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## REPORT OF COMPLETED PROJECTS AND PRE-PROJECTS

This document highlights the work carried out under projects PD 124/01 Rev.3 (M) Phase III Stage 1, and PPD 139/07 Rev.1 (M) of the Committee on Economics, Statistics and Markets, as well as projects PD 347/05 Rev.2 (I), PD 385/05 Rev.4 (I,F), PD 448/07 Rev.2 (I), PD 512/08 Rev.2 (I) and PD 523/08 Rev.1 (I) of the Committee on Forest Industry. The Committees may declare these projects and pre-project complete:

### Committee on Economics, Statistics and Markets

1. PD 124/01 Rev.3 (M) Promotion of Sustainable Management of African Forests (ITTO/ATO)  
Phase III Stage 1

#### Budget and Sources of Funding:

Total Budget:	US\$	500,000
Government of Japan:	US\$	200,000
Government of Switzerland:	US\$	200,000
Government of China:	US\$	100,000

Implementing Agency: ITTO

Council Session Approved: Thirty-second (Bali, 2002)

Starting Date: July 2011

Duration:      Planned:      18 months  
                  Actual:         26 months

### Introduction

This project was formulated to assist African member countries of ITTO (who were also all members of the African Timber Organization, ATO) with the application of the ATO/ITTO harmonized PCIs (Principles, Criteria and Indicators) for the sustainable management of African tropical forests. It required considerable capacity building both in member African countries and within ATO, prior to ATO's cessation of activity in 2011. The project has been divided into 3 phases and each phase into stages for facilitating the mobilization of financing, as follows:

- Phase I: Capacity building at the regional and national levels in member countries, establishment of National Multi-stakeholder Forums and development of national PCIs (43 months, Stages 1 and 2 completed);
- Phase II: Capacity building in other member countries, establishment of National Multi-stakeholder Forums and development of national PCIs in nearly all countries (35 months, Stages 1 and 2 completed);
- Phase III: Capacity building in member countries, development of national PCIs in some countries and effective use of tools developed during previous Phases for SFM evaluation/auditing/certification in countries (48 months, Stage 1 completed, Stages 2 and 3 pending financing).

## **Project objectives**

### Development objective:

Promote the sustainable management of African forests through the application and implementation of the ATO/ITTO Principles, Criteria and Indicators with the support and participation of all stakeholder groups.

### Specific Objectives:

1. Establish key elements of the adequate capacity to implement the ATO/ITTO PCIs at the national level in the African member countries of ITTO.
2. Establish key elements of the adequate capacity for effective regional-level cooperation through the African Timber Organization to support individual member countries to implement ATO/ITTO PCIs.

## **Project achievements and outcomes (Phase III – Stage 1)**

### Specific Objective 1

#### Output 1.1

- General Assemblies of National Multi-stakeholder Forums were held in CAR and DRC.

#### Output 1.2

- PCIs for natural forests were finalized in Nigeria and DRC.
- PCIs for forest plantations were developed in Togo, Ghana and Côte d'Ivoire.

#### Output 1.3

- Data were collected according to the reporting format for PCIs Principle 1 in Togo, Nigeria and DRC.

#### Output 1.4

- Forest audits based on the PCI and related auditing framework were organized in Gabon, Cameroon and Côte d'Ivoire.

#### Output 1.5

- 25 forest sector stakeholders were trained in audit methodologies based on PCIs in Togo.

### Specific Objective 2

#### Output 2.5

- The project coordinator (Mr. Olivier Ahimin, Cote d'Ivoire) was recruited and the project steering committee established.
- The ITTO Regional Office for Africa website was developed, including detailed information on this project and establishment of a communication mechanism with participating member countries.

## **Impact of outcomes**

- The PCIs are being used in member countries by the forest administrations through the development of SFM-related manuals and standards.
- The PCIs are considered as the regional reference framework for SFM by forest certification audit companies, and are being used for developing the FSC reference framework during certification audit missions in some countries.
- The PCIs were used as a reference framework for development of the Pan-African Forest Certification system under PEFC.
- The implementation of the PCIs has contributed significantly to the readiness of countries and Forest Management Units for certification, which is being developed in Africa, as well as to the implementation of FLEGT-VPA in the signatory countries.
- The implementation of PCIs has also contributed to the readiness of countries to develop the FLEGT process in those countries where VPAs were successfully agreed.
- The ATO/ITTO PCIs were integrated into the monitoring/evaluation systems of initiatives taken towards an independent monitoring of forest logging legality certification (FORCOMS, WWF-TRAFFIC).
- The partnership between the Project and WWF-CARPO (including the provision of funds by the latter) has contributed significantly to project implementation within the 5 countries in Central Africa.
- Training courses in forest management auditing based on the PCIs have aroused much enthusiasm and interest; the demand for such training courses is very high among forest stakeholders in the region. Requests for forestry auditing are increasing among private operators and Forestry Administrations.
- Trained individuals are now part of an African pool of auditors who are recruited by the FSC and other companies/entities dealing with chain of custody certification, and who are responsible for certifying legality compliance.

