison Officer
Mr. Ken Cook	Press Director
Mr. Adam Markham	Campaigns Officer
Mr. Christopher Elliot	Conservation Officer
Mr. Jean C.L. Dubois	Forestry Adviser (Forest Management, Agroforestry)
Ms. Vibeke Skat-Roroam	Secretary General, WWF-Denmark
Ms. Anne-Marie Mikkelsen	Press Officer, WWF-Denmark
Ms. Alice von Saldern	Conservation Officer, WWF-Federal Republic of Germany

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

Ms. Bindu Advani, Secretary
Ms. Manami Ohshima, Secretary
Mr. S. Sato, Special Assistant

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 (Annex 1)
5. Admission of Observers
6. Report of the Credentials Committee
7. Consideration of Proposed Amendments to the Report of the on its Third Session (Doc. ITTC(III)D.5 and ITTC(III)D.5/Add.1)
8. 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 Second Sessions of the Permanent Committees
 - b. Consideration of Project Proposals
 - c. Prioritization of Projects
3. Financial Resources for the Special Account
 - a. Review of the Pre-project Sub-account
 - b. Review of the Project Sub-account
 - c. New Contributions to Special Account
4. Assignment of Other Tasks to Permanent Committees
5. Non-Project Work Related to Article 27 and Article 28
 - a. Annual Review and Assessment (Doc. ITTC(IV)/4)
 - b. Annual Report (Doc. ITTC(IV)/5)

C. Establishment Matters

1. Staff Regulations and Rules (Doc.ITTC(IV)/2)
2. Rules of Procedure of the Council: Decision on Rule 32
3. Logo of ITTO

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. Assessment of Contribution of Australia to Administrative Budget 1988 (Doc. ITTC(IV)/6)
3. Report of Auditors for 1986 and 1987 (Doc.ITTC(IV)/7)
4. Appointment of Credentials Committee for 1988
5. Dates and Venues Fifth Session of ITTC and Subsequent Sessions of Permanent Committees

E. Other Business

F. Decisions and Report of the Session

Annex IV

Distribution of Votes

	(1987) VOTES	(1988) VOTES
<u>Producers</u>		
Africa		
Cameroon	34	34
Congo	33	34
Cote d'Ivoire	34	34
Gabon	34	34
Ghana	33	33
Liberia	33	33
Asia		
India	43	42
Indonesia	141	154
Malaysia	158	152
Papua New Guinea	35	35
Philippines	47	44
Thailand	26	26
Latin America		
Bolivia	38	38
Brazil	191	189
Ecuador	29	29
Honduras	25	23
Peru	44	44
Trinidad and Tobago	22	22
Total	<u>1,000</u>	<u>1,000</u>
<u>Consumers</u>		
Australia	-	21
Austria	12	12
Canada	17	17
China	39	41
Egypt	15	15
European Economic Community		
Belgium-Luxembourg	24	25
Denmark	14	14
France	56	55
Germany, Federal Republic of	49	47
Greece	14	14
Ireland	12	12
Italy	41	40
Netherlands	38	40
Spain	24	25
United Kingdom of Great Britain and North.Ireland	55	54
Finland	11	11
Japan	350	334
Korea, Republic of	87	80
Norway	11	11
Sweden	11	11
Switzerland	11	11
United States of America	95	96
Union of Soviet Socialist Republics	14	14
Total	<u>1,000</u>	<u>1,000</u>

Annex V

Reports of the Permanent Committees
on Their Second Sessions

(Documents: PCM(II)/4
PCF(II)/4
PCI(II)/6)

COMMITTEE ON ECONOMIC INFORMATION
AND MARKET INTELLIGENCE
Second Session
Rio de Janeiro, 22-28 June 1988

RESTRICTED
PCM(II)/4
28 June 1988
Original: English

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

Table of Contents

Report

Appendix A Technical Evaluation of Projects

Appendix B Recommendations on "Building Up of the Capability in
Market Intelligence"

REPORT

1. Introduction

The Second Session was opened by the Chairman, H.E. Mr. J.L.M. Amissah (Ghana) on 22 June 1988. The List of Participants is reproduced in document PCM(II)/PCF(II)/PCI(II)/INF 1.

2. Adoption of the Agenda

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

In the organization of its work, the Committee followed the consensus reached to refer two items viz item 5: Criteria and Priority Areas for Programme Development and Project Work, and item 10 b: Annual Review of the World Tropical Timber Situation, for consideration in Joint Sessions of the three Permanent Committees. This decision had been taken following consultations among delegates who were of the view that discussions on relevant documents on these items would achieve the best results if all the correlated elements were considered together in one forum.

3. Admission of Observers

The list of Observers admitted by the Committee figures in documents PCM(II)/PCF(II)/PCI(II)/INF1, INF2, Add.1 and Add.2.

4. Review of Completed Pre-Project Work

There was no Pre-Project Work considered under this item.

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

It was decided after consultations to consider this item in joint sessions of the three Committees. Following the presentation by the Executive Director of the Secretariat's document ITTC(IV)/3 and general discussions an informal Working Group was established to submit conclusions and recommendations in a Proposal to the Council. This Proposal is reproduced in document PCM(II)/PCF(II)/PCI(II)/D.2.

6. Consideration of Project Proposals

Pursuant to the recommendation of the Committee to the Council at its Third Session, one Project was revised and re-submitted for consideration namely PD 7.c/87 Rev. 1 (M) - Statistical Information and Market Indicators: Market News Service for Tropical Timber and Timber Products.

Following general discussions in plenary, the Project was referred to an informal Working Group for technical evaluation. The Comments on evaluation and the recommendation which were approved by the Committee are reproduced as Appendix A. The Committee recommended the Project for immediate approval by the Council.

7. Review of Projects Under Implementation

Under this item, the Committee took note of the document PCM(II)/3 "Progress Report on Projects" submitted by the Secretariat on the four Projects which had been approved for implementation by the Council at its Third Session in November 1987. The Committee was informed by the Swiss delegation of the decision by the Swiss Government to provide financing up to an amount representing fifty percent of the estimated cost of implementing Project PD 1/87 - 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 Government of Switzerland served notice that its commitment with regard to the financing of this Project would no longer be binding on it if within two months of the current Council session the total amount necessary for its implementation has not been made available. The Committee, therefore, recommends to the Council to earmark the necessary funds to enable the Project to be implemented.

The text of the Progress Report is contained in document PCM(II)/3.

8. Review of Pre-Project Work Currently Being Undertaken

The Committee had no Pre-Project Work to consider under this item.

9. Decisions on Pre-Project Work

The Committee did not consider any proposals for Pre-Project Work.

10. Non-Project Activities

a) Report on Building Up of the Capability in Market Intelligence

The Committee considered this item following the presentation of the Secretariat's four documents: ITTC(III)/7; ITTC(III)/7/Add.1 and Add.2: and ITTC(IV)/8.

