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REPORT OF COMPLETED PROJECTS AND PRE-PROJECTS

This document highlights the work carried out under projects PD 124/01 Rev.1 (M) Phase I Stage 2, PD 171/02 Rev.4 (M), PD 194/03 Rev.2 (M) and pre-project PPD 93/04 (M) of the Committee on Economic Information and Market Intelligence, as well as project PD 146/02 Rev.1 (I) and pre-project PPD 19/01 Rev.2 (I) of the Committee on Forest Industry which the Committees may declare complete:

Committee on Economic Information and Market Intelligence

1. **PD 124/01 Rev.2 (M) Phase I Stage 2** **Promotion of Sustainable Management of African Forests (ITTO/ATO)**

Budget and Sources of Funding:

Total Budget:	US\$	807,732
Unearmarked:	US\$	634,982
African Timber Organization:	US\$	172,750

Implementing Agencies: ITTO and ATO

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

Starting Date: October 2005

Duration: Planned: 18 months
 Actual: 23 months

This project is designed to assist ten ITTO African member countries (all of which are also members of the African Timber Organization - ATO) to implement the harmonized ITTO/ATO Principles, Criteria and Indicators (PCI) for the Sustainable Management of African Tropical Forests. It involves extensive capacity building in ten member countries and within ATO itself. The project has been divided into three phases, with the first and second phases split again into two stages each to facilitate funding. The full completion report for Phase I Stages 1 and 2 as submitted by ATO is available on request from the ITTO Secretariat (French only).

The phasing of the project split activities as follows:

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|-----------|--|
| Phase I | Capacity building at regional and at national levels in selected ITTO member countries and development of draft harmonized PCI (43 months, stage one and two completed) |
| Phase II | Capacity building at national level in the other ITTO member countries and among beneficiaries within selected countries (stage one on-going, stage two pending finance) |
| Phase III | Capacity building among beneficiaries within the other ITTO Member countries (pending finance) |

Phases II and III include regional-level support to participating countries.

Due to the differences in national situations, ATO member countries have been divided into four groups for the purpose of planning project activities:

- A. Countries with progress in forest management and implementing PCI (Cameroon, Ghana, Gabon)
- B. Countries with progress in forest management and CIFOR tests on PCI (Central African Republic, Cote d'Ivoire)
- C. Countries with progress in forest management (Congo, Nigeria and Togo; non-ITTO members Equatorial Guinea, Tanzania)
- D. Countries in need of major improvements in the existing policy and regulatory framework to make progress in forest management (Congo DR and Liberia; non-ITTO members Angola and Sao Tome and Principe)

Stage 2 of Phase I of the project achieved substantial progress in the attainment of outputs 1.1, 1.2, 1.3, 2.1, 2.2, 2.3, 2.4 and 2.5 as follows:

- Output 1.1: National C&I fora are now operational in 6 of the 10 countries to be covered – Cameroon, Central African Republic, Democratic Republic of Congo, Ghana, Gabon and Togo.
- Output 1.2: National versions of the PCI and accompanying certification standards have been established in Cameroon, Congo, Côte d'Ivoire, Gabon and Ghana.
- Output 1.3: National statistics relating to the PCI have been collected for Cameroon, CAR, Congo, Côte d'Ivoire, Gabon and Ghana.
- Output 2.1: The ITTO/ATO PCI for natural forests have been endorsed at the ministerial level by all African member countries. The ITTO/ATO PCI for plantations have been finalized and should be endorsed by countries soon.
- Output 2.2: The regional forum has been established and regular communications occur.
- Output 2.3: An auditing manual for FMU level implementation of the PCI has been developed and a workshop convened to review and disseminate it. A manual for appropriate management systems for African forests is under development.
- Output 2.4: Workshops to train 40 trainers on forest management and forest management auditing have been convened.
- Output 2.5: The regional coordinator was hired at project inception and has continued his duties throughout Phase I (including providing support to ATO in relevant areas). ATO staff have been assigned to the project and computer equipment obtained.

