

INTERNATIONAL TROPICAL TIMBER ORGANIZATION

ITTO

PRE-PROJECT DOCUMENT

TITLE	NATIONAL TRAINING PROGRAM TO PROMOTE THE ADOPTION OF REDUCED IMPACT LOGGING (RIL) IN PAPUA NEW GUINEA
SERIAL NUMBER	PPD 125/06 Rev.2 (I)
COMMITTEE	FOREST INDUSTRY
SUBMITTED BY	GOVERNMENT OF PAPUA NEW GUINEA
ORIGINAL	ENGLISH

SUMMARY

The Government of Papua New Guinea recognizes the need to strengthen its oversight of the natural forest administration and to improve the performance of medium to large-scale forest management companies. Fundamental to this basic recognition, is the need to develop and implement a training program focused on improving industrial scale forest operations in order to strengthen the capacity to manage the natural forests of PNG according to principles of sustainability. It is proposed that this will be achieved through the promotion, training, and demonstration of a strategy widely referred to as Reduced Impact Logging (RIL).

At this stage, there is insufficient information available to allow for the development of a credible, major funding proposal in support of a national RIL training program. This Pre-Project Proposal, will facilitate the development of a full 'Project Proposal Document' for a national promotion, training, and demonstration program for RIL, aimed primarily at improving the capacity and performance of the country's medium to large scale forest companies.

EXECUTING AGENCY	PAPUA NEW GUINEA FOREST AUTHORITY	
DURATION	6 MONTHS	
APPROXIMATE STARTING DATE	UPON APPROVAL	
PROPOSED BUDGET AND OTHER FUNDING SOURCES	Source	Contribution in US\$
	ITTO	58,806
	Government of PNG	14,429
	TOTAL	73,235

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**PRE-PROJECT IN PREPARATION FOR A
NATIONAL TRAINING PROGRAM TO PROMOTE THE ADOPTION OF
REDUCED IMPACT LOGGING (RIL) IN PAPUA NEW GUINEA**

PART I: CONTEXT

1. Origin

This Pre-Project proposal has been prepared to investigate, formulate, and describe the organizational and operational elements for a Project Document which will ultimately be prepared and submitted to the ITTO for full funding support. The Project Document, which will be the direct output of this Pre-Project, will be for a **National Training Program to Promote the Adoption of Reduced Impact Logging (RIL) in Papua New Guinea**.

This Pre-Project is an initiative of the Papua New Guinea Forest Authority (PNGFA). The PNGFA clearly understands that there is a need to improve the forest practices of medium to large-scale commercial forest operations in Papua New Guinea. Manpower capacity building in RIL is seen as a major ingredient for improving forest management practices.

In August, 2005, the PNGFA invited a visit by the Regional Director (SE Asia & Pacific) of the Tropical Forest Foundation to PNG in order to assist in the development of a strategy to formulate a national training program for RIL and, in order to crystallize this concept into a 'Project Idea' paper (*Annex C*).

2. Sectoral Policies

The goal is to develop principles and practices of proper forest harvesting and to develop minimum standards for logging practices in production forests, achieving a dynamic balance of ecological, economical and socio-cultural benefits. This should provide the standard of what is involved in planning and implementing logging activities in natural forests and why certain operations should be undertaken. The outcome of this project is aimed at producing a practical and user friendly guideline, developed within the framework of the PNG's "Logging Code of Practice" and waste assessment procedures.

The project will also provide a basis for the PNG Forest Authority to develop institutional expertise as a basis for further research, extension, and training in proper forests management practices and, the development of RIL practices with emphasis on full compliance with legal requirements.

This initiative is in general recognition to ensure the retention of a viable, residual stand for the successive cutting cycles. As an International Tropical Timber Organization (ITTO) member, PNGFA policies are in line with ITTO's "Year 2000 Objective " of achieving sustainable forest management.

3. Programs and Operational Activities

The Forestry Act of 1991 (as amended) places the responsibility of the management of PNG's forest resources under the Ministry of Forests through the Forest Authority (PNGFA) governed by a National Forest Board comprising of major stakeholders.

The forest resources of Papua New Guinea are owned by the customary tribal landowners. Current forest legislation provides for the extraction of the forests under two arrangements:

1. Large forest concession areas acquired by the State through PNGFA under Forest Management Agreement (FMA) arrangement.
2. Small-scale forest operations covering less than 1000 hectares are developed under Timber Authority(TA) arrangements. Annual harvest quotas are less than 5,000 cubic metres. Other timber types of timber authority entail large-scale forest clearance for

agriculture and road construction purposes. Such TAs processes are very lengthy and in most cases TAs are not issued.

An organization chart of the PNGFA is included in Annex A. Forestry projects are coordinated at the Policy and Aid Coordination Directorate level while most implementation activities are carried out in collaboration with the Field Services Division.

The proposed Pre-Project on developing a national training program to promote the adoption of Reduced Impact Logging, will be implemented under the direction of the Policy Secretariat with the involvement of appropriate personnel from the Forest Planning, Resource Development, and Field Services Divisions.

The main output of the Pre-Project will be a detailed project proposal. The final Project Document will identify the Executing Agency and the operational arrangements for the implementation of the full national training program in RIL.

The PNG has received funding in the past to implement an EU funded project. The focus of this project, referred to as the "Eco-Forestry Program", has been on small-scale, community based forest operations and has developed a capacity for basic training of simple technical skills at the community level. Lessons learned from this project, will be incorporated into the formulation and design of the proposed training project in RIL.

Other Relevant Collaborating Agencies.

- (i) University of Technology (Unitech), Lae
- (ii) Timber Forestry Training College (TFTC) and
- (iii) Eco-forestry.

4. Production Systems

Small-scale forest operations typically do not involve the use of heavy machinery and are by their very nature, low impact operations. In many cases, utilization of the harvested trees is conducted on-site using highly mobile sawmills. The PNGFA has during the past 5+ years been implementing a training program aimed at developing the basic technical skills of local community members. In implementing this program, the PNGFA has developed training skills for activities such as chain saw operation and maintenance, etc.

Medium to large scale forest operations are run by timber companies and use a heavily mechanized approach to logging which involves the development of major road systems, the use of heavy extraction machinery, and the development of a substantial infrastructure. These operations represent the largest sector of the PNG industrial forest operations. It is also the medium to large scale industrial operations which are creating the biggest logging impact, both from an environmental and a social perspective.

To-date, no serious effort has been made to improve training and technical performance of the medium to large scale logging operations. Although the PNGFA promotes the adoption of its Code of Logging Practices, the engagement with the medium to large scale forest operations needs to be strengthened and the technical and human resources of these operations needs to be improved in order to minimize both the environmental and social impacts.

PART II: THE PRE-PROJECT

1. Pre-Project Objectives

1.1 *Development Objective*

Improve the country's forest harvesting practices through capacity building with special emphasis on medium to large scale industrial operations, drawing on experience gained from past training efforts with small-scale community based harvesting activities by developing appropriate demonstrations and

effective training in Reduced Impact Logging (RIL) techniques in order to enhance overall sustainable forest management.