Following the general debate, the question was referred to an informal Working Group to submit recommendations. The Committee took note of a position paper on Market Intelligence introduced by the U.S. delegation. The set of recommendations and conclusions submitted by the Group and approved by the Committee is outlined in the Report to the Council which figures as Appendix B.

b) Annual Review of the World Tropical Timber Situation

The Secretariat's document ITTC(IV)/4 - Elements for the 1987 Annual Review was submitted to the Joint Session of the three Committees. The Joint Session took note of the document and refers it to the Council.

11. Recommendations to the Council

The Committee makes the following recommendations to the Council:

- (i) Approve Project PD 7.c/87 Rev.1 (M) for immediate financing (Appendix A);

- (ii) Approve the allocation of the necessary funds for the implementation of Project PD 1/87;
- (iii) Approve the Proposal (document PCM(II)/PCF(II)/PCI(II)/D.2) on Criteria and Priority Areas for Programme Development and Project Work;
- (iv) Approve the Report (Appendix II) on Building Up of the Capability in Market Intelligence;
- (v) Take note of the recommendations of the Joint Session on Elements for the 1987 Annual Review.

12. Dates and Venue of the Third Session

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

13. Other Businesses

No questions were considered by the Committee under this item.

14. Report of the Session

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

COMMENTS ON PROJECT IN THE AREA OF
ECONOMIC INFORMATION AND MARKET INTELLIGENCE

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

This Project Proposal was prepared for the Executive Director by the joint UNCTAD/GATT International Trade Center (ITC). Requesting \$772,078 in ITTO contribution over a period of two years, the Project proposes the following main outputs:

- A Market News Service of inter-regional scope, headquartered at ITC in Geneva, with an established network of correspondents in the major importing markets in North America, Europe, Southeast Asia and Japan;
- An established system of collecting supply information from producing/exporting countries;
- An established dissemination system for the immediate channeling of the MNS information to interested parties such as exporters, importers, government agencies, relevant associations;
- An in-depth evaluation report on the effectiveness of a MNS for tropical timber and timber products with detailed recommendations on which a full-scale global market information system will be based.

ITC has an established infrastructure and experience to build upon in its Market News Service for other products, and the system it proposes could serve as a framework within which regional proposals for similar current, on-line News Services could be coordinated efficiently. The proposal as revised presents a phased development program which on the whole seems realistic and cost-effective.

- Although the direct costs of including tropical timber products in the MNS are to be funded wholly by ITTO, as noted in the Project Document, the News Service will benefit from the considerable investment and operating expenses already being underwritten by the services for other products.
- The proposed inclusion of long-term trends and forecasts in a monthly bulletin may in some respects be duplicative of the Joint ITTO/FAO Monthly Bulletin on Tropical Timber Products in the World Timber Trade, being upgraded under Project 7.a/87. The present Project must be closely coordinated with that ongoing Project prior to its implementation. It is also envisaged to explore the possibilities of cooperation with appropriate regional bodies such as the Africal Lumber Producers' Association and others, in order to use their facilities in collecting information from the producing/exporting countries.
- Even if headquartered at ITC in Geneva, the tropical timber MNS must be under joint ITTO/ITC administration and operational control. at the end of the period, arrangements will be made to transfer the Service to the ITTO. all this can be achieved through the process of monitoring and evaluation instituted by ITTO in consultation with ITC.

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	ITTO BUDGET US\$	DURATION	GEOGRAPHICAL COVERAGE	RECOMMENDATION
		Art.23 Para.2	Art.23 Para.5	Art.23 Para.6				
7.c/87 Rev.1	-	n/a	n/a	a,b,c,e	772,078	24 months	Global	1

- * 1: Projects recommended for immediate approval by the Council. (Some projects may be subject to minor revisions.)
 2: Projects recommended for approval subject to revision and further consideration by the Committee.
 3: Projects not recommended for further consideration by the Organization. (Some projects may be appropriately submitted to other aid agencies.)

Postscript: The U.S. delegation did not join in this recommendation.

APPENDIX B

REPORT TO COUNCIL ON ITEM

"BUILDING UP OF THE CAPABILITY IN MARKET INTELLIGENCE"

The Committee considered the question of building up of the capability in Market Intelligence on the basis of the Secretariat's documents: ITTC(III)/7 and its Add.1 and Add.2, and ITTC(IV)/8. The Committee endorses the general lines of measures and proposals outlined in the Secretariat's documents, as providing a sound basis for developing an active and direct role for organizing ITTO's activities in Market Intelligence.

The Committee emphasizes the need to avoid duplication of effort to any extent possible. It urges, therefore, the Secretariat to intensify its efforts to explore all possible areas of cooperation and coordination with relevant international organizations and institutions, in particular the ECE Timber Committee, the FAO, UNCTAD, ITC, the African Timber Organization, the South-East Asia Lumber Producers' Association, the EEC Eurostat and any others.

Work in Market Intelligence will benefit considerably from also involving relevant trade and industry associations in producing and consuming countries on an organized basis.

The Committee reviewed the scope of work involved in information gathering as the focal point in building up in-house capability in Market Intelligence. The Committee recommends that the Secretariat be requested, on the basis of the review of internationally available tropical timber statistics--as reported in Document ITTC(III)/7 Add.1 and taking into account the national responses to the first Secretariat Questionnaire on the State of National Statistics, to prepare a statement in synoptic tabular form of the following, inter alia:

- (i) identifying the deficiencies in available statistics within the framework of the terms of ITTA; and
- (ii) specific proposals for remedying these deficiencies.

The document is to be prepared in close consultations with other relevant international organizations.

The Committee further recognizes the need for the Secretariat to organize information in such a way as to ensure its usefulness through improving its timeliness, quality and the extent of its coverage. Since the ITTO has a unique coordinating role in the organization of information on all aspects of the tropical timber market, the scope of such information should be immediate, short, medium and long-term in order to be beneficial to all interested parties--government, trade and industry.

The Committee welcomes with appreciation the kind offer by the ITC to provide an Annual Review of further processed wood products as its contribution to the ITTO's preparation of the Annual Review. Similarly, the Committee notes the contribution of other institutions in particular the FAO and ECE Timber Committee through on-going Projects to contribute to strengthen the capability of ITTO in the area of Market Intelligence.

On the mechanism and methodology for processing information, the Committee recommends that the ITTO should draw on the experience of the ECE Timber Committee. In this connection, it is recommended that the sample format of Questionnaire reproduced in Document ITTC(IV)/8 should be adopted. An urgent appeal should be made to all interested parties, in particular members to fulfill their obligations in consonance with Article 27 (2) of the IPTA and to cooperate in providing prompt and accurate responses to Questionnaires. Responses should provide both qualitative and quantitative information. Members are, in this regard, further urged to respond, if they have not yet done so, to the first Questionnaire sent to them requesting information on the State of National Statistics.