- Auditing based on the PCIs constitutes an alternative option available to all companies (small, middle and large), whether certified or not, and to the State for measuring their progress towards sustainable forest management.
- Dialogue between Forestry Administrations and other stakeholders is now effective in most of the participating countries as a result of the National Multi-Stakeholder Forums which were established under the project.
- Countries who have recently joined ITTO (Benin, Mali and Mozambique) have expressed a strong interest in benefiting from Project activities after observing Project impacts on the management of the forestry sector in neighbouring countries.

### Outlook

- The pilot auditing missions in forest concessions, which were launched across three countries during Phase III Stage 1, were a great success and should be extended to other countries.
- As a result of ATO duties having been transferred to the ITTO Regional Office for Africa, efficient continuation of project activities was ensured.
- New ITTO members (Benin, Mali and Mozambique) will be able to establish their National Multi-Stakeholder Forums, and to develop national PCIs in Phase III Stages 2 and 3 of the project assuming these are funded.
- Collaboration with sub-regional initiatives (COMIFAC, ECOWAS, WWF, FSC, etc.) will continue and be strengthened during Phase III Stages 2 and 3 to allow for the continued building-up and consolidation of Project outcomes and impacts.

### Concluding comments

This long-running project continues to provide significant benefits to African member countries of ITTO seeking to implement SFM. The ITTO Secretariat and the project coordinator have been active in seeking donor interest in providing funds for Phase III Stages 2 (US \$600,000) and 3 (US\$518,144), with approaches made to all current and potential partners to allow activities under this important project to continue. Donors will be asked to consider providing the remaining funds required to complete project activities during the Forty-ninth ITTC session [see document CEM-CFI(XLVII)/4].

The complete final report for Phase III Stage 1 of this project is available from the Secretariat on request (French only). The audited financial statements for Phase III Stage 1 are expected to be received by the Secretariat before the end of September 2013. This will be reported orally to the Committee by the Secretariat along with the proposal that the Committee declare Phase III Stage 1 of this project complete.

## 2. PPD 139/07 Rev.1 (M) Strengthening of the National Forest Information System (Thailand)

### Budget and Sources of Funding:

Total Budget:	US\$	116,005
Government of U.S.A.:	US\$	50,000
Government of Japan:	US\$	34,505
Government of Thailand:	US\$	31,500

Implementing Agency: Royal Forest Department

Approved: Spring project cycle (June 2008)

Starting Date: April 2012

Duration:	Planned:	8 months
	Actual:	15 months

The development objective of the pre-project is to improve decision-making on forest management at the national, regional, political, sub-district and forest management unit (FMU) levels in Thailand while its specific objective is to strengthen the National Forest Information System (NFIS). These are to be achieved principally through the conduct of a feasibility study and the formulation of an action plan and a full project proposal for the strengthening of the NFIS of Thailand.

The feasibility study was focused on seven components of the NFIS namely production and consumption of wood and wood products; production and consumption of non-timber forest products; control of illegal logging and illegal associated trade; forest resource assessment; international reporting; forest

research, and community forestry. It confirmed the feasibility and necessity for the strengthening of the NFIS in order to provide ready access and sharing of the most current, consistent and reliable forest resources information; facilitate transparent integration of information across forest agencies; establish consistency and eliminate duplication in reporting; and reduce costs through information technology.