1.2 Specific Objectives

Specific Objective 1: The Pre-Project will conduct a diagnosis of RIL impact of large, medium, and small scale operational practices and collect all information necessary to define the structure, form, and content of a national project on RIL training and demonstration.

Specific Objective 2: Develop a detailed Project Proposal which will take into account the results of the RIL impact diagnosis and concepts for a RIL training and demonstration program.

2. Justification

2.1 Reasons for a Pre-Project

The Problem:

The decision to request support for a Pre-Project, which will lead to the development of a full Project proposal, came about after considerable discussions and the realization that substantial additional information is required in order to develop a detailed project proposal and that this would require substantive field investigations. Currently the information available is inadequate to develop a detailed project proposal.

Proposed Action:

Central to the concept of an RIL demonstration program, is the idea that two specific sites should be identified as demonstration areas. Suitable sites need to be selected and visited prior to the development of a full project proposal.

There is also a need to solicit private sector willingness to participate in an RIL training program. It is therefore, intended under the Pre-Project, that visits will be made to a number of active forest operations to obtain a clear understanding of existing practices and the potential for improvements in the context of a RIL training program.

The detailed investigations proposed under this Pre-Project, will also include discussions on operational arrangements of the full project as well as the realistic budgeting for implementation of the proposed project in RIL training and promotion. This will include discussions with relevant Government agencies and training institutions in order to develop strategies and operational *modus operandi*.

After the field visits and discussions, a project proposal will be developed.

2.2 Problems to be Addressed

Medium to large-scale forest operations make up the bulk of PNG's annual log harvests. Lack of training in RIL is undermining efforts to achieve sustainable forest management. Therefore, a clearly recognized need to strengthen the operational performance of the medium to large scale forest operations through more effective oversight, and, particularly through practical demonstrations and in-the-field training of Reduced Impact Logging techniques are needed.

In 1996, PNG adopted a 'Logging Code of Practice' as a tool for assuring the management of the country's forests according to principles of sustainability. It is recognized that the current Logging Code of Practice address best environmental and forest management practices, however, human resources to implement these practices are still weak. In addition, the capacity to provide good oversight of industrial forest practices is also weak and needs strengthening through focused training programs.

This weakness in implementation capacity, places a strain on the social dimension. Since all forestland in PNG falls under a community-based, traditional land ownership system, failure to implement best practices such as RIL, create environmental and social problems and conflicts. The achievement of sustainable forest resource management is therefore, crucial to the well-being and development of forest concessions communities on whose traditional lands the forest management activities are taking place.

It is expected that by strengthening the technical capability of the private sector forest companies through a practical training program, the ultimate beneficiaries will be the communities, the private sector companies, and the PNGFA field staff responsible for overseeing of forest management activities.

The Problem Tree in Figure 1 states the fact that the capacity to understand the technical aspects of RIL as well as the capacity to promote and regulate better practices as defined by RIL, is still weak at all levels. This statement is elaborated by a description of some of the weaknesses and shortcomings in the current practices and overall structure of the forest sector. The final outcome of this condition, is the failure of forest operations to adopt RIL practices, thus undermining the national effort to achieve sustainable forest management practices.

The implementation of a national training and promotion program in RIL, will seek to overcome the structural and human capacity problems identified in this Problem Tree, by providing technical training to forest management practitioners, both in the private and Government sectors, and by elaborating on the implementation details for the standards provided in the "Logging Code of Practice".

2.3 Target Beneficiaries

The target beneficiaries of the intended project, falls under three categories.

- 2.3.1 Medium and large-scale forest companies will benefit from participating in the proposed project in a number of ways. Their management and staff will benefit from the proposed training by improving their technical skills. The training will improve their understanding and sensitivity towards environmental and social aspects related to forest harvesting operations. At the company level, adoption of RIL should result in improved economic and environmental performance, thus providing direct financial stimulus and leaving the forest in a better condition.
- 2.3.2 The operational field staff of the PNGFA will benefit by gaining a better understanding of forest operations and, are expected to develop technical and training skills through participation in the training program. The PNGFA will benefit through the implementation of the project, specifically through the development of operational manuals and training materials.
- 2.3.3 Local communities, who are the traditional owners of the forest resource, are expected to benefit through development of technical skills and better employment opportunities. Improvements in the performance of the forest operators through the adoption of RIL, should lead to reduced environmental impact, more sustainable forest conditions, and better harmony between forest communities and forest companies, thus ultimately leading to a more equitable and sustainable sharing of the forest resource.

2.4 Other Relevant Aspects

It is the intention of the PNGFA to recruit an internationally recognized Technical Advisor (TA) for the Pre-Project implementation to ensure that, there is sound understanding of RIL principles according to international standards and norms. The Technical Advisor will join a team of PNGFA staff on the field visits and will be responsible for formulating the first draft Project Document.