In processing information it is vital to institute within ITTO, during the first of its bi-annual sessions, an annual discussion and analysis of the tropical timber market situation on the basis of the collected market data. In this way the unique forum provided by the ITTO for consultations and exchange of views between consumers and producers will be developed in order to improve transparency in the tropical timber market. In furtherance of this objective the Committee strongly recommends that the Council mandate the Executive Director to undertake consultations and submit proposals for constituting an Ad Hoc panel of experts to be selected in their individual capacity to assist the Organization in its work in Market Intelligence.

The Committee expresses grateful appreciation of Japan's continued assistance and support in providing the necessary computer infrastructure to the ITTO Secretariat.

The Committee recognizes the need for adequate resources to strengthen the staff of the Statistical Unit of the Secretariat to enable it to cope with its increasing responsibilities. The Committee, therefore, welcomes the offer of the Government of Finland to provide technical assistance at no cost to the Organization. The Committee firmly recommends to the Council to endorse the initiatives of the Executive Director in pursuing his consultations with the Government of Finland with a view to securing the services of an appropriate Programmer on secondment to the Secretariat under the terms of the Technical Assistance Scheme of the Government of Finland.

ITTC(IV)/D.1
page 46

COMMITTEE ON REFORESTATION AND
FOREST MANAGEMENT
Second Session
Rio de Janeiro, 22-28 June 1988

RESTRICTED
PCF(II)/4
28 June 1988
Original: English

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

Table of Contents

Report

Appendix A Technical Evaluation of Project Proposals

REPORT

1. Introduction

The Second Session of the Committee was opened by the Chairman, Mr. Mohd. Darus Haji Mahmud on June 22 1988. A list of participants is provided in document PCM(II)/PCF(II)/PCI(II)/INF1.

2. Adoption of the Agenda

At the first meeting on June 22, the Committee adopted the Agenda of its Second Session as contained in document PCF(II)/1. It was decided that deliberation on agenda item 6 should be started in a joint session of the three Permanent Committees.

3. Admission of Observers

A list of Observers admitted by the Committee figures in documents PCM(II)/PCF(II)/PCI(II)/INF1, INF2, Add.1 and Add.2.

4. Review of Project Work in Progress

A status report 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, was presented to the Committee and is summarized below.

PD 2/87 Rehabilitation of Logged-over Forests in Asia/Pacific Region: The Government of Japan has allocated partial funding for the Project and considers favourably full financing in the future.

PD 10/87 Forest Management of Natural Forests in Malaysia: Arrangements for the implementation of the Project are well advanced and work is expected to commence in July 1988. The Government of Switzerland has decided to finance the Project. The Forest Department of Peninsular Malaysia will be executing the Project.

PD 15/87 The Biology of Okoume in Gabon: The implementation of the Project will start when 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 will start in July 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 requested to provide the required consultant services.

The Committee requested the Secretariat to submit, in advance of the Committee Sessions, elaborated progress reports on Projects to all delegations.

5. Reports on Completed Pre-projects

The Pre-project "Tropical Forest Management for Multiple Use", executed by Harvard Institute for International Development (HIID), was completed in February 1988 and the Report on the Study, entitled "The Case for Multiple-Use Management of Tropical Hardwood Forest", was submitted in March 1988. A summary of the report is contained in document PPR 7/88(F).

Representatives of HIID commented on the report and the study. The Pre-project generated four project proposals for consideration by the Committee and the Council.

The Committee requested the Secretariat to explore the means of distributing the full Pre-project report "The Case for Multiple-use Management of Tropical Hardwood Forests" by HIID to all Members in their preferred languages.

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

This Agenda item was considered in joint meetings of the three Permanent Committees. The proposals resulting from the Committees' work are contained in document PCM(II)/PCF(II)/PCI(II)/D.2.

7. Consideration of Project Proposals

Draft Project Documents for eleven proposed Projects were presented for consideration by the Committee. Five of the Projects were the result of Pre-project Studies.

One Project Proposal (PD 24/88(F), INTEGRATION OF FOREST-BASED DEVELOPMENT IN THE WESTERN AMAZON - PHASE 1 - FOREST MANAGEMENT TO PROMOTE POLICIES FOR SUSTAINABLE PRODUCTION) is a result of the Pre-project Study on the development of integrated approaches for sustainable utilization and conservation of tropical forests in the Amazon region, approved by the Committee on Forest Industry at its First Session in November 1987. The study was carried out by the Brazilian Agency for Cooperation (ABC).

Four Project Proposals (PD 25/88(F), ECONOMIC POLICIES AND INSTITUTIONAL ARRANGEMENTS FOR SUSTAINABLE TROPICAL TIMBER PRODUCTION, PD 26/88(F), MODEL FOR SUSTAINABLE TROPICAL HARDWOOD PRODUCTION THROUGH MULTIPLE-USE MANAGEMENT, PD 27/88(F) ECOLOGICAL AND ECONOMIC EVALUATION OF BIOLOGICAL DIVERSITY FOR SUSTAINABLE FOREST MANAGEMENT and PD 28/88(F), SILVICULTURAL EXPERIMENTS AND ECONOMIC EVALUATION OF ALTERNATIVE MANAGEMENT SYSTEMS FOR TROPICAL HIGH FORESTS) were generated by the Pre-project on multiple use management of tropical forests approved by the Council at its Second Session in March 1987. The study was executed by the HIID.

One Project Proposal (PD 30/88(F), MANAGEMENT OF NATURAL TROPICAL MOIST FORESTS TO OBTAIN A SUSTAINABLE PRODUCTION OF WOOD AND OTHER FOREST PRODUCTS AND MAINTAIN THE ECOLOGICAL BALANCE) was submitted by Government of Ecuador.

One Project Proposal (PD 32/88(F), INTERNATIONAL SEMINAR ON SUSTAINABLE UTILIZATION AND CONSERVATION OF TROPICAL FORESTS) was submitted by the Government of Japan.

Two Project Proposals (PD 33/88(F), CREATION OF THE NATIONAL INSTITUTE FOR FOREST RESEARCH and PD 34/88(F), CONSERVATION, MANAGEMENT, UTILIZATION AND INTEGRATED AND SUSTAINED USE OF THE FORESTS OF THE CHIMANES REGION, BENI DEPARTMENT, BOLIVIA) were submitted by the Government of Bolivia.

Two Project Proposals (PD 35/88(F), REHABILITATION OF LOGGED-OVER FORESTS and PD 36/88(F), PLANTATION ESTABLISHMENT METHODS) were submitted by the Government of Papua New Guinea.