Subsequently, an action plan was developed to strengthen the NFIS comprising two systems architecture proposed to be implemented in two phases, namely the National Forest Information Gateway (NFIG) to be developed over a period of three years and the establishment of the National Forest Centralised Database (NFCD) as a replacement for NFIG. On the basis of the action plan, a full proper proposal has also been formulated with the development objective of improving decision-making on forest management at all levels and the specific objective of strengthening the NFIS for more efficient access and sharing of accurate and consistent forest data. With a proposed budget of US\$928,105, the project proposal comprises the establishment of NFIG under Phase 1 and NFCD under Phase 2 and four outputs namely effective mechanism to coordinate and monitor the NFIS established, consistent data content and classification standards for data to be shared through the NFIS elaborated, NFIS systems installed and operational, and IT technical staff and data users of NFIS trained.

The pre-project had been implemented successfully without any serious delay and problem encountered. The implementing agency has submitted the tangible outputs, the completion report and the financial audit report of the pre-project to the ITTO Secretariat in accordance with the pre-project agreement. The Committee is invited to declare the pre-project complete.

**Committee on Forest Industry**

1. PD 347/05 Rev.2 (I) Promoting Access to the Forest Sector Activities by Gabonese Nationals through the Development of the SME Forest Partnership (Gabon)

**Budget and Source of Funding:**

Total Budget:	US\$	384,200
Government of Japan (BPF-A):	US\$	278,200
Government of USA:	US\$	15,000
Government of Norway:	US\$	10,000
Government of France:	US\$	10,000
Government of Gabon:	US\$	71,000

Implementing Agency: Direction General des Eaux et Forêts (DGEF)

Council Session Approved: Thirty-eight (Brazzaville, 2005)

Starting Date: March 2006

Duration:	Planned:	12 months
	Actual:	80 months

This project was aimed at enhancing the participation of Gabonese nationals in the sustainable management of forest concessions and in the further processing of timber, while identifying a mechanism to promote and finance forest logging and timber processing activities by Gabonese-owned small and medium-sized enterprises (SMEs).

The Executing Agency submitted the completion report at the end of July 2012 and the final financial audit in January 2013, reporting that all outputs have been achieved, as follows:

- Output 1 "Assessment of the current situation of Gabonese SMEs": a technical report was submitted to the ITTO Secretariat on October 2006, in which existing credit mechanisms available for the SMEs and their actual needs are analyzed.
- Output 2 "Selection of five SMEs to participate in the project activities and in the missions": in February 2007, five SMEs were selected based on a set of criteria, including the main activities of the enterprise, motivation, financial situation, level of organization, etc. The selected SMEs included one harvesting company, two mill companies, and two furniture companies. The selected SMEs participated in the missions to Brazil and South Africa.
- Output 3 "Visits to Brazil and South Africa by five Gabonese nationals/SMEs and Government officials in charge of forest industries organized": the mission to Brazil was conducted in 2007, while the mission to South Africa was conducted in February 2011. In both trips Gabonese authorities and SMEs representatives learned about various existing financial schemes which support SMEs, identified suitable credit lines for acquisition of technology, and established contacts for further cooperation with the governmental institutions of Brazil and South Africa as well as the private sectors. It is important to highlight that the mission to South African resulted in business ventures for the Gabonese SMEs.
- Output 4 "A financing mechanism for Gabonese nationals and PMEFS identified": the financial mechanism was identified and validated in a workshop that took place in October 2011, and which is to be developed in two stages:
  - At the first stage, a new unit will be established within the Ministry of Water and Forest to assist SMEs, in improving their access to existing credit lines, centralizing all financing request and overseeing their progress; and
  - At the second stage, relevant institutions in charge of promoting and supporting the development of SMEs are reorganized.
- Output 5 "A project proposal aimed at supporting the implementation of this mechanism with the participation of five nationals/SMEs identified and developed": the project proposal has been drafted; however, it is still to be officially submitted to the ITTO Secretariat by the Government of Gabon.

The implementation of the project was delayed for 68 months, as the Implementing Agency faced internal bureaucracy for the release of the counterpart contribution and was slow in submitting the completion report and final audit. However, the project was executed below the budget for ITTO contribution, with savings in the amount of US\$20,505.00. Counterpart contribution to the project budget increased from US\$71,000.00 to US\$80,000.00.

The Implementing Agency has submitted the technical reports, completion report, and final financial audit report to the ITTO Secretariat. The Committee may wish to declare the project complete.