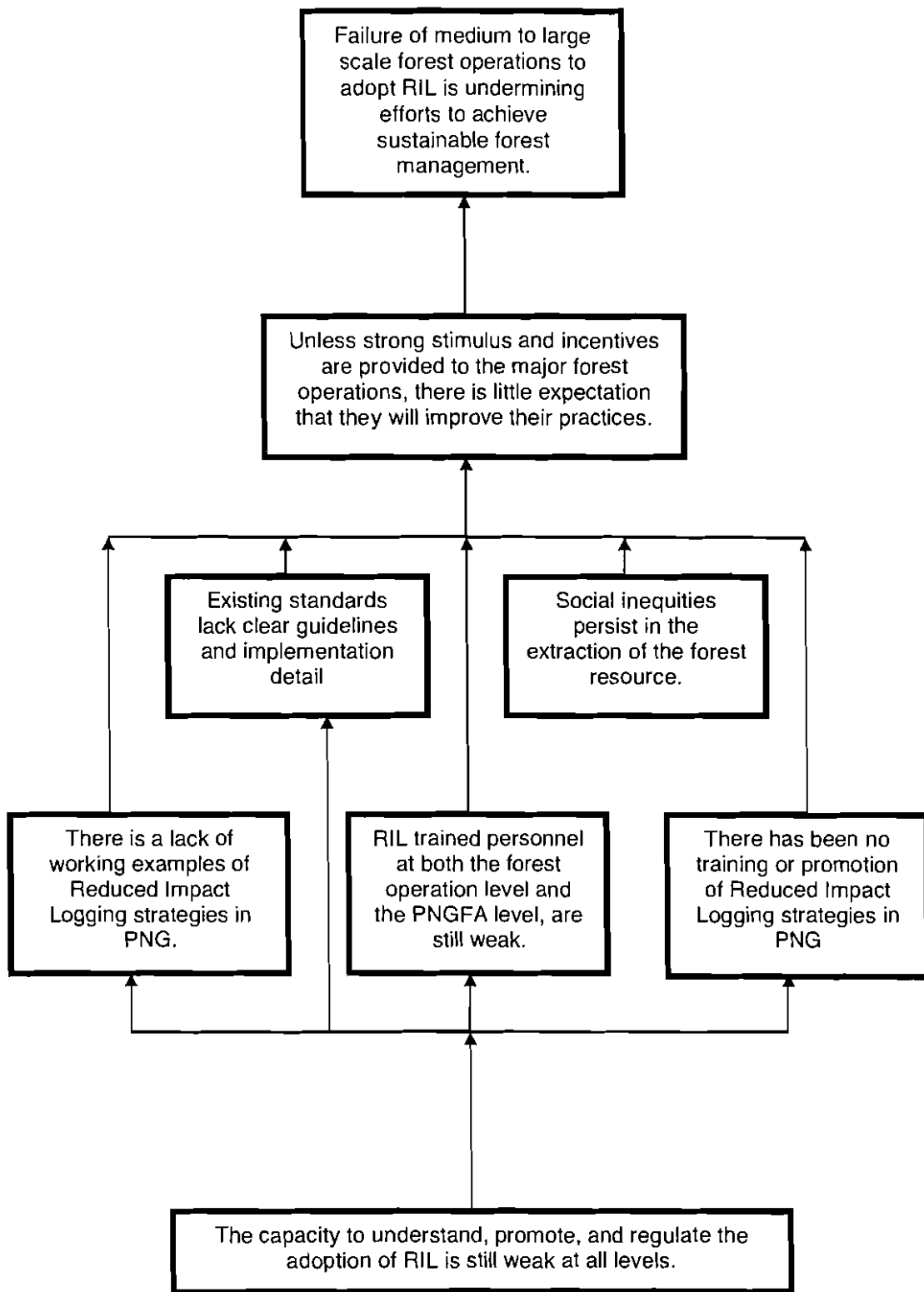


Figure 1 The Problem Tree: Existing problems and challenges facing the PNG forestry sector justifying the need for awareness building, demonstration, and training in Reduced Impact Logging.

3. Outputs

Specific Objective 1:	The Pre-project will conduct a diagnosis of RIL impacts of large, medium and small scale operational practices and collect all information necessary to define the structure, form, and content of a national project on RIL training and demonstration.
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Output 1.1: A Conceptual Report will be prepared following field visits. The report will present the results of the diagnosis of current operations as recorded during the field visits and discussions, and will lay out the basis for the development of a training program.

Output 1.2 Concepts for a training program will be developed as an Annex to the Conceptual Report.

Specific Objective 2:	Develop a detailed Project Proposal which will take into account the results of the RIL impact diagnosis and concepts for a RIL training and demonstration program.
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Output 2.1: A full Project Document will be prepared for the implementation of a 'Reduced Impact Logging (RIL) training and Demonstration Project' based on the diagnostic report of operational deficiencies and training needs, and based on the consensus developed around the Concept Report at a Project Formulation Workshop. The project document will include a training program proposal.

4. Activities

Table 1 shows the relationship between the Pre-Project specific objectives, outputs and the proposed Pre-Project activities. Output 1.1 is a detailed technical report which will be prepared after all field visits and discussions have been completed. This technical report will be the basis for discussions at a Project Formulation Workshop which will provide clarification on strategic decisions as inputs to the preparation of a full Project Proposal Document in RIL training and demonstration.

Output 2.1 is the final Project Document prepared according to ITTO norms. This document will provide all necessary information concerning the structure, implementation, and budget details of a 2-3 year project titled, "National Training Program to Promote the Adoption of Reduced Impact Logging (RIL) in Papua New Guinea".

Table 1 Matrix of Specific Project Outputs, and Activities.

<i>Specific Objective 1: The Pre-project will conduct a diagnosis of RIL impacts of large, medium and small scale operational practices and collect all information necessary to define the structure, form, and content of a national project on RIL training and demonstration.</i>	
Outputs	Activities
Output 1.1: A Conceptual Report will be prepared following field visits. The report will present the results of the diagnosis of current operations as recorded during the field visits and discussions, and will lay out the basis for the development of a training program.	<p>1.1.1 Field visits¹ to the two proposed RIL demonstration sites at Wipim Tapila Model Forest, Western Province, and Moiwa TRP Area, Western Highlands Province, as well as visits to at least 3 working concessions and to the University of Technology, Lae.</p> <p>1.1.2 Preparation of a conceptual report² based on the field visits and a diagnosis of current operational problems and training needs. The report will present a project concept for consideration by PNGFA staff.</p> <p>1.1.3 A Project Formulation Workshop will be held with PNGFA staff to finalize the project concept based on the conceptual</p>

¹ Field visits will be conducted by a team of PNGFA staff and an expert, Technical Advisor to be recruited.

² The concept report will be prepared by the Technical Advisor.

	report.
Output 1.2: Concepts for a training program will be developed as an Annex to the Conceptual Report.	1.2.1 The implementation and budget considerations for a training program will be discussed at the Project Formulation Workshop.
Specific Objective 2: <i>Develop a detailed Project Proposal which will take into account the results of the RIL impact diagnosis and concepts for a RIL training and demonstration program.</i>	
Outputs	Activities
Output 2.1: A full Project Document will be prepared for the implementation of a 'Reduced Impact Logging (RIL) training and Demonstration Project' based on the diagnostic report of operational deficiencies and training needs, and based on the consensus developed around the Concept Report at a Project Formulation Workshop. The project document will include a training program proposal.	<p>2.1.1 Preparation of full Project Document³ based on the final decision reached at the Pre-Project workshop.</p> <p>2.1.2 A program for RIL training and demonstration will be prepared as an annex to the Project Document, taking into account the comments from the Project Formulation Workshop.</p> <p>2.1.3 Presentation of the Project Document to the PNGFA for discussion, ratification, and submission to the ITTO.</p>

5. Work Plan

It is anticipated that the entire Pre-Project will be completed within a 6 month time period.

The final output of the Pre-Project will be a full **Project Document for a National Training Program To Promote The Adoption Of Reduced Impact Logging (RIL) In Papua New Guinea.**

The PNGFA will recruit the services of a Technical Advisor (TA) on the basis of a 2 month consultancy from the Tropical Forest Foundation to join a team of PNGFA staff on field visits and to prepare the conceptual report and the final Document. The sequence of proposed activities are as follows:

1. Field Visits: All field visits, meetings, and discussions will be completed within the first two months of the Pre-Project.
2. Conceptual Report: Will be prepared during the field visits and finalized in Port Moresby on completion of all the field visits.
3. Project Formulation Workshop: Will be held at the end of field visits in Port Moresby. The Conceptual Report will be presented at the Workshop where the findings of the field visits will be reviewed and where agreement will be reached on all key elements of the full Project Proposal.
4. Preparation of Project Document: Will be done by the Technical Advisor during the third and fourth month of the Pre-Project at his normal duty station. This will allow ample time for consultation and additional information gathering with the PNGFA.
5. Presentation of the Project Document: The draft Project Document will be presented to a

³ The Project Document will be prepared by the Technical Advisor.

meeting of key PNGFA staff in Port Moresby no later than the middle of the fifth month of the Pre-Project.

