INTERNATIONAL TROPICAL TIMBER ORGANIZATION

ITTO

PROJECT DOCUMENT

TITLE	DEVELOPMENT AND IMPLEMENTATION OF CRITERIA AND INDICATORS FOR SUSTAINABLE MANAGEMENT OF PLANTED FORESTS AND COMMUNITY FORESTS
SERIAL NUMBER	PD 470/07 Rev.1 (F)
COMMITTEE	REFORESTATION AND FOREST MANAGEMENT
SUBMITTED BY	GOVERNMENT OF THAILAND
ORIGINAL LANGUAGE	ENGLISH

SUMMARY

The development objective of the project is improved availability of timber and NTFPs for sustainable and legal sources. The specific objective of the project is to develop a comprehensive system of C&I which would include a national set of C&I applicable in typical forestry contexts in the country, an adequate tracking/COC system for monitoring timber flows, an auditing system, and adequate trained personnel for implementation. This objective is achieved through four outputs: (i) national C&I and standards of performance for SFM which is developed through a participatory process, tested in representative forest situations in the country and adopted to be integrated in the forest management system; (ii) national tracking/COC system developed, tested in operational conditions, and adopted to be used by the operators; (iii) auditing system for C&I/standards of performance and chain of custody (COC)/timber tracking developed, tested and adopted, and (iv) adequate personnel trained on auditing of C&I/standards of performance and COC. Training and dissemination are important parts of the project strategy. Stakeholder participation is included in project management arrangements, the development of the C&I system and its implementation.

EXECUTING AGENCY	ROYAL FORST DEPATMENT *IN COLLABORATION WITH* THE DEPARTMENT OF NATIONAL PARKS
COOPERATING GOVERNMENTS	---
DURATION	24 MONTHS
APPROXIMATE STARTING DATE	TO BE DETERMINED

BUDGET AND PROPOSED SOURCES OF FINANCE

Source	Contribution in US$	Local Currency Equivalent
ITTO	**209,574**	
Gov't of Thailand	49,100	
TOTAL	**258,674**	

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ABBREVIATIONS

%	percent
ASEAN	Association of South East Asian Nations
C&I	Criteria and Indicators
CBO	Community Based Organization
CFMO	Community Forest Management Office
COC	Chain of Custody
DANIDA	Danish International Development Assistance
DMCR	Department of Marine and Coastal Resources
DNP	Department of National Parks, Wildlife and Plant Protection
FIO	Forest Industry Organization
FMCO	Forest Management and Control Office
FMFPRP	Forest Management and Forest Products Research Promotion
FMU	Forest Management Unit
FPPO	Forest Plantation Promotion Office
GDP	Gross Domestic Product
ha	hectare
ITTA	International Tropical Timber Agreement
ITTO	International Tropical Timber Organization
JoMPA	Joint Management Protected Areas
m^3	cubic meter
MACR	Marine and Coastal Resources Department
MONRE	Ministry of Environment and Natural Resources
NC	National Committee
NGO	Non Governmental Organization
NSI	National Standard Institute
NTFP	non-timber forest products
NWG	National Working Group
PA	Protected area
PSC	Project Steering Committee
RECOFTC	Regional Community Forestry Training Centre
RFD	Royal Forest Department
SFM	Sustainable Forest Management
SOP	Standard of Performance
TAO	Tambon (sub-district) Administration
TEI	Thailand Environment Institute
TSI	Thailand Standards Institute
USD	United States dollar
VAP	Vientiane Action Programme
WWF	World Wide Fund for Nature

PART I. PROJECT RELEVANCE, CONTEXT AND IMPACT

1.1 Relevance

1.1.1 Relevance to ITTO

The project is a direct contribution to ITTO objective (d.) in ITTA, 1994 "to enhance the capacity of members to implement a strategy for achieving exports of tropical timber and timber products from sustainably managed sources by the Year 2000 as the ITTO Criteria & Indicators for sustainable forest management represent a key strategic tool for accomplishing this objective". The project will also contribute to the objective (l.) "to encourage members to develop national policies aimed at sustainable utilization and conservation of timber producing forests...".

The project is focused on the Reforestation and Forest Management Goal 2 of the Yokohama Action Plan (Promote sustainable management of tropical forests). It specifically targets at Action 1 (promote the implementation of ITTO guidelines and C&I), Action 4 to develop auditing systems for ITTO Criteria & Indicators (C&I), and Action 10 which calls for members to take respective measures which largely rely on the implementation of C&I. In addition, the project activities are also related to Actions 2, 3 and 5. The project also contributes to the achievement of the Economic Information and Market Intelligence Goal 2 and its Action 7 which calls for members to develop awareness of progress made in implementing SFM and in increased availability of tropical timber from sustainably managed sources.

The project has a specific training component to build national capacity to implement SFM in Thailand. C&I has not been implemented in the country as yet and the project lays a foundation of mainstreaming this innovative tool. The wider value of the project derives from the improved understanding of SFM and reduced conflicts related to practicing SFM in the Thai forests.

The project is implementing actions which have been called for in several Council Decisions. Decisions 3(XXIV) and 3(XXVI) on Criteria and Indicators for Sustainable Management of Natural Tropical Forests encouraged Member countries to apply the revised ITTO Criteria and Indicators for reporting in relation to the Year 2000 Objective, and urged countries to prepare projects to test the revised Criteria and Indicators. Decision 9(XXX) called Member countries to apply the revised ITTO C&I for reporting in relation to the Year 2000 Objective and to train officials, forest managers and others directly involved in SFM. Training on the effective use of the ITTO Reporting Formats at both national and forest management unit levels was further emphasized in Decision 4(XXXIV).