2. PD 385/05 Rev.4 (I,F) Industrialization, Marketing and Sustainable Management of Ten Mexican Native Species

Budget and Source of Funding:

Total Budget:	US\$ 1,965,119
Government of Japan:	US\$ 314,678
Government of Mexico:	US\$ 1,650,441

Implementing Agency: University of Guadalajara (Department of Wood, Cellulose, and Paper)

Council Session Approved: Forty-first (Yokohama, 2006)

Starting Date: December 2008

Duration: Planned: 36 months  
Actual: 43 months

This project was aimed at acquiring technical information on 10 native tropical timber species in order to enhance their productivity and forest management, and to identify market niches for both primary and processed products from these species, with the following three specific objectives:

- Specific objective 1: Define silvicultural management and production systems for ten native tropical timber species with high commercial potential;
- Specific objective 2: Identify the technological and industrial potential of the selected species; and
- Specific objective 3: Identify the commercial potential and market niches for each of the selected species according to their technological and industrial potential.

The Implementing Agency submitted a total of six technical reports, which are available on the ITTO website at [http://www.itto.int/project\\_reports/](http://www.itto.int/project_reports/). The Implementing Agency conducted the activities for a total of eleven timber species versus ten as contemplated in the project document.

Achievement of outputs is reported as follows:

For Specific Objective 1

- Outputs 3.1.1 "Prospective programmes for the sustainable silvicultural management of 10 selected species" and 3.1.2 "Silvicultural diagnosis of the species under study": a technical report has been produced and submitted which comprises information on forest inventory, cartography and management programs of the selected species, with some other additional information.
- Output 3.1.3 "Training to Forest Producers": a forum was held in the city of Campeche, Quintana Roo to review and analyse strategies for SFM, and the industrialization and marketing of the selected species. Topics of the forum included legislation, forest inventory, volumes of the selected species, experiences in commercial timber plantations and distribution of the species. Further information of the forum is available in the report mentioned in the bullet above.

For Specific Objective 2

- Output 3.2.1 "Diagnostic study on primary and secondary timber industries in the region under study": a technical report has been submitted, describing the primary and secondary timber

industries in the states of Campeche, Quintana Roo, Tabasco and Yucatan. The report provides detailed information on the source of raw materials, their volumes and cost, installed production capacity and used production capacity, availability of machinery and equipment, employment and level of skills of the employees, timber products processed and their current markets.

- Output 3.2.2 “Technological characterisation of the selected species”: a technical report has been submitted, which comprises information on the methodology for laboratory testing, wood structure and quality, physical-mechanical properties, natural durability, drying, workmanship, glulam, and the uses of the selected eleven timber species. In addition, a booklet summarizing the properties of the timber species was produced for easy and quick reference. The selected eleven species are:
  1. *Brosimum alicastrum* (Ramón),
  2. *Manilkara zapota* (Chicozapote),
  3. *Bucida buceras* (Pucté),
  4. *Lonchocarpus castilloi* (Machice),
  5. *Metopium brownei* (Chechén),
  6. *Platymiscium yucatanum* (Granadillo),
  7. *Tabebuia rosea* (Rosamorada),
  8. *Caesalpinia platyloba* (Chacté viga),
  9. *Lysiloma bahamensis* (Tzalam),
  10. *Piscidia piscipula* (Jabín), and
  11. *Tabebuia donnell-smithii* (Primavera).
- Output 3.2.3 “Training and technical assistance for primary and secondary timber processing industry personnel”: consultations with forest producers and representatives of forest industries were carried out in order to design the content of the technical assistance to be provided under the project. Technical workshops on timber sawing, drying, planning, marketing, and design were carried out during October and November 2011, such training workshops had the participation of two professors from the University of Hamburg.
- Output 3.2.4 “Dissemination of the information”: a final dissemination event took place in Chetumal, Quintana Roo on 8-9 March 2012, in order to present the results of the project to relevant stakeholders, such as, “ejidos” (communal forest units), timber industries, artisans, carpenters, traders and local authorities. The event also highlighted prototypes of timber products of the selected species, which were exhibited at the site. Technical presentations of the event are available at ITTO website.

#### For Specific Objective 3

- Output 3.3.1 “Product use and diversification”: a technical report has been submitted, which focused on the development of timber products of high added value and for high-end market niches, such as, furniture, decorative items, kitchen products, home accessories, jewels, etc. as well as the development of a collective brand for the marketing and trading of these products. For these particular products, the Implementing Agency convened a contest with several universities in Mexico.
- Output 3.3.2 “Study of market niches and prices for the selected species”: a technical report has been submitted which contains the result of a SWOT analysis of the timber industry in Mexico, providing insight on market demand for timber products, tendencies in various potential market niches (construction, furniture, liquor, jewels, etc.) and market appreciation of the species derived from surveys conducted at a relevant trade shows in Mexico and in the USA.