6. Submission of the Project Document: The final Project Document will be presented to the ITTO after any changes arising from the deliberation within the PNGFA.

Table 2 Pre-Project Schedule of Activities

OUTPUTS/ACTIVITIES	Responsible Party	Month					
		1	2	3	4	5	6
1. Field Visits	PNGFA						
	Consultant						
2. Conceptual Report	Consultant						
3. Workshop	PNGFA						
	Consultant						
4. Preparation of Project Document	Consultant			(in dialogue with the PNGFA and other stakeholders)			
5. Presentation of Project Document	Consultant / PNGFA						
6. Internal Document Review	PNGFA						
7. Finalization of Project Document	Consultant/ PNGFA						

6. Budget

The Pre-Project will not involve training activities. It will, however, result in the clear identification of the entity which will be responsible to coordinate all training activities under the proposed RIL training project as well as the development of concepts for a training program.

The following table details the inputs which will be funded under the Pre-Project. These inputs are listed according to standard ITTO budget line items and are cross-referenced to the Consolidated Total Budget (Table 4).

For a summary of Pre-Project Outputs, refer to Table 1.

Table 4 details the ITTO funding budgeted for this Pre-Project. The table also provides an estimate of the in-kind values being contributed to the Pre-Project by the PNGFA.

It is anticipated that major in-kind values and contributions will be generated by both the Government and the private sector in the implementation of the full Project. These contributions will come from direct support of private sector companies for the proposed training program in the form of equipment, transportation, and other logistical support for training activities. Contributions of in-kind values will also be generated by the PNGFA and other institutions involved in the training activities and will be in the form of personnel, training venues, office and office support facilities. An estimate of these in-kind values will be provided in the final project document.

Table 3: Summary of Project Activities and Budget Inputs

Project Activities	Inputs (budget item, Table 3)
<p>1.1.1 Field visits to the two proposed RIL demonstration sites at East Awin Model Forest, Western Province, Sitem Morobe Province, Moiwana Western Highlands Province, Edevu Central Province and Kapuluk, WNB Province as well as visits to at least 3 working concessions and to the University of Technology, Lae.</p> <p>1.1.2 Preparation of a conceptual report⁴ based on the field visits. The report will present a project concept for consideration by PNGFA staff.</p> <p>1.1.3 A Project Formulation Workshop will be held with PNGFA staff to finalize the project concept based on the conceptual report.</p>	<p>10 Technical Advisor (on Sub-contract) 31 DSA for and accommodation costs for field visits and for TA 32 Regional Travel (1) 33 Domestic flights; hire of vehicles and speed boats for field visits</p> <p>10 Technical Advisor</p> <p>10 Technical Advisor</p>
<p>1.2.1 The implementation and budget considerations for a training program will be discussed at the Project Formulation Workshop.</p>	<p>10 Technical Advisor See 1.1.3 above</p>
<p>2.1.1 Preparation of full Project Document⁵ based on the final decision reached at the Pre-Project workshop.</p> <p>2.1.2 A program for RIL training and demonstration will be prepared as an annex to the Project Document, taking into account the comments from the Project Formulation Workshop.</p> <p>2.1.3 Presentation of the Project Document to the PNGFA for discussion, ratification, and submission to the ITTO.</p>	<p>10 Technical advisor (on Sub-contract)</p> <p>10 Technical Advisor</p> <p>10 Technical advisor 32 Regional Travel (1) 31 DAS and accommodation</p>

⁴ The concept report will be prepared by the Technical Advisor.

⁵ The Project Document will be prepared by the Technical Advisor.

Table 4 Consolidated Total Budget by Funding Source

No.	Budget Item	Information/Assumptions	TOTAL	ITTO	PNGFA
10	Project Personnel				
11	National Staff	3 staff from the PNGFA	2,000	0	2,000
19	Component Total		2,000		2,000
20	Sub-Contracts				
21	Technical Advisor	Two month consultancy (over a maximum of 6 months)	20,000	20,000	0
29	Component Total		20,000	20,000	0
30	Duty Travel & Transportation Cost				
31	DSA and Accommodation	DSA and accommodation for field visits + TA accommodation in Port Moresby	14,880	14,880	
32	Regional Travel Costs	Two return trips: JKT-Port Moresby-JKT	5,000	5,000	0
33	Local Airfare	Airfares to proposed demonstration site and operating areas.	8,060	8,060	0
34	Ground transport	Vehicle and speed boat hire for field visits to active logging sites	6,510	6,510	0
39	Component Total		34,450	34,450	0
40	Capital Cost Items				
41	Meeting Venue	PMU & TFF - 2 offices @ \$500/mo x 24 mo.	1,500	0	1,500
49	Component Total		1,500	0	1,500
50	Consumable Items				
51	Office supplies		1,000	0	1,000
53	Communications costs		945	0	945
59	Component Total		1,945	0	1,945
60	Miscellaneous				
61	Miscellaneous ITTO Project Monitoring	(8% of total cost)	4356	4356	0
69	Component Total		4356	4356	0
70	Implementing agency Mgmt. Costs				
71	Project administration	15% of total cost	8,984	0	8,984
79	Component Total		8,984	0	8,984
100	PRE-PROJECT GRAND TOTAL		73,235	58,806	14,429

PART III: TROPICAL TIMBER FRAMEWORK

1. Compliance with ITTA (1994) Objectives

Papua New Guinea has a land mass area of 46 million hectares. Of these 14.4 million hectare is productive forests . Though the land is owned by the indigenous people, its forests resources is managed by the state under the 1991 Forestry Act which entails clear policy and regulatory mechanisms to achieve sustainable forests management.

Experience has shown that logging companies are not complying with established standards and procedures basically due to political influences, thus weakening the institutional capacity to monitor and implement corrective actions. The proper management of these remaining areas with high value timber species will provide many advantages, especially regarding rural income and employment generation, land and soil conservation. Previous trials under the IRDCP and EFP program has shown that developing of projects with direct participation of land owners has a lot of effect on the environment and also the economical sustainability of the projects. This project will serve as a model for further landowner group and other private sector development throughout Papua New Guinea. This is in line with ITTO objectives to:

- (a) To encourage members to support and develop industrial tropical timber reforestation and forest management activities as well as rehabilitation of degraded forest land, with due regard for the interests of local communities dependent on forest resources – through integration of local communities who are the traditional owners of forest lands, into the planning and operational aspects of forest development and through revenue sharing arrangements.
- (b) To contribute to the process of sustainable development – through training and demonstration for improved planning, harvesting, and management techniques
- (c) To enhance the capacity of members to implement a strategy for achieving exports of tropical timber and timber products from sustainable managed sources;
- (d) Contributes to the production of tropical timber from sustainably managed forests by actively promoting forest certification. – Lessons learned in PNG and neighboring countries regarding efforts to achieve certification will be integrated into the project concept.
- (e) To promote increased and further processing of tropical timber from sustainable sources in producing member countries with a view to promoting their industrialization and thereby increasing their employment opportunities and export earnings.