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

8. Review of Pre-project Work in Progress

The International Institute for Environment and Development (IIED), who is executing a Pre-project study on Natural Forest Management, reported on the progress of work.

Japan Overseas Forest Consultants Association (JOFCA), which is executing two Pre-project studies, one on Enrichment Planting and the other on Plantation Techniques, reported on the progress of these two studies.

The Secretariat was requested to establish a formal series of Pre-project progress reports.

9. Decision on Pre-Project Work

The Committee decided to implement the following Pre-projects:

- (i) Management of Natural Tropical Moist Forests to Obtain a Sustainable Production of Wood and Other Forest Products and Maintain the Ecological Balance in Ecuador; estimated budget requirement US\$ 75,000;
- (ii) Conservation, Management, Utilization and Integrated and Sustained Use of the Forests of the Chimanes Region, Beni Department, Bolivia; estimated budget requirement US\$ 75,000;
- (iii) Activities of Stage 1 leading to outputs I, II, III and V of the proposed Pre-project Improvement of Harvesting Systems for Sustainable Management of Tropical Forests, at a maximum cost of US\$ 150,000, subject to financing.

The Committee took note of an outline of research opportunities developed by the U.S.A. Forest Service Institute of Tropical Forestry and introduced by the delegation of U.S.A.

10. Non-Project Work

The Committee took note of a statement by the representative of the environmental NGOs.

The Committee requested the Secretariat to hold consultations with environmental NGO's to explore the possibilities of developing 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 Committee further requests the Secretariat to undertake discussions with the NGO's in order to establish a consultative process which can strengthen the cooperation between ITTO and the NGO's. The Secretariat should also work for close cooperation with organizations of the timber industry and the timber trade.

The Committee requested the Secretariat to continue the liaison with the TFAP Advisors' Group and the exchange of information with the Coordinating Unit of the TFAP, where relevant, and report the results of this collaboration to the Committee.

The Committee advised the Secretariat not to pursue, for the time being, the preparation of a brochure to provide guidelines on the implementation of national policies which meet the objectives of ITTA, proposed by the Committee at its First Session.

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 Fourth Session.

12. Other Business

No matters were raised under this agenda item.

13. Recommendations to the ITTC

The Committee made the following recommendations:

- (i) that Project PD 24/88(F) be considered for immediate approval and financing;
- (ii) to approve the seminar described in PD 32/88(F) as an ITTO activity;
- (iii) to defer consideration of Projects PD 25/88(F), PD 26/88(F), PD 27/88(F), PD 28/88(F) and 36/88(F) until Pre-project work, currently in progress, in related subject areas are completed; the possibilities of combining these Projects with proposals emerging from those Pre-projects should be explored;

- (iv) that Project PD 35/88(F) be incorporated in PD 2/87(F) approved by the Third Session of the Council;
- (v) that Project PD 33/88(F) should not be considered for implementation by ITTO but should be promoted for financing through other sources;
- (vi) that the Project document PD 10/87(F), which was approved for immediate implementation by the Third Session of the Council, be amended to extend ITTO review and monitoring beyond the initial establishment period of three years to include three additional reviews at two years interval; an additional budget allocation of US\$ 15,000 will be required bringing the total ITTO budget of the Project to US\$ 272,353; and
- (vii) that the Executive Director be authorized to start work on Project PD 2/87(F), although full financing has not been secured, provided that a fully funded, viable sub-project can be identified, and implemented without increasing the total cost of the Project.

14. Report on the Session

The Committee accepted this report for submission to the Council.

COMMENTS ON PROJECT IN THE AREA OF
REFORESTATION AND FOREST MANAGEMENT PROJECTS

PD 24/88(F) INTEGRATION OF FOREST BASED DEVELOPMENT IN THE WESTERN
 AMAZON - PHASE I - FOREST MANAGEMENT TO PROMOTE POLICIES
 FOR SUSTAINABLE PRODUCTION

The Project is designed to collect, compile and analyse natural resources data for comprehensive economic planning and policy development.

It has the potential to develop into a demonstration model for forest and land use planning and may thereby be of value throughout the tropics.

The Project document covers in sufficient detail the physical quantification of forest and land resources and is a technically sound document but does not indicate that human resources aspects of policy and plan development will be considered. A mechanism for consultation with local population needs to be included. Consultations with representatives of other economic sectors of the area should also be a feature of the Project.

Research which has been initiated during the development phase covered by the Project, and which are of long term nature, should be continued in subsequent phases.

Minor amendments, as recommended by the informal working group, should be made in sections Objectives and Activities of the Project Document.

The Project is recommended for approval and immediate implementation.

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

The Project will evaluate alternative pricing policies and institutional arrangements that will promote reforestation, sustainable utilization and conservation of tropical forests. It will aim at formulating applicable, consistent and cost effective sets of economic and institutional incentives for investment in efficient forest utilization, conservation and reforestation.

The reviews and evaluations will be carried out for individual countries and will be synthesized into regional and global proposals for institutional and policy development.

The Project addresses problems which may be considered also in Project Proposals resulting from the Pre-Project on Natural Forest Management, executed by IIED, which will be completed in the third quarter of 1988. Consideration of the Project by the Council should therefore be deferred. The IIED should be requested to explore the possibilities of combining this Project with proposals resulting from the Pre-project on Natural Forest Management.

PD 26/88(F)

MODEL FOR SUSTAINABLE TROPICAL HARDWOOD PRODUCTION
THROUGH MULTIPLE-USE MANAGEMENT

The Project will develop a predictive model for optimal sustainable management of tropical high forests. The model will consider both timber and non-timber goods and services and incorporate economic and silvicultural parameters.

A standard methodology for collection of economic and silvicultural data will be developed and tested and subsequently adopted and applied in interested ITTO member countries.

A further aim of the Project is to initiate a worldwide network of research forests in which standardized data are collected.

The Project incorporates aspects which are considered by the Pre-Project on Natural Forest Management, executed by IIED, which will be completed in September 1988. Consideration of the Project by the Council should therefore be deferred. IIED should be requested to explore the possibilities of combining this Project with proposals resulting from the Pre-Project on Natural Forest Management.

PD 27/88(F)

ECOLOGICAL AND ECONOMIC EVALUATION OF BIOLOGICAL
DIVERSITY FOR SUSTAINABLE FOREST MANAGEMENT

The Project will:

- (a) establish biological and economic criteria for selection of areas for conservation;
- (b) estimate the economic value of preserving biological diversity in a specific nature reserve;
- (c) propose ways and mechanisms to recover part of this economic value without detriment to the biological diversity.

Six areas of potential importance for conservation of biological diversity will be evaluated. Guidelines for survey and sampling work will be developed and training will be arranged.

The outputs of the Project will assist in determining the total value of natural forest management and conservation and will thereby provide a better basis for assessing the competitiveness of forest management compared to alternative land uses.