As for project sustainability, the Implementing Agency signed a Memorandum of Understanding with the Government of the State of Quintana Roo for the transfer of know-how generated from the project and for a further research on the timber species and its potential uses.

The final financial audited was submitted in December 2012, indicating that the project was executed with in the budget for both ITTO and counterpart contributions.

The Implementing Agency has submitted the technical reports, completion report, and final financial audit report to the ITTO Secretariat. The Committee may wish to declare the project complete.

3. PD 448/07 Rev.2 (I) Sustainable Utilization and Marketing of Selected Non-Timber Forest Products (NTFPs) to Support the Handicraft Industry and the Development of Rural Communities (Philippines)

Budget and Source of Funding:

Total Budget:	US\$	450,082
Government of Japan:	US\$	294,672
Government of U.S.A.:	US\$	60,000
Government of the Philippines:	US\$	95,410

Implementing Agency: Forest Products Research and Development Institute (FPRDI) in collaboration with Federation of Philippine Crafts Fair Traders Inc. (FPCFTI)

Council Session Approved: Forty-third (Yokohama, 2007)

Starting Date: August 2009

Duration: Planned: 24 months  
Actual: 42 months

This project was aimed at improving the utilization of Non-Timber Forest Products (NTFPs) by rural communities, with three specific objectives:

- Specific objective 1: To determine the availability, extraction intensity, and natural regeneration of selected NTFPs;
- Specific objective 2: To improve the technical skills of collectors and handicraft producers to enhance production, improve product quality and marketing of NTFPs and their handicrafts; and
- Specific objective 3: To assist handicraft organization or collectors in acquiring legal access, land tenure and long term rights in the management and utilization of forestland and NTFPs resource.

The project focused on the selected NTFPs such as: tree-like, herbs, palm, vines, and bamboo in the provinces of Camarines Norte and Quezon, as listed below:

Tree-like	Herb	Palm	Vine	Bamboo
<ul style="list-style-type: none"> <li>• <i>Livistona rotundifolia</i> (anahaw),</li> <li>• <i>Pandanus copelandii</i>.</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Donax camaeformis</i> (bamban),</li> <li>• <i>Setaria palmifolia</i> (lagotok).</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Calamus ornatus</i> (limuran),</li> <li>• <i>Calamus merrillii</i> (palsan),</li> <li>• <i>Calamus mindorensis</i> (tumalin)</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Stenochlaena palustris</i> (hagnaya),</li> <li>• <i>Flagellaria indica</i> (baling-uai),</li> <li>• <i>Dicranopteris linearis</i> (tilob/lamon),</li> <li>• <i>Agelaea borneensis</i> (kamagsa),</li> <li>• <i>Lygodium circinatum</i> (nito),</li> <li>• <i>Raphidophora monticola</i> (lukmoy),</li> <li>• <i>Entada phaseoloides</i> (gugo),</li> <li>• <i>Ichnocarpus frutescens</i> (hinggiw),</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Dinochloa acuticlora</i></li> </ul>



			<ul style="list-style-type: none"> <li>• <i>Freycinetia</i> sp.(red vine),</li> <li>• <i>Tetracea scandens</i> (katmon),</li> <li>• <i>Poikilospermum acuminatum</i>,</li> <li>• <i>Bauhinia integrifolia</i>,</li> <li>• <i>Tinospora glabra</i>.</li> </ul>	
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The Implementing Agency submitted the completion report together with five technical reports in September 2012 reporting the achievement of all planned activities and outputs as follows:

#### For Specific Objective 1

- Output 1.1 “Material/resource availability, extraction intensity and regenerative growth of the selected NTFPs determined and quantified”: the study and the inventory of the selected NTFPs in the project sites has been completed. Summary tables indicate the density and volume of the selected NTFPs.
- Output 1.2 “A report on volume and extraction rate of NTFPs including regenerants growth cycle prepared”: information on the extraction rates was collected from interviews validated with extrapolation of inventories, while regeneration growth was recorded in terms of length and diameter. It was also noted that the selected NTFPs were being used for producing baskets, bags, mats, plates, brooms, and roof-tops. The results on volume, extraction and regeneration rates were shared with the local communities.
- Output 1.3 “Legal policy designed to regulate NTFPs harvesting formulated and implemented”: four local ordinances were drafted, these include: a) development of formula for sustainable NTFP harvesting; b) assisted natural regeneration and plantation development of preferred NTFP; c) penalties for NTFP harvesting without permit from the municipality hall; and d) ban on the marketing of NTFP raw materials. Among these, local ordinance on the penalties for NTFP harvesting without permit from the municipality was approved and implemented in Sta. Catalina, Atimonan, Quezon.