2. Compliance with ITTO Yokohama Action Plan (2002-2006)

With respect to Article 25 of the International Tropical Timber Agreement (1994) this project complies with all of the project activities as described therein. It is an operational activity with the emphasis on training, sustainable self-sufficiency in forest resources, and forest management.

The project meets the goals of the ITTO Yokohama Action Plan (2002-2006) particularly the strategy of the Committee on Reforestation and Forest Management, Goal 2: Promote Sustainable Management of Tropical forest Resources,

Item No. 10 states: "Encourage members and assist them to:

- Strengthen training institutions and intensify training of forestry personnel and other stakeholders in silviculture, RIL and resource assessment and in the management of both natural forest and timber plantations.
- Implement appropriate forest harvesting, including reduced impact logging, as a component of sustainable forest management.

Table 5 Yearly Budget By Funding Source

ITTO	
Budget Components	Total
1.0 Project Personnel	0
2.0 Subcontracts	20,000
3.0 Duty Travel	34,400
4.0 Capital Items	0
5.0 Consumable Items	0
6.0 Miscellaneous	0
7.0 Implementing agency Administration	0
<i>Subtotal</i>	54,450
8.0 ITTO Monitoring, Evaluation & Admin.	
8.1 Project Monitoring & Review (N/A)	4,356
ITTO Total	58,806

PNG – FOREST AUTHORITY	
Budget Components	Total
1.0 Project Personnel	2,000
2.0 Subcontracts	0
3.0 Duty Travel	0
4.0 Capital Items	1,500
5.0 Consumable Items	1,000
6.0 Miscellaneous	945
7.0 Implementing agency Admin. (15%)	8,984
PNGFA Total	14,429

ANNEX A - PROFILE OF THE EXECUTING AGENCY

1.1 The Expertise of the Executing Agency

The Executing Agency is the Papua New Guinea Forests Authority (PNGFA). The Forestry Act 1991 (as amended) places the responsibility of the conservation and management of PNG's Forests resources under the Ministry of forests through the Forests Authority governed by a National Forests Board comprising of major stakeholders in the forests and environment sector.

Forestry is a highly recognised activity under the organic Law on Provincial and local level government. Activities in relation to the acquisition and allocations of the forests resources are therefore effected in conjunction, with the respective Provincial Governments Forests management committees.

Planning Division: In charge of initial feasibility inventories, landowner negotiations, and preparation of a Forest Management Agreement.

Resources Development Division: Allocation Branch, Projects Branch, Marketing Branch. This Division is responsible for permit approvals

Field Services Division: Responsible for all monitoring and reporting on forest operations; represented in 19 provinces; implements project activities; uses the "Logging Code of Practices" as the standard of performance assessment.

Forest Management Division: Deals with plantations.

Policy Secretariat: Deals with policy issues and foreign assistance.

Human Resources and Administration Division

Projects are coordinated at the Policy Division level while most implementation activities are carried out in collaboration with the Field Services Division.

The PNG has received funding in the past to implement an EU funded project. The focus of this project, referred to as the "Eco-Forestry Program", has been on small scale, community based forest operations and has developed a capacity for basic training of simple technical skills at the community level. Lessons learned from this project, will be incorporated into the formulation and design of the proposed training project in RIL.

The Timber Forestry Training College situated at the University of Technology in Lae, has been established to provide basic technical skills training. It's potential role in this project will be evaluated during the Pre-Project implementation.

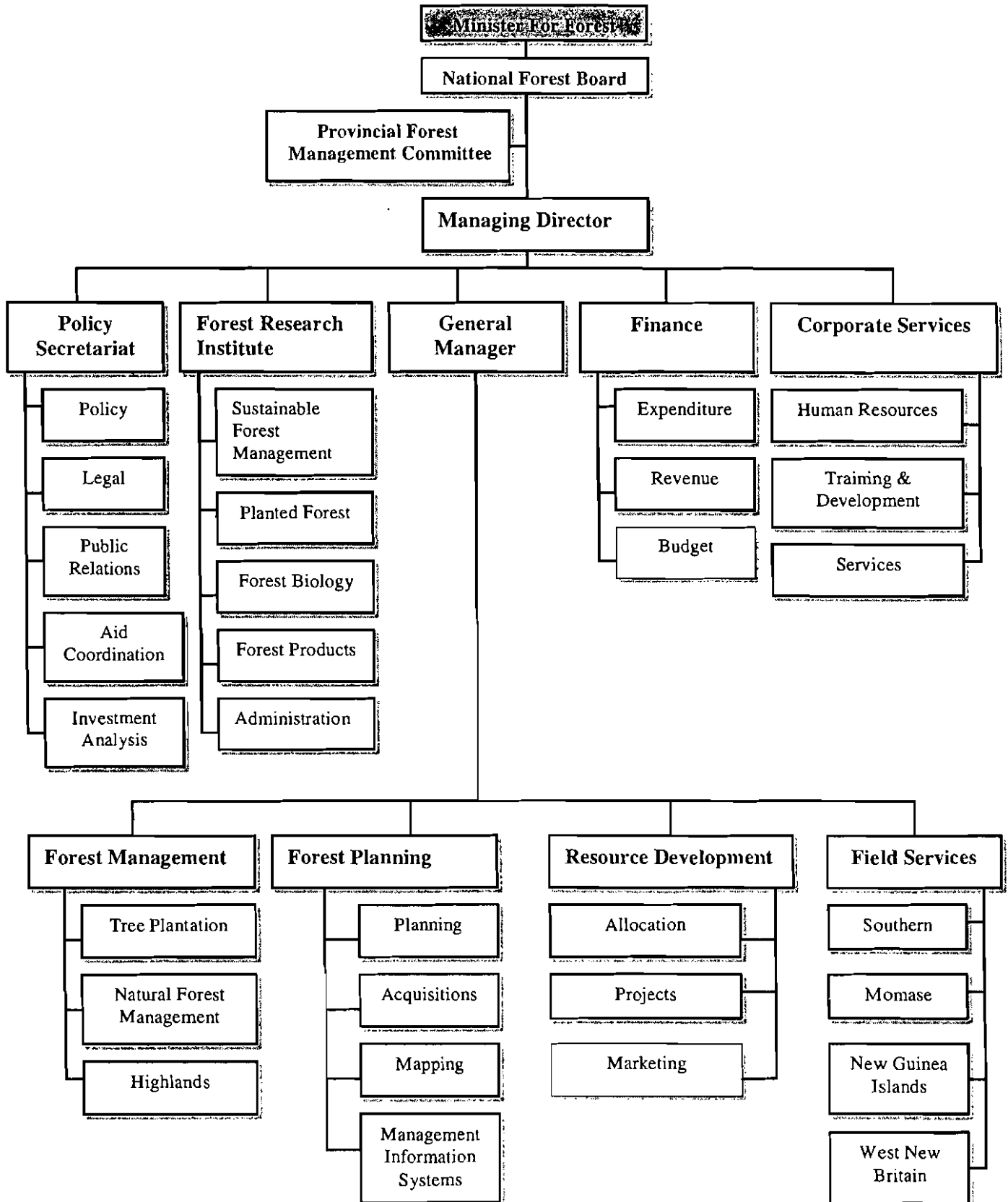
1.2 The Infrastructure of the Executing Agency