The Project is of global interest and addresses concepts which are of immediate and increasing importance. However, work is being done in this field by other agencies. This needs to be fully considered in the Project. The consideration of the Project by the Council should therefore be deferred till these studies can be fully accounted for.

PD 28/88(F)

SILVICULTURAL EXPERIMENTS AND ECONOMIC EVALUATION OF
ALTERNATIVE MANAGEMENT SYSTEMS FOR TROPICAL HIGH FORESTS

The Project will determine optimal management systems for forest stands under the following criteria:

- (a) maximum net present value;
- (b) sustainability of production;
- (c) sociopolitical acceptability.

The Project contains three Sub-Projects served by a common support unit.

Sub-Project (i) will provide methodology for diagnoses of forest conditions upon which management prescriptions can be based. It aims to advance on existing knowledge in providing universal silvicultural categories and standards and in judging management on the basis of non-timber goods and services as well as of timber yield and of socio-political as well as commercial value.

Sub-Project (ii) aims at enhancing the value of tropical forests for timber and non-timber production through enrichment planting. Means will be sought to propagate and transplant seedlings of chosen species; management methods for enrichment planting will be improved; the feasibility of enrichment planting will be assessed; training will be provided.

Sub-Project (iii) will evaluate the performance of tree species in different ecological/silvicultural environments and of single versus multi species plantations in principal site conditions.

All three Sub-Projects are concerned with aspects which are also considered in the Pre-Project on Natural Forest Management which is executed by IIED and which will be completed in September 1988. In addition, Sub-Project (ii) deals with aspects of forest regeneration which is under investigation in the Pre-Project executed by JOFCA in cooperation with CTFT. This Pre-Project will be completed in the third quarter of 1988. Moreover, this Project is similar in concept to the approved Project PD 10/87 on Management of Natural Forests in Malaysia.

The consideration of this Project by the Council should be deferred until the two Pre-Project mentioned above have been completed. IIED and JOFCA should be requested to explore the possibilities of combining this Project with the Projects emerging from their studies.

PD 25/88, 26/88, 27/88, 28/88 (F)

GENERAL

The four Project Proposals should as far as possible be combined with Projects emerging from the Pre-Projects on Natural Forest Management, Enrichment Planting and Plantation Techniques, which will be completed in the third quarter of 1988. The executing agencies for these

Projects should be instructed to take this into consideration in Project formulation. The Secretariat should compile the comments made by the informal working group and submit them to these agencies as guidance.

The Pre-Project report, which gives the background information of the four Projects, should be translated into the official languages of ITTO and distributed to Committee and Council Members.

Selection of sites, and agreement on locations by governments should be clarified in the new proposals. Participation of local agencies and authorities and involvement of local expertise should be secured.

PD 30/88(F)

MANAGEMENT OF NATURAL TROPICAL MOIST FORESTS TO OBTAIN A SUSTAINABLE PRODUCTION OF WOOD AND OTHER FOREST PRODUCTS AND MAINTAIN THE ECOLOGICAL BALANCE

The long term objective of the Project is to develop an integrated forest management system which includes silvicultural techniques for sustainable production of timber, fuelwood, rubber, nuts and medicinal plants. It should also provide protection for catchment areas and wildlife, assist in developing tourism and recreation and contribute to the conservation of biological diversity.

The Project will carry out applied silvicultural research in support of the development of a management plan which aims at increasing timber production and, at the same time, at obtaining sustainable production of other, non-timber, products from the natural forest.

It will establish sub-projects for agro-silvi-pastoral development for rural communities in and near the Project area and study these cases of integrated utilization and direct, local consumption.

The Project will prepare an integrated forest management plan incorporating all basic activities, given weight according to their relative importance for the over all result, and considering the regional socio-economic environment and the timber demand situation.

The Project addresses problems which are specific for Ecuador, but the methodologies which are developed, and some of the results, will have regional and global application.

The background of the Project needs to be further clarified and the proposal elaborated in greater detail. The Committee therefore decided that a Pre-Project be carried out to provide the basis for a revised Project Proposal. US\$ 75,000 should be allocated for this purpose. The revised Project Proposal should be presented at the Third Session of the Committee.

The research aspects covered by this Project Proposal are included also in PD 24/88, which is regional in its approach. The two Projects should be coordinated so that they complement each other and duplication of efforts is avoided. Further, the Project should form a part of the national TFAP of Ecuador, which is now being developed.

PD 32/88(F)

INTERNATIONAL SEMINAR ON SUSTAINABLE UTILIZATION AND
CONSERVATION OF TROPICAL FORESTS

The Project will arrange a seminar to be held in conjunction with the Fifth Session of the ITTC in the autumn of 1988. The seminar will focus attention on conservation aspects of tropical forest utilization and aims at bringing together interested parties - ITTO members as well as non-members - to discuss how these aspects can best be incorporated in ITTO Projects and programmes.

The Seminar should provide for the presentation of findings of the Pre-Projects carried out by HIID, IIED and JOFCA.

If the response and the results are encouraging, the Government of Japan may consider repeating the seminar as a forum for exchange of conservation ideas and concepts and as a channel for non-members' contribution to ITTO's activities.

Selection of speakers for the Seminar should be made in close cooperation with the ITTO Secretariat.

The Committee recommends that the Council approve the proposed Seminar as an ITTO activity.

PD 33/88(F)

CREATION OF THE NATIONAL INSTITUTE FOR FOREST RESEARCH

The Project will establish Instituto Nacional de Investigaciones Forestales (INIF) for promotion and execution of scientific research and work for application of research results throughout the forestry sector.

Priority areas for research are:

- (i) Forest management and silviculture;
- (ii) Plantation of fast growing species;
- (iii) Physical and mechanical characteristics of timber with market potential;
- (iv) Adaptation of fast growing industrial species;
- (v) Quantification of the forest fauna and planning its management as a sustainable resource.

The Project will also prepare a medium and long term work programme for the Institute and provide training for national staff.

The TFAP which is being developed will identify research needs and a Project for the establishment of a research institute in Bolivia should form an integral part of the National TFAP.

This Project is expected to be of great value for the development of the forestry sector of Bolivia and it meets ITTO's objectives.

However, the necessary long term commitment of assistance and the high requirement of finance are beyond the capacity and resources of ITTO. It is therefore recommended that the Council promotes the Project for financing through other sources.

PD 34/88 (F,I) CONSERVATION, MANAGEMENT, UTILIZATION AND INTEGRAL AND SUSTAINED USE OF THE FORESTS OF THE CHIMANES REGION, BENI PROVINCE, BOLIVIA

The Project is concerned with several aspects of the conservation and resource development efforts initiated by the creation of the Beni Reserve and the subsequent agreement with Conservation International to expand the regulated area and to establish a multi disciplinary approach to conservation, development and utilization of the natural resources of the region.