#### For Specific Objective 2

- Output 2.1 “Technically trained NTFPs gatherers and handicraft workers ready to promote sustainable collection of NTFPs and production of high quality handicrafts products”: baseline information on the levels of skills was collected and analyzed for designing the training. Training was provided on:
  - Harvesting, processing, basic weaving skills and advance weaving and bleaching techniques for handicrafts,
  - Preparation and processing of vines and application of preservatives,
  - Production, collection and processing techniques of tiger grass (*Thysanolaena maxima*) for handicrafts,
  - Resin tapping of *Philippine canarium*, and
  - Fiber extraction and processing.

Training modules and dissemination material, such as posters, were prepared and distributed.

- Output 2.2 “Improved production processes acquired in the manufacture of handicrafts”: the training conducted progressed from basic skills into advance skills. At the end of the project the local communities were processing handicrafts such as baskets, fruit trays, plates, flower vases, mats, brooms and home decors made out of NTFPs such as tilob (*Dicranopteris linearis*), hagnaya (*Stenochlaena palustris*), nito (*Lygodium circinatum*), anahaw (*Levistonina rotundifolia*), rattan (*Calamus spp.*), pandan (*Pandanus copelandii*), bamban (*Donax cannaeformis*) and baling-uai (*Flagellaria indica*).

- Output 2.3 “Improved and profitable marketing of raw material and finished products”: trained members of the local communities were organized into small handicraft producers’ group in each project site. Some of the members have been selling their products in the local market.

Strategies to enhance marketing capabilities were developed. These involve installation of product display areas, preparation of product brochures, exposure to trade fairs and exhibits.

Linkages were also established with handicraft producer and exporter company *Southgate Ltd.* that expressed interest in subcontracting the production of handicrafts, which provides potential for project sustainability

- Output 2.4 “Small and viable handicraft producers group organized (...)”: skill development training were conducted during the second year on:
  - Basic of basketry,
  - Product design and development,
  - Product trading (cost, labeling, overhead cost), and
  - Quality control and finishing.

The communities were also trained and organized to participate in six different local trade shows, where they were able to sell their products and contact potential regular buyers.

- Output 2.5 “Gender sensitivity in extraction, processing and marketing of NTFPs determined for information”: The research conducted by the project showed that males are involved in the collection and raw material preparation or processing i.e. scraping, splitting, etc. On the other hand, the females are involved in weaving, product design and development. Females also do the product quality control, pricing and delivery to the market.

#### For Specific Objective 3

- Outputs 3.1 “Forestlands available for application of SIFMA are identified” and 3.2 “SIFMA areas are awarded for management and development”: at the time of project implementation the Implementing Agency worked in SIFMA (Socialized Integrated Forest Management Agreement) areas, which already had tenurial rights. A total of seven project sites were selected (three in Quezon and four in Camarines Norte), MoUs were signed with the communities in February 2010.
- Output 3.3 “Enrichment planting of preferred NTFPs”: the communities were trained by other government agency (DENR) on enrichment planting, and at the end of the project the majority of the project sites had rattan and tiger-grass plantations.

The Implementing Agency took steps to secure the sustainability of project activities after the project completion by collaborating with Community Based Forest Management Associations (CBFMAs) with tenure rights for 25 years, renewable for additional 25 years; by crafting local policies for the conservation of the NTFPs; and by making linkages with other relevant government agencies and handicraft exporters.

The Implementing Agency has also submitted two articles for the TFU magazine.

The final audit report was submitted on April 2013, showing that the project was executed within the budget.

The Implementing Agency has submitted the technical reports, completion report, and final financial audit report to the ITTO Secretariat. The Committee may wish to declare the project complete.