The main lessons learnt during implementation of Phase I are:

- The underlying problems of unsustainable management of African forests were appropriately analyzed while designing the project. However, dividing the first phase of the project into two phases of 18 months each proved difficult to manage in terms of both budget and planning of the activities that had been designed for full years.
- Most of the countries participating in the project are conducting holistic processes of their own as part of their fight against poverty or national reconciliation policies (crisis countries), which has resulted in a greater participation in the project activities of representatives from all the stakeholders involved in the use of natural resources.
- A key factor that is likely to increase the sustainability of the achievements of Phase I of the project is the existence of a growing international demand for timber from legally certified sources. Many consumers of tropical timber in northern countries wish to get their future supplies from proven legal sources. Stakeholders in the forestry sector of countries participating in the project consequently view the ATO-ITTO PCI as a tool to help provide evidence of the legality of the timber exported from this region.

- Using ATO as a regional institution has resulted in a better coordination of the project activities in the various countries despite the limitations this organization has been faced with. The organization of the project, which included the provision of a Regional Coordinator by ITTO for strengthening ATO's capacity, proved most relevant both technically and in terms of the management of the project's resources.
- Since the project includes ten participating countries with limited technological capabilities and often cumbersome bureaucracies, some delays were experienced. This accounts for the five-month extension needed in stage one as well as the six-month extension needed at the conclusion of the second stage. These extensions did not have any major impact on the budget.
- Aside from the project document, the main document that must guide the implementation of the project is the "ATO-ITTO Principles, Criteria and Indicators for the Sustainable Management of African Natural Tropical Forests". This document was officially endorsed by participating countries and widely circulated. It contributed significantly to the smooth execution of the project.

The addition of Nigeria as a new ITTO member after the commencement of the project has required the reallocation of some project resources to allow preliminary activities to commence in that country. Work will continue in Phases II and III in Nigeria and in several other countries where civil wars and other disturbances precluded project activities commencing or otherwise restricted activities during Phase I. Two of the project computers and some peripheral equipment were lost due to a robbery at the ATO headquarters in August 2005. Security has been improved and replacement equipment purchased. Savings in the overall project budget due to related ITTO-funded C&I projects being carried out in some countries (i.e. Republic of Congo) to fund activities (e.g. establishment of a national C&I set) originally intended to be funded under this project have allowed payment of the project coordinator's salary during the extension periods in Phase I. At the conclusion of Phase I of the project, all project outputs and objectives are on target to be met on time and within the approved budget.

The final audit of Phase I of the project was being completed at the time of preparation of this report. It is expected to be received by the Secretariat by September 2007, at which time funds for Phase II, Stage 1 will be released.

2. PD 171/02 Rev.4 (M) Transparency in Trade Flows and Distribution of Tropical Wood Products in China

Budget and Source of Funding:

Total Budget:	US\$	383,584
Government of Japan:	US\$	199,956
Government of USA:	US\$	50,000
Government of New Zealand:	US\$	10,000
Government of China:	US\$	123,628

Implementing Agency: Institute of Forestry Policy and Information, Chinese Academy of Forestry

Council Session Approved: Thirty-sixth (Interlaken, 2004)

Starting Date: March 2005

Duration:	Planned:	18 months
	Actual:	24 months

The objective of the project is to improve market access to the Chinese market for tropical wood products from sustainably managed sources by increasing transparency in China's tropical wood products market as well as identifying and assessing trade flows and distribution channels in the market.

The implementation of the project resulted in the production of the following tangible outputs:

1. Publication of a report entitled 'Transparency in Trade Flows and Distribution of Tropical Wood Products in China'.
2. Publication of a Handbook entitled 'A Brief Introduction of ITTO Major Producing Countries'.
3. Publication of the Directory of China's Major Tropical Forest Product Trading Companies.
4. Publication of the Directory of China's Major Tropical Forest Product Producing Enterprises.
5. Publication of a report entitled 'A Brief Description of China's Major Tropical Forest Product Markets and Trading Ports'.