The National Forests Plans that was approved by the National Executive Council (NEC) in 1996 provides a detailed statement of how the National Government and the Provincial Governments intends the forests to be managed and utilised. The PNG Forests Authority ensures that the Forests resources is strictly developed within the Plan.

The Forests resources of Papua New Guinea are owned by the customary landowners and therefore the current Forests Legislations provides the exploitation of these resources under two arrangements:

1. Large forest concession areas licensed under a Forest Management Agreement. (35 year cutting cycle; 80,000 ha. or more; standing volume of one million cubic meters or more)
2. Medium size forest concessions licensed under a Timber Agreement. (250 to 500 cu.m. annual harvest)

Following is PNGFA organizational structure:



ANNEX B - CURRICULA VITAE OF THE KEY STAFF

The field visits proposed under the Pre-Project will be carried out by a 4-man team consisting of 3 representatives for the PNGFA as well as a Technical Advisor who is an expert on RIL training, project formulation, and project implementation.

Discussions of the project concept and the full Project Proposal Document, will involve a wider range of PNGFA staff from the relevant Divisions within the PNGFA.

1. Project Coordinator

Name : Mr. Frank Agaru
Date of Birth: 1952
Nationality: Papua New Guinean
Qualification: MA in International Relations

Work Experiences:

Worked with the Department of National Planning and Rural Development dealing with Development Assistance Programs (donor funded projects) under bilateral and multilateral agencies. Donor co-ordination/liaison in terms of project preparation, formulation, implementation, reviews, evaluation under the Technical Cooperation Programs of donors. Later worked with Conservation International (NGO) dealing with Community development initiatives mainly addressing livelihood and environmental issues under US Government funding through NGOs as well as through multilateral sources.

Current Employer: PNGFA
Position: Aid Coordinator

Responsibilities:

Responsible to the Director on policy and aid coordination activities for PNGFA with the specific responsibilities consisting of:

- a) identifying and formulating project proposals in the forestry sector and coordinating bilateral and multilateral forestry aid programmes aimed at improving rural livelihoods and forests communities.
- b) Prepare submissions to the National Forest Board with regard to aid assisted projects.
- b) Participate in inter-governmental/agency committee meetings and attend forestry grant, aid related project steering committee meetings and visit donor assisted project sites.
- d) Represent PNG as an official government delegate to ITTO sessions and other international meetings.

2. Team Leader (Silviculturalist):

Name: Mr. Forova Oavika
Nationality : Papua New Guinean
Qualification : Diploma in Forestry
Employer : PNG Forests Authority (20 years)
Current Position : Research Scientist with PNG Forest Research Institute.

3. Forester- Logging

Name: Mr. Gewa Gamoga
Nationality: Papua New Guinea
Qualification: BSc.Forestry Dip. In Forestry.
Employer: PNGFA
Current Position: Officer Projects Logging (S/R)

4. Forester

Name: Mr. Anda Akivi
Date of birth: 1964
Nationality: Papua New Guinean
Qualification: Diploma in Forestry
Employer: PNG Forest Authority (20 years)
Current Position: Field Coordinator, PNG Eco-Forestry.

Responsibilities: (in the last 3 years)

As the Field Coordinator of the EU funded Eco-Forestry Programme, Mr. Akivi's specific responsibilities related to the development of the model community based Sustainable Forest management (SFM) Units as an alternative to conventional development of natural forests and in line with FSC standards of SFM.

Mr. Akivi brings with him 20 years experience in a wide range of forestry and forest administration activities including his most recent involvement with the major Eco-Forestry Programme as Field Coordinator.

The funding of this program ceases in December 2006. The National Forest Board has approved the PNG Eco-Forestry Program and is before the National Executive Council (NEC) for approval. Once approved, it will continue to monitor and promote the community based SFM concept and further develop the RIL concept which is a step up from Community Based SFM concept.

5. International Consultant.

Name: Mr. Arthur W. Klassen.
Date of Birth: 1946
Nationality: Canadian
Qualification: Forest Technology Diploma, BCIT (B.C. Canada)
BScF in Forest Management, UBC (B.C. Canada)
Employer: Tropical Forest Foundation / Centre for International Forest Research
Current Position: TFF Regional Director, Asia-Pacific Region

Relevant Experience: (in last 3 years)

Effective January 1, 2000, Mr. Klassen assumed the full-time position of Regional Director of the Tropical Forest Foundation based in Jakarta, Indonesia. During the past 6 years, Mr. Klassen has been developing a program in RIL training, demonstration, and information. This program has included the implementation of specific projects as follows:

- USAID funded project to promote forest-market linkages with legality, RIL adoption, and chain-of-custody issues.
- EVD (Dutch) funded project to promote the FSC certification of two forest concessions in Indonesia. Activities involved market connections, training, workshops, and technical advice.
- ITTO funded project (ongoing) to Facilitate and Promote Adoption of Reduced Impact Logging in Indonesia and the Asia Pacific Region.

Mr. Klassen has approximately 34 years experience working with forest industries, consulting companies, and international forestry projects. . Over half of this time has been spent working on international assignments.

Mr. Klassen's working experiences includes Project Management & Assessment, Forest Engineering, Forest Operations Management, Development Planning, Forest Management, Operational Research, Forest Policy Implementation, Training and Extension.

Tropical Forest Foundation (TFF)

TFF is a non-government organization promoting sustainable forest management throughout the tropics. TFF achieves its goals by supporting and promoting reduced impact logging (RIL) strategies in recognition of the crucial role RIL has in the achievement of sustainable forest management and forest certification. TFF's Board of Directors includes representatives from international forest industry, governments, science, academia, and conservation agencies. Each member has an interest in seeing tropical forests renewed and sustained. TFF's activities include collecting and disseminating information, conducting training programs, carrying out RIL research and demonstration, and developing guidelines, training materials, and technical procedures manuals in support of RIL. TFF has field programs in Brazil, Indonesia, Guyana, and Gabon and has obtained substantial ITTO funding support in the first three of these Regional programs.