4. PD 512/08 Rev.2 (I) Industrial Utilization and Marketing of Ten Potential Timber Species from Secondary and Residual Primary Forests (Peru)

Budget and Sources of Funding:

Total Budget:	US\$	691,992
Government of Japan:	US\$	328,517
Government of U.S.A.:	US\$	60,000
Government of Korea:	US\$	10,000
AIDER/UNU:	US\$	293,475

Implementing Agency: Association for Integrated Research and Development (AIDER) in cooperation with the National University of Ucayali (UNU) and the National Institute for Natural Resources (INRENA)

Council Session Approved: Spring Project Cycle, May 2009

Starting Date: August 2010

Duration:           Planned:           24 months  
                          Actual:                34 months

This project was aimed at fostering the rehabilitation and enrichment of secondary and residual primary forests in the Peruvian Amazon, by carrying out technological studies to determine the sustainability of abundant timber species found in this particular type of forests. The results of the technological studies carried out were used to identify market niches for these timber species, according to their technological properties.

According to the completion report outputs have been achieved as follows:

For Specific Objective 1

- Output 1.1 “New timber species technologically characterized”: Ten lesser used timber species were selected in a participatory manner with forest concessionaries considering factors such as abundance, phytosanitary status, and traditional uses of the species. Then, laboratory test were conducted at the University of Ucayali in accordance with the international standards, such as IAWA (International Association of Wood Anatomist) and ASTM (American Society for Testing and Materials), as a result of the study the following technical reports are now available, covering the ten selected timber species:
  - Protocol for sample collection and selection;
  - Anatomic structure;
  - Natural durability;
  - Mechanical properties;
  - Chemical composition;
  - Study of performance for first stage processing;
  - Study on preservation by diffusion of boron;
  - Performance for kiln drying;
  - Craftsmanship;
  - Chemical transformation of the timber for charcoal production;
  - Technological sheet summarizing above characteristics of the ten timber species.

The species under study were:

- *Apeiba membranacea* (Maquizapa ñagcha),
- *Apuleia leiocarpa* (Ana caspi),
- *Brosimum utile* (Panguana),
- *Croton matourensis* (Aucatadijo),
- *Jacaranda copaia* (Huamanzamana),
- *Matisia cordata* (Sapote),
- *Septotheca tessmannii* (Utucuro),
- *Schizolobium parahyba* (Pashaco blanco),
- *Simarouba amara* (Marupa), and
- *Terminalia oblonga* (Yacushapana amarilla).

- Output 1.2 “Proposal of suitable conditions for primary processing”: Activities under this output were carried out in collaboration with SMEs of the region. The following technical reports are now available:
  - Diagnosis of the first and second-stage timber processing industries and production chain in Pucallpa;
  - Prototypes and product diversification of the ten selected timber species, developing 6 different product lines.

For Specific Objective 2

- Output 2.1 “Diversification of products and study of value added prototypes”: a technical report is now available on the subject. The project developed various product lines for the ten selected timber species. Each product line was developed in cooperation with SMEs of the area as detailed below:
  - El Mateo E.I.R.L. - packaging products,
  - Industrial Montes - outdoor furniture,
  - Maderera Wech - sideboards and decorative panels
  - Industrial de Machimbrado Daniela – furniture and woodworks,
  - Consorcio Acosta - wood flooring and school furniture,
  - Industria Maderera Aguilar - decking, and
  - CITEMADERA - plank and woodworks
- Output 2.2 “Business plans for timber products made from new Secondary and Residual Primary Forest species”: A study was carried out to determine the potential market niches for timber products of the selected species at regional, national and international level.

A total of six business plans were developed for five SMEs and one Native Community for the product lines mentioned above.

- Output 2.3 “Development of a dissemination, training and technical assistance programme for forest enterprise management”: A guide for transformation of the timber species into value-added products was published, along with a booklet containing samples, brochures, and technical specification sheets of the ten timber species; a video to disseminate the project results was developed. The results and technical reports of the project were disseminated in various events, including:
  - The Forestry Week organized by the University of Ucayali,
  - VIII International Convention of the Forest Industry organized by ADEX,
  - X National Forest Congress,
  - At the anniversary of the Peruvian Amazon Intercultural University
  - Two dissemination events organized by the Implementing Agency for SMEs, forest concessionaires, Native Communities, and researches.

The project was executed in collaboration with the University of Ucayali, involving teachers and students of the Faculty of Forestry, who through the project have been able to conduct research on the selected species, write their thesis and obtain the degree of Forest Engineer.

As for project sustainability, the University of Ucayali is currently conducting further research on the selected species; four of the SMEs that participated in the project have incorporated the selected timber species into the range of timber products offered to the market, such as decking, furniture and doors; and some of the forest concessionaires and Native Communities started to incorporate the selected species into their forest management plans.