The Project will provide basic information and research needed for the sustainable utilization of Tropical Forests, and its proposed modus operandi involving government institutions, the private sector and national and international NGO's make it highly commendable.

The Project addresses the multiple disciplines and aspects involved in the highly complex work required for production and industrialization of tropical timber in a sustainable way. In view of the complexity and extension of the work, it may be advisable to seek its implementation in stages, with a first phase covering the preparation of the forest management plan, the silvicultural survey and research, and the preparation of detailed work programmes for the subsequent phases.

The background of the Project needs to be further clarified and the proposal elaborated in greater detail. The Committee therefore decided that a Pre-Project be carried out as a basis for a revised Project Proposal. US\$ 75,000 should be allocated for this purpose. The revised Project Proposal should be presented at the Third Session of the Committee.

The research aspects covered by this Project Proposal are included also in PD 24/88, which is regional in its approach and in PD 30/88 submitted by Ecuador. The three Projects should be coordinated so that they complement each other and duplication of efforts is avoided. Further, the Project should form a part of the national TFAP of Bolivia, which is now being developed.

PD 35/88(F) REHABILITATION OF LOGGED-OVER FORESTS

The objective of the Project is to develop methods for treating selectively logged forest to restore and enhance their sustainable production.

The Project will design and carry out surveys of logged-over forests, study logging damage and develop diagnostic sampling systems for stands. It will study and develop seed collection and nursery techniques.

The Project will establish research plots to study the effect of various treatment methods and stand rehabilitation systems, and monitor the growth of treated stands. The economic and financial viability of stand treatment and rehabilitation systems will be assessed and guidelines for stand rehabilitation will be developed.

Development of staff resources for research will be a major feature in order to provide for the continuation of the research after termination of the Project.

Seminars for management personnel will be arranged.

The Project should be incorporated in and made a sub-project of PD 2/87(F), which was approved by the Third Session of the Council.

PD 36/88(F)

PLANTATION ESTABLISHMENT METHODS

The Project will assist in obtaining optimal yield from forest plantations and provide guidelines for implementation of plantation methods.

Tree improvement will be an important aspect and the Project will place emphasis on providing improved planting stock and develop field planting methods.

The Project will establish and evaluate nursery and field trials in at least three locations having different climatic-edaphic characteristics and for a number of important species.

The proposed Project is in the field of activities considered by the Pre-Project on Plantation Techniques currently in progress. The Project should be considered by the executing agency of that Pre-Project and, if feasible, be included, if necessary amended, among the Projects which will be proposed for consideration by the Third Session of the Committee and the Fifth Session of the Council.

APPENDIX A

TECHNICAL EVALUATION OF PROJECTS IN THE AREA OF REFORESTATION AND FOREST MANAGEMENT

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					
24/88	c,e,f & h	R & D	a,b,d,e	a,b,c,d,e	1,078,000	3 years	Amazon Region	1
25/88	h	Refor. & Forest M.	-	a,b,c,e	484,820	2 years	Global	deferred
26/88	h	R & D	b,c,e	a,b,c,d,e	2,527,190	3 years	Global	deferred
27/88	h	Refor. & Forest M.	-	b,e	789,512	3 years	Global	deferred
28/88	h	Refor. & Forest M./ R & D	b,c,e	a,b,c,d,e	4,568,900	5 years	Global	deferred
30/88	c,f,h	R & D	a,b,c,d	a,b,c,d,e	1,172,000	6 years	Ecuador	2 Pre-Project proposed
32/88	a,f,h	Refor. & Forest M.	-	b,d,e	73,000	2 months	Global	1
33/88	c,f,h	Refor. & Forest M.	-	a,b,e	1,450,000	3 years	Regional	3

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					
34/88	b,e,f,g & h	Further and Increased Processing in Producing Countries, and Reforestation and Forest M.	-	a,b,c,d,e	2,000,000	3 years	Bolivia	2 Pre-Project proposed
35/88	c,f,h	R & D/ Ref. & Forest M.	b,c,e	a,b,c,d,e	490,000	5 years	Papua New Guinea	to be incor- porated in 2/87
36/88	c,f,h	R & D	c	a,b,c,d,e	365,000	5 years	Papua New Guinea	deferred

- * 1: Projects recommended for immediate approval by the Council. (Some projects may be subject to minor revisions.)
 2: Projects recommended for approval subject to revision and further consideration by the Committee.
 3: Projects not recommended for further consideration by the Organization. (Some projects may be appropriately submitted to other aid agencies.)

COMMITTEE ON FOREST INDUSTRY
Second Session
Rio de Janeiro, 22-28 June 1988

RESTRICTED
PCI(II)/6
28 June 1988
Original: English

REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL
SECOND SESSION OF THE PERMANENT COMMITTEE ON
FOREST INDUSTRY

Table of Contents

Report

Appendix A Technical Evaluation of Project Proposals

REPORT

1. Introduction

The Second Session was opened on 22 June 1988 by Dr. Markku Simula (Finland), the Chairman of the Committee. The list of participants is reproduced in document PCM(II)/PCF(II)/PCI(II)/INF1.

2. Adoption of Agenda

At its first meeting on 22 June, the Committee adopted the Agenda of its Second Session as contained in document PCI(II)/1.

In the organization of its work, the Committee followed the consensus reached to refer item 6: Criteria and Priority Areas for Programme Development and Project Work, for consideration at Joint Session of the three Permanent Committees. This decision had been taken following consultations among delegates who were of the view that discussions on this item would achieve the best results if all the correlated elements were considered together in one forum.

3. Admission of Observers

The list of Observers admitted by the Committee figures in documents PCM(II)/PCF(II)/PCI(II)/INF1, INF2, Add.1 and Add.2.

4. Review of Project Work in Progress

By its Decision 2(III) of 20 November 1987, the Council approved for immediate financing and implementation the Forest Industry Projects 3.d/87, 3.e/87, 13/87, 20/87 and 21/87. A Progress Report on these Projects is reproduced in document PCI(II)/3.

With reference to the implementation of these Projects and the proper and successful completion of the work, the Committee recommends to the ITTC to:

- Urge producing member countries of Africa and Latin America/Caribbean which have not done so to supply as soon as possible the information requested by the Secretariat to allow continuation of work on Projects 3.d/87 and 3.e/87. The information requested refers to advise on species for promotion and on local agencies to participate in the Data Bank Network.
- Approve a revised budget presented by the Malaysian Timber Industry Board (MTIBT) to implement Project 13/87. The original budget of US\$ 75,465 was increased to US\$ 84,900 because of the inclusion of the non-ASEAN producing member countries recommended by the Committee and because of absorption of evaluation costs.

- Express its gratitude to the FAO and CTFT for authorizing ITTO to translate and print the technical documents on forest industry identified in Project Document 20/87.