TFF-Indonesia is managed by a Regional Director, who is employed on contract. Although the local staff is small, the program gains strength from strong networks and local partnerships with other agencies, projects, etc. who share its common goals and interests. Principle among these partnerships is the long-standing relationship between the Association of Indonesian Forest Concessionaires and the Center for International Forest Research. TFF also has an MOU with WWF, and maintains close ties with Tropenbos, Tropical Forest Trust (TFT); The Nature Conservancy and a number of other NGOs and forest industry organizations.

ANNEX C - "PROJECT IDEA" CONCEPT PAPER

INTERNATIONAL TROPICAL TIMBER ORGANISATION (ITTO)

Submitted by the Government of PAPUA NEW GUINEA

1. National Training Program to Promote the Adoption of Reduced Impact Logging (RIL)

It is the intention of the Government of Papua New Guinea to apply for an ITTO grant to implement a national program aimed at promoting the adoption of RIL. The focus of this program will be to provide training for medium to large scale industrial forest management operations in order to improve their capability to implement sustainable forest management and, in order to strengthen the capacity of the PNG Forest Authority (PNGFA) to more effectively regulate and monitor industrial scale forest management operations.

The program will be under the jurisdiction of the PNGFA, Ministry of Forest. It is the intention of the PNGFA to seek internationally recognized technical support for the implementation of this project and, towards this end, it has requested assistance from the Tropical Forest Foundation (TFF), an internationally recognized training institution known particularly for its efforts in promoting sustainable forest management through the training and demonstration of RIL in the tropical world.

2. Problems Identification

In 1996, PNG adopted a 'Code of Logging Practice' as the framework for assuring the management of the country's forests according to principals of sustainability. It is recognized that most forest operations are facing difficulty in implementing this code of logging practices. There is therefore, a clearly recognized need to strengthen the operational performance of medium to large-scale forest operations through more effective oversight and, particularly through practical demonstrations and in-the-field training of Reduced Impact Logging strategies.

The PNGFA is now in the second phase of implementation of its Eco-forestry Program with funding support from the EU ending in December 2006. This program is centered around community development concept and has a strong element of technical training for members of local communities who harvest their forests resources below the annual allowable cut of 250 cubic meters per annum which is not covered by current Forestry Act 1991. This program has been successful in transferring technical skills and in empowering local communities in establishing community based forest managements units developed under FSC guidelines with the objective to achieve forests certification status.

All forestland in PNG falls under a community-based, traditional land ownership system. The achievement of sustainable forest management under Timber Authority (T/A) and FMA licensed operations are, therefore, crucial to the well being and development of these communities on whose lands the forest management activities are taking place. It is expected that by strengthening the technical capability of the private sector forest companies through a practical training program, the ultimate beneficiaries will be the communities as well as the companies in maximizing cost and profits.

3. Project Objectives

The project will:

1. Establish two RIL demonstration sites which will be used to demonstrate RIL practices and to develop a RIL training capacity.
2. Carry out field training in the various technical and management aspects of RIL with the principle target being the Timber Authority T/A holders and large-scale operators under Forest Management Area (FMA) licenses.
3. Develop technical standards, guidelines, and literature to guide all aspects of RIL implementation, in keeping with the standards established in the 'Code of Logging Practice' and FSC guidelines promoting forests certification.

4. Implementing Agency

The executing agency is the Papua New Guinea Forest Authority (PNGFA). The PNGFA has developed a limited capacity for field training through an EU funded 'Eco-forestry Program' which has delivered

training in basic technical and timber business management skills in small scale forest operations run by local communities. The PNGFA has also established a Timber and Forestry Training College for the purpose of practical training in forestry.

There is clearly a need to strengthen field training for medium to large scale forestry operators which make up the bulk of PNG's annual harvest and which are still expanding. Towards this end, the PNGFA has entered into a dialogue with the Tropical Forest Foundation, an international training institute specializing in RIL training and demonstration activities. Implementation of a project in RIL training and demonstration would be the responsibility of the PNGFA with technical assistance and expertise provided by TFF.

5. Duration

The strategy for the development of this project will be to seek funding for a 'Pre-Project' which will lead directly to the formulation of a full 'Project Document'.

The 'Pre-Project' is expected to last for six months and will involve the recruitment of Technical Assistance working with the PNGFA, Field Services Division as well as the Eco forestry Program and the Timber and Forestry Training College. It is proposed that the 'Pre-Project' document will be submitted for technical review by September, 2006. Assuming funding approval, the 'Pre-Project' will then be implemented during 2007.

The main output of the 'Pre-Project', will be the Project Document which will provide the budget and implementation detail for a 2 year national project in RIL training and demonstration.

6. Budget

It is expected that the 'Pre-Project' will require ITTO funding support of an estimated US \$54,450, in which some portion of the costs will be used for the recruitment of a consultant to prepare the 'Project Document'.

The full project of RIL training and demonstration is expected to require approximately \$800,000 over a two year period.

It is further expected that matching in-kind funding support will be available through the PNGFA as well as from private forest companies who will contribute facilities and equipment required for the RIL field training and demonstration.

ANNEX D – ACTIONS TAKEN IN RESPONSE TO COMMENTS BY THE THIRTY-FIRST TECHNICAL REVIEW PANEL ON PRE-PROJECT DOCUMENT (PPD 125/06 (I))

The following is a description of revisions made to the Pre-Project Document on the basis of specific recommendations provided by the Thirty-First Technical Review Panel of the ITTO.

Technical Review Panel Recommendations	Adjustments to the Pre-Project Document
1. Formulate the pre-project objective to address both small and medium to large-scale communities. Thus, the focus would not only be on industrial scale initiatives.	The pre-project objective has been reformulated to take into account small scale community based harvesting activities, particularly to emphasize the integration of training capabilities developed under past projects which have focused on community based operations.
2. Improve information and describe and define forest production systems that are currently used. Based on this information, develop a specific problem statement.	<p>A section titled 'Production Systems' has been added under Part I. This new section elaborates on the differences between small-scale and medium to large scale industrial operations. This elaboration serves to strengthen the problem statement as expanded in Part II, Section 2.2</p> <p>Under Part II, Section 2.1 is now called <i>Reasons for a Pre-Project</i>. A clear statement of the problem is provided in this section. Also under Part II, Section 2.2, <i>Problems to be Addressed</i>, expands on the rationale behind the need for a Pre-Project.</p>
3. Clarify outputs and make subsequent changes to Table 3, including listing the responsible entity for training	<p>This recommendation has been addressed by the following changes and additions to the document:</p> <ul style="list-style-type: none"> - Insertion of two paragraphs under Part I, Section 3. - The Pre-Project will not involve training. One of the functions of the Pre-Project is to allow for discussions regarding the form and content of a training program as well as to identify the responsible entity for the training which will be the focus of the full project. A paragraph to this effect has been inserted in Part II, Section 6. - Substantial elaboration on Outputs has been provided under Part II, Section 4.
4. Reduce presentation of the chart outlining the PNG Forest Authority's organizational structure to the Annex (executing agency).	The PNGFA organization chart now only appears in Annex A. Reference is made to this chart where appropriate in the main body of the text.
5. Correct discrepancy on the ITTO financial contribution to the pre-project and ensure it corresponds with pre-project objectives. In particular, there is conflicting information on whether US\$60,000 (page 21) versus US\$54,000 is requested for the project.	<p>Any discrepancies regarding the ITTO financial contributions to the Pre-Project have now been removed. This refers specifically to the 'conflicting information' in Annex C.</p> <p>The correct amount of the requested contribution is \$54,450</p>
6. Elucidate the contribution of the private sector to this project, as it is not clear whether such a contribution will be applied to a pre-project or future project.	<p>Table 4 shows \$14,429 contribution of 'in-kind' values from the PNGFA under the Pre-Project.</p> <p>It is expected that significant contribution of 'in-kind' values will accrue to the full project, both from the Government and the private sector. A paragraph elaborating on these contributions under the full project, has been inserted under Part II, Section 6.</p>