The project was executed within the budget, with savings of US\$5,000.00 while counterpart contribution was reported at US\$293,475.00

The Implementing Agency has submitted the technical reports, completion report, and final financial audit report to the ITTO Secretariat. The Committee may wish to declare the project complete.

5. PD 523/08 Rev.1 (I) Operational Strategies for the Promotion of Efficient Utilization of Rubber Wood from Sustainable Sources in Indonesia

Budget and Sources of Funding:

Total Budget:	US\$	907,794
Government of Japan:	US\$	535,094
Japan Lumber Importers Association (JLIA):	US\$	50,000
Government of Korea:	US\$	20,000
Government of Indonesia/ISWA:	US\$	302,700

Implementing Agency: Indonesian Sawmill and Woodworking Association (ISWA) in collaboration with The Directorate General of Forestry Products Management (BPK)

Council Session Approved: Spring Project Cycle, May 2009

Starting Date: June 2010

Duration:       Planned:       36 months  
                  Actual:         38 months

This project was aimed at contributing to the alleviation of wood raw material supply problem facing the national wood industry through the efficient utilization of rubberwood from sustainable sources. Its specific objective was to promote the utilization of rubberwood from sustainable sources. Planned outputs of the project were: i) increased interest in the utilization of rubberwood owned by large companies; ii) improved incentives for and capacity in the utilization of rubberwood from smallholders' plantations; iii) revised and enhanced government policy governing rubberwood resource utilization; iv) increased investment in rubberwood utilization; and v) appropriate technologies available for the utilization of rubberwood from smallholders' plantations.

In light of the indicators of the outputs defined in the project document, all planned activities had been achieved and delivered through the full execution of 22 planned activities noting that Outputs 1 and 2 were somewhat short of targets for reasons that were beyond control of the project. Achievement of individual outputs is briefly outlined below:

Output 1: increased interest in the utilization of rubberwood owned by large companies

- Feasibility study on rubberwood utilization by rubber companies completed in year 1
- PTPN III, the largest rubber company in North Sumatra province, expressed interest in the utilization of rubberwood in cooperation with wood industries
- Two wood industries indicated strong interest in cooperation with PTPN III in year 3
- The national workshop conducted in year 1
- Consultation with 4 rubber companies on adjustment of replanting schedule accomplished

Output 2: improved incentives for and capacity in the utilization of rubberwood from smallholders' plantations

- Feasibility of utilizing rubberwood assessed in close consultation with farmers
- Selected farmers at 12 villages interviewed regarding needed incentives for replacement of old rubber plantations
- Agro-forestry models for rubber replanting established at 4 sites totaling 14 Ha in size
- 80 farmers trained on harvesting techniques
- 87 farmers trained on agro-forestry techniques

Output 3: revised and enhanced government policy governing rubberwood resource utilization

- Existing policies on rubberwood utilization reviewed and recommendations for policy enhancement provided
- Draft Presidential Instruction (Inpres) prepared and reviewed with the main stakeholders
- National workshop on policy enhancement conducted

Output 4: increased investment in rubberwood utilization

- Relevant information collected and uploaded to website since year 2
- Growing stock data collected from 36 sample plots
- 2 wood industries indicated intention to cooperate with PTPN III in rubberwood utilization

- Website of rubberwood operational since year 2
- The regional workshop conducted

Output 5: appropriate technologies available for the utilization of rubberwood from smallholders' plantations

- One set of multi-ripper sawing machineries procured and tested at PT Jaya Cemerlang Industry in Tangerang, Banten province
- 3 technical manuals published and disseminated
- 2 training sessions on appropriate technologies conducted with 37 participants

With the delivery of all planned outputs, the specific objective has been achieved; since the outputs were found to be fully consistent with the main causes of the key problem addressed. Hence, the delivery of these outputs have resolved the main causes/problems of the key problem addressed, thus achieving the specific objective, the mirror of the key problem. Judging from the pre-defined indicators of the specific objective, however, it was more appropriate to declare the specific objective as "nearly achieved" due mainly to the partial fulfillment of the pertinent indicators, particularly Indicator No. 3, as elaborated in the Completion Report.

The Implementing Agency has submitted to ITTO the Completion Report, five Technical Reports and Final Financial Audit Report. The Committee may wish to declare the project complete.

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