The Secretariat was requested to provide elaborated written reports on Project work in progress at future meetings of the Committee.

5. Reports on Pre-Project Work

The Committee took note of the completion of the Pre-project Study on the Development of Integrated Approaches for Sustainable Utilization of Tropical Forests in the Amazon Region (PPR 8/88). The Committee expressed its satisfaction with findings of the study which provided the basis for the Project Proposal contained in the document PD 24/88(F). The Committee also took note that an addendum will be presented with more details to contribute to the evaluation of integrated forest industries development in the region.

The Committee recommended to the Council to request the Executive Director, after incorporation of the addendum and text revision, to reproduce and disseminate the Pre-project report as an ITTO technical document.

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

It was decided after consultation to consider this item in Joint Sessions of the three Permanent Committees. Following the presentation by the Executive Director of the Secretariat's Document ITTC(IV)/3 and general discussions, an informal Working Group was established to submit conclusions and recommendations in a proposal to the Council. The proposal which was approved by the Joint Session of the three Permanent Committees is reproduced in the document PCM(II)/PCF(II)/PCI(II)/D.2.

7. Consideration of Project Proposals

The Committee technically appraised and evaluated four Project Proposals (PD 16/87 Rev.1(I), PD 18/87 Rev.1(I), PD 29/88(I) and PD 31/88(I)) submitted for its consideration. The examination of the fifth proposal (PD 37/88(I)) was deferred until the next Session because it was submitted too late for a full appraisal. The detailed results of the Committee's project proposal evaluation and appraisal are presented in Appendix A.

8. Review of Pre-Project Work in Progress

Description of two Pre-project Proposals covering studies already in progress were presented to the Committee and are contained in the document PCI(II)/4. One is concerned with the problems of Sawing Difficult-to-Cut Tropical Timber Species and the other with the Seasoning of Mixed Tropical Hardwood Species. The two Pre-projects are being implemented by the United States Forest Products Laboratory, Madison, Wisconsin, and are expected to be completed by the end of September 1988.

9. Decision on Pre-Project Work

The Committee approved a Pre-project study on the Harmonization of Specifications of Tropical Timber Products. The estimated costs of the Pre-project study amount to US\$ 50,000.

10. Non-Project Activities Related to the Committee Functions

The Committee took note of the profile of three proposals of non-project activities prepared by the Secretariat.

They are related to the Committee's functions described in Article 25 paragraph 3 (a-e) of the ITTA. The proposals refer to:

- (1) 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;
- (2) establishing a regular practice of presentations by Committee members of reports on themes of interest for forest industry development;
- (3) the organization of regular roundtables to promote the tropical hardwood timber industry in producing member countries.

With regard to the fellowship program the Committee expressed the view that it was premature to decide on its appropriateness before more information on related work by other organizations is available, particularly from FAO and UNIDO. Questions on the costs of the program and on sources of finance were also raised.

The Committee recognized the need to integrate exchange of information on forest industry development with a similar exercise by the Committee of Economic Information and Market Intelligence. Decision on this proposal was deferred until further work can establish more precisely what kind of information should and could be supplied.

The proposal to organize a roundtable on a regular basis was judged premature by the Committee. The Committee recommended that action to further detail this proposal be deferred until implementation and evaluation of the roundtable planned in the approved Project document 21/87 are completed.

The Secretariat was asked to put forward further proposals on non-project activities including respective estimates of inputs and their costs when sufficient information becomes available.

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 Fourth Session.

12. Recommendation on Project Proposals

The Committee recommended to ITTC the immediate approval of the following Project Proposals:

PD 16/87 Rev.1(I) RESEARCH AND DEVELOPMENT ON THE
STANDARDIZATION OF TROPICAL TIMBER AT THE
ANDEAN SUB-REGIONAL LEVEL PHASE 1: REVIEW OF
THE CURRENT SITUATION OF TIMBER
STANDARDIZATION AND DEVELOPMENT OF WORK PLANS
FOR SUBSEQUENT PHASES

PD 18/87 Rev.1(I) SELECTION AND INTRODUCTION OF LESSER KNOWN AND
LESSER USED SPECIES FOR SPECIFIC END-USE

The Committee recommended to ITTC for approval, subject to revision and further consideration by the Committee, the Project:

PD 29/87(I) DEVELOPMENT AND UNIFICATION OF STANDARDS AND
SCALING METHODS FOR TROPICAL LOG AND SAWN
TIMBER

The revision should also take into account the results of the forthcoming Pre-project study on the Harmonization of Specifications of the Tropical Timber Products.

Highlighting the value of Project document PD 31/88(I) PROGRAM ON FORESTRY EDUCATION AND PROMOTION FOR THE PUBLIC OPINION OF ECUADOR, the Committee recommended its approval for ITTO sponsorship, after the document has been revised based on the suggestions of the technical evaluation (Appendix A).

COMMENTS ON FOREST INDUSTRY PROJECTS

PD 16/87Rev.1(I) RESEARCH AND DEVELOPMENT ON THE STANDARDIZATION OF TROPICAL TIMBER AT THE ANDEAN SUB-REGIONAL LEVEL PHASE 1: REVIEW OF THE CURRENT SITUATION OF TIMBER STANDARDIZATION AND DEVELOPMENT OF WORK PLANS FOR SUBSEQUENT PHASES

The Project will basically survey and assess the present status of timber standards and nomenclature of species at the level of the Cartagena Agreement Board. The information provided will be used in the preparation of work plans to further advance the progress of establishing and putting into use standards at the sub-regional level.

This standardization of species nomenclature and harmonization of specifications of processed timber products is an essential part of the process of regional industrial development. The study will consider and evaluate the work carried out by JUNAC and National Institutions in this field. The Project should also take into account the information on existing grading rules and standards collected by the Asian/Pacific Forest Industries Development Group/FAO and the work of ATIBT.

As informed by the Government of Peru the distribution and renumeration of the consultants listed in the Project Document will be as follows:

- International Expert, Standardization(1) 3 m/m US\$12,000
- International Expert, Nomenclature of species and groups of species(1) 5 m/m US\$10,000
- National Experts(5) 30 m/m US\$15,000

This information should be reflected in the contract between ITTO and the executing agency.

Independently of this Project, world-wide work would be needed in the field of harmonization of nomenclature and product specification where this kind of Project could be put into proper perspective.

PD 18/87Rev.1(I) SELECTION AND INTRODUCTION OF LESSER KNOWN AND LESSER USED SPECIES FOR SPECIFIC END-USE

The Project will generate a computer programme that will select tropical timber species that meet the requirements of selected end uses. The outputs will include a list of species with properties that meet the requirements for use in windows, window-frames and door frames, flooring, cladding, and in constructional parts of solid furniture.