<p>7. Reformatting of pre-project is required, specifically to Part II, Sections 1, 2, 3 and 4.</p>	<p>Part II, Sections 1,2,3, and 4 have been modified to take into account the comments in the second paragraph of the Assessment Comments by the Thirty-first Expert Panel. Some of these modifications also relate to various specific recommendations provided by the Expert Panel, namely:</p> <ol style="list-style-type: none"> 1. Under Section 2, the subsections <i>Reasons for a Pre-Project</i>, and <i>Problems to be Addressed</i>, have been switched. Both subsections have been rewritten and expanded to provide additional clarity. 2. In subsection 2.2, greater elaboration has been provided concerning the structural problems could be dealt with through the use of training and standards elaborating on the “logging Code of Practice”. 3. Comments regarding Sections 3 (Outputs) and 4 (Activities) have been dealt with through reformatting and through additional information and elaboration, particularly under Section 4 where more clarity is provided concerning the relationship between the intended outputs and the activities proposed to achieve these outputs. Additional comments under section 6 also help to clarify this relationship. 4. The concept of ‘capacity building’ is implicit in the proposal to develop a national training program for RIL and will be clearly elucidated in the final project document. This concept has been introduced into the development objective statement. 5. The outputs have been clarified as appropriate in the various sections of the document. This has been achieved by elaborating on the relationship between the outputs and the activities proposed to reach these outputs, as well as by inserting additional paragraphs elaborating on the outputs themselves. 6. The last sentence in the second paragraph of the Technical Panel comments, was found to be unclear in its purpose and intention.
<p>8. Provide an annex showing in a tabular form how comments and recommendations of the 31st Panel were addressed.</p>	<p>Annex D provided.</p>

ANNEX E – ACTIONS TAKEN IN RESPONSE TO ADDITIONAL COMMENTS BY THE THIRTY-SECOND TECHNICAL REVIEW PANEL ON PRE-PROJECT DOCUMENT (PPD 125/06 Rev.1(I))

The following is a description of revisions made to the Pre-Project Document based on comments received from the thirty-second technical review panel.

In the Overall Assessment comments, the following points were raised:

- ".... uncertain how the technology in the pre-project would be applied"
- ".... and whether the pre-project activities were focused on medium or large scale industry."
- ".... pre-project should include a diagnosis to define the pre-project's objectives."

Revisions to the pre-project document now make it clear that the focus of activities will be on medium to large scale forest operations. From an operational point of view, the harvesting practices of both are very similar. The differences are simply a matter of scale (ie. Absolute size of the concession area, number of heavy equipment employed, etc.)

Small scale forest operations will also be part of the diagnosis of impact, however, it is already understood that the *modus operandi* of small scale operations seldom employ heavy machinery, tend to convert felled trees into lumber at the felling site, and in general, are run by the local community without the capital intensive inputs of the medium to large scale operations.

Objectives and outputs have been revised (see following table) and clarification has been made throughout the document where these changes necessitated relevant adjustments.

The thirty second technical review panel presented 5 Specific Recommendations for revision to the pre-project document. These revisions have been incorporated into the text of the pre-project document as follows:

Thirty-Second Technical Review Panel Recommendations	Adjustments to the Pre-Project Document
1. Conduct a <u>diagnosis</u> of RIL impact with regard to large and medium size operations, as well as small scale operations;	Specific Objective 1 has been reworded to read, " <i>The Pre-project will conduct a diagnosis of current operational impacts of large, medium and small scale operational practices and collect all information necessary to define the structure, form, and content of a national project on RIL training and demonstration.</i> " Specific Objective 2 has been reworded to read, " <i>Develop a detailed Project Proposal which will take into account the results of the RIL impact diagnosis and concepts for a RIL training and demonstration program</i> ".
2. Develop a training programme, the contents of which should be based on the <u>diagnosis report</u> ;	Specific reference to a training programme, based on the diagnosis contained in the Conceptual Report, has been introduced with the addition of Output 1.2 which reads: " <i>Concepts for a training program will be developed as an Annex to the Conceptual Report</i> ". Slight wording changes in Output 1.1 have also been made to accommodate this clarification of proposed outputs. In Table 1, the wording of Output 1.1.2 has also been adjusted to reflect the request for a more diagnostic approach to problem evaluation and project formulation.
3. Prepare a project proposal, taking into account the results of the diagnosis and the concept for a training programme;	See comments above. The document now reflects a restructuring of the pre-project to a three step approach involving the diagnosis of RIL impact (through field visits and discussions), the development of a training concept (as an annex to the Concept Report), and the development of a project document. Output 2.1 has been amended to include reference to a training program

	<p>(see item 2 above), and now reads as follows: <i>"A full Project Document will be prepared for the implementation of a 'Reduced Impact Logging (RIL) training and demonstration project' based on the diagnostic report of operational deficiencies and training needs, and based on the consensus developed around the Concept Report at a Project Formulation Workshop."</i></p> <p>In Table 1, Output 2.1.2 has been added to explicitly recognize the request to formulate a training program. Output 2.1.3 now replaces the original 2.1.2.</p>
<p>4. Possibly extend the time/duration of pre-project to six months, in order to allow for the above actions, in the limits of the budget envisaged; and,</p>	<p>The pre-project timeline has been extended to 6 months as recommended in order to allow for a more thorough diagnostic evaluation of the problems and training needs of medium to large-scale forest operations. This expanded timeline will also allow for more consultation with stakeholders in PNG. It is also felt that the additional time allocation for the pre-project is good idea given the need for additional consultation and the propensity for repeated revision requests.</p> <p>Section 5 Work Plan and Table 2, have been amended accordingly.</p>
<p>5. Provide an annex showing, in a tabular form, how comments and recommendations of the Panel were addressed</p>	<p>Annex E has been prepared to summarize the actions taken on the thirty-second technical review panel's recommendations.</p>