The Project should be expanded in a later phase to include a wider range of end products including the ones in major market outlets in Japan and United States. The Project should also devote some attention to end-uses and market outlets that could take mixed species. The

Project could also be expanded to check on producing countries' domestic demand and local uses.

The Project should integrate in the study the relevant information and expertise in national (at consumers and producers level) and regional institutions, with particular attention to the work being carried out by CTFT under Projects 3.d/87 and 3.e/87.

Consultations have to be carried out with the appropriate institutions of producing and consuming countries which have expressed interest before contracting the Project, to avoid duplication of work. Based on the results of these consultations the executing agency may present a revised budget to the organization.

PD 29/88(I) DEVELOPMENT AND UNIFICATION OF STANDARDS AND SCALING
METHODS FOR TROPICAL LOG AND SAWN TIMBER

This Project will review and draw up appropriate scaling methods and standard specifications to promote utilization and trade of tropical timber. The proposed work to unify scaling and grading is of great importance for trade promotion but clearly needs a strong involvement of producers and consumers if it is to be successful. It would be advisable to consult and to seek the participation of other relevant organizations working in this field, such as the International Standards Organization and the ATIBT.

The Project should also elaborate further on the mechanisms to secure active participation of the traders. Although the Project plans one seminar, this event may not be sufficient to reach consensus to provide legal status for the proposed log and sawn timber standards. As this Committee is establishing a practice of meeting twice a year, the Project could also propose to carry out in the Committee part of the work needed for the adoption of a simple and standardized specification and scaling system.

This Project is also significant because it has a potential to contribute to all three producing regions and all consuming countries as well. The conciliation of the various methods, systems and interests involved is, however, an enormous task and the preparation of a well defined work plan - indicating the beginning and end of each activity and the production of outputs - to be incorporated in the Project document and appraised by the Committee would be desirable. The Project document could be developed further or another alternative could be to carry out a Pre-project study to review the needs and possibilities for unifying and harmonizing scaling methods, product specifications and grading rules.

PD 31/88(I) PROGRAM ON FORESTRY EDUCATION AND PROMOTION FOR THE
PUBLIC OPINION OF ECUADOR

The Project will launch a major forestry education program in Ecuador. The program will prepare training materials and carry out several training events aimed at raising consciousness concerning forestry and the importance of appropriate utilization and conservation of forests.

This Project potentially has substantial significance for the conservation of tropical forests of Ecuador. This Project is also very significant because it will involve local communities in its implementation. Some of the expected results of the Project have a potential to benefit other countries in the region (experience, training materials), and if implemented, the Project should incorporate special mechanisms to disseminate results and successful methodologies to other interested countries.

For the public education programme, the Project should also secure the collaboration and participation of the National Forest Service which is directly responsible for the national forest resources.

Some parts of the Project document are not adequately described, particularly the input and output sections. A work plan indicating the beginning and the end of each activity and production of outputs would also be needed. Given the overall value of the Project it is recommended that it be approved for sponsorship by ITTO after the necessary modifications have been made. ITTO should then assist the Government of Ecuador in seeking financing.

PD 37/88(I)

INDUSTRIAL UTILIZATION OF NEW TROPICAL TIMBER SPECIES IN
PERU

The Project will prepare and implement an applied research programme aimed at introducing in commercial scale 20 lesser known species of Peru. The industrial trials that will be carried out will provide valuable information and experience to improve timber processing in the country.

The document presented for the Committee's appraisal is only a Project Profile and an in depth evaluation of the proposed work should be deferred until a full Project Proposal is submitted.

APPENDIX A

TECHNICAL EVALUATION OF PROJECTS IN THE AREA OF FOREST INDUSTRY

PROJECT DOCUMENT	ITTA OBJECTIVES ARTICLE 1	AREA OF ACTIVITY		CRITERIA Art.23 Para.6	ITTO BUDGET US\$	DURATION	GEOGRAPHICAL COVERAGE	RECOMMENDATION*
		Art.23 Para.2	Art.23 Para.5					
16/87 Rev.1	c,e,g	R & D	a,d	a,b,c,d,e	135,000	6 months	Andean Pact Countries	1
18/87 Rev.1	c,g	R & D	a	a,b,c,d,e	238,250	12 months	3 Regions	1
29/88	c,e,g	R & D	a	a,b,c,d,e	305,000	24 months	3 Regions	2
31/88	f,g	Training		a,b,c,d,e	411,700	24 months	Ecuador	Sponsorship after revision
37/88	c,e,g	R & D	a,d	a,b,c,d,e	1,439,000	24 months	Peru	Evaluation in the next meeting

- * 1: Projects recommended for immediate approval by the Council. (Some projects may be subject to minor revisions.)
 2: Projects recommended for approval subject to revision and further consideration by the Committee.
 3: Projects not recommended for further consideration by the Organization. (Some projects may be appropriately submitted to other aid agencies.)

Annex VI

List of States and Organizations Which Applied for Observer Status
and Were Admitted by the Council at its Fourth Session

States

Argentina
Colombia
Mexico
Nigeria
Portugal
Venezuela
Zaire

Inter-Governmental Organizations

Junta de Acuerdo de Cartagena

Non-Governmental Organizations

Association Technique Internationale des Bois Tropicaux (ATIBT)
Brazilian Movement in Defense of Life
Centre Technique Forestiere Tropical (CTFT)
Companha Popular Em Defesa Da Natureza
Environmental Policy Institute
Ford Foundation (Brazil)
Fundação Brasileira Para a Conservação da Natureza
Fundação S.O.S. Mata Atlantica
Friends of the Earth - Brazil (Amigos da Terra - ADFG)
Friends of the Earth - U.K.
Friends of the Earth - U.S.A.
Grupo de los Cien
International Institute for Environment and Development (IIED)
International Union for the Conservation of Nature (IUCN)
International Union of Forestry Research Organizations (IUFRO)
Japan Overseas Forestry Consultants Association (JOFCA)
Peruvian Foundation for the Conservation of Nature
Rainforest Action Network, U.S.A.
Rainforest Information Centre, Australia
Sociedade Brasileira de Silvicultura
Southeast Asia Lumber Producers' Association (SEALPA)
Tropical Ecosystem Research and Rescue Alliance (TERRA)
World Wide Fund for Nature (WWF)

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

Distr. Restricted
ITTC(IV)/D.1/Add.1
20 October 1988
Original: English

Amendment to the Draft Report of the
International Tropical Timber Council
on its Fourth Session (29 June - 1 July 1988)

Proposed Amendment to Document ITTC(IV)/D.1

By Sweden, page 5, replace paragraph 26 by the following:

"New project proposals for consideration of the Third Sessions of the Committees and the Fifth Session of the Council must be circulated to Members at least seven weeks in advance in the appropriate languages.
(See Decision 2 (IV), Annex I)"