1.1.2 Relevance to the Country

The current Forest Policy (1985) identified twelve key measures which specified, *inter alia*, promoting shared forest management between the government and the private sector which should jointly develop and manage the forest area both for direct and indirect benefits and intensification of private forest plantations. In 1989 a logging ban was introduced shifting the policy in the management of natural forests to conservation. Out of the total 227 national parks and other protected areas, only 55 have management plans. National reserve forests have no valid forest management plans (ITTO 2006). In 1992 the Thai Forest Sector Master Plan was completed which, inter alia, proposed acceleration of community forestry and plantation development. Due to divergent views among stakeholder groups, the Community Forestry Bill has not yet been approved. However, about 6,000 community forests have been registered by the Royal Forest Department (RFD). There is an urgent need for basic tools like national C&I for SFM to make progress towards SFM by clarifying national and local level goals of forest conservation and utilization and offering a practical instrument for forest owners and managers to set adequate management systems to implement SFM.

The current forest management approach has had three main interventions: (a) expansion of designated protected areas, (b) expansion of the forest resource base by plantations, and (c) development of community forestry. The policy is based on a strict, central government controlled, large-scale zoning that

distinguishes between areas set aside for protection and areas meant for production (forest reserves). However, this concept has not yet been successfully implemented, particularly in non-protected areas.

The legal requirements for utilization of natural and planted forests and transportation of forest produce are defined in several acts[1]. Some of the legal provisions are outdated as they were designed in the context of concession management which is no more practiced in the country. National C&I would help streamline and update relevant parts of the forest legislation. **They would also offer a sound basis for the development of a national certification standard identifying the elements of the sustainable forest management in a pragmatic way in the Thai context. In order to make claims on sustianble source of tropical timber, the Thai producers need to establish a verifiable chain of custody system which forms part of the project.**

1.2 Context

1.2.1. Socio Economic and Cultural Context

Forest resources have been an integral part of Thailand's rural life, involving all aspects of local people's activities. In addition to some 1.2 to 2.0 million people are living in and around the protected areas, another 20 to 25 million people live nearby the national forest reserves and use them for forest products. Some 11,400 villages (or 15.5% of all the villages) are involved in managing community forests in the country, of which about a half are reported to have formally registered their community forests. They cover 200,000 ha or 1.2 % of the total forest area. The poverty level is low and most people living in protected areas are experiencing high or medium level poverty. For the rural poor, fuelwood and non-timber forest products (NTFP) are important sources of livelihood. (ITTO 2006).

In addition to being a source of livelihood, forests represent important cultural and religious values for the Thai people. These cannot be quantified but they need to be duly considered in forest management, particularly at the local level. Social and cultural values have been difficult to reconcile with the environmental values of protected areas due to the past conservation strategy.

The accounted sectoral contribution to GDP of forestry has been declining and in 2003 it amounted only to US$ 120.5 million representing 0.1% of the total GDP. This does not take into account fuelwood and NTFPs. The total industrial roundwood supply was about 19.2 million m^3 in 2004 which comes almost exclusively from plantations. Thailand has been a significant net exporter of forest products. In 2004 the exports amounted to US$ 2.36 billion and the imports to US$ 1.49 billion. Thailand's main export items in wood products are sawnwood, particleboard and fiberboard (RFD 2004). The export trade generates significant employment and income in rural areas as most of the raw material comes from small-scale private plantations of rubber and eucalyptus. The export trade is under increasing competitive pressure as the producers have been unable to demonstrate that the products come from legal and sustainably managed sources which is increasingly required by buyers in the major export markets. Thailand has currently no certified forests. The future of Thailand's thriving furniture industry is particularly at stake because of this situation. **There is therefore a need to build up local capacity for demonstrating that the Thai timber products come from sustainably managed sources which involves the definition of a nationally applicable set of C&I for SFM as well as a chain of custordy system.**

1.2.2 Environmental Context

Thailand is bestowed with rich floral, faunal and cultural diversity. The country houses approximately 7 % of the world flora and fauna and is considered a collective regional centre of botanical diversity. The protected area (PA) system is comprehensive (227 areas with 11.3 mill. ha). Bringing these areas under effective management is a major challenge. The Thai conservation policy initially revolved around a

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1 Forest Control Act (1941), National Parks Act (1961), Wildlife Preservation and Protection Act (1992), and Reforestation Act (1992)

"wilderness approach," which recommended total exclusion of people from protected areas. Such an approach is no longer possible as a large population dependent on forest resources lives inside PAs. This is a key issue.

The rate of deforestation (estimated at about 63,000 ha/year) has still be increasing resulting in degradation of watersheds and habitats. The watershed management strategy was in the past mostly focusing on reforestation but it is currently diversified involving alternative land-use and agricultural practices to discourage shifting cultivation and to promote landscape-level approaches. Participatory approaches are somewhat constrained due to the fact that most critical watershed areas are located in protected areas where the role of people remains unclear.

1.3 Intended Situation after Project Completion

The project has contributed to addressing the above key challenges that Thailand is facing in achieving the SFM goal. At the end of the project, stakeholders have a shared pragmatic vision on how forests should be managed and utilized and the actors have at their disposal fundamental tools to implement SFM in different forestry contexts in the country. These tools can also be incorporated in the normative system to improve its consistency and effectiveness. The performance standards developed as part of the C&I system provide benchmarks against which monitoring and assessment of compliance can become routine activities which are hardly practiced at present as monitoring is focused on a few indicators, often on an *ad hoc* basis. The project results establish an adequate framework for the development of an information system which allows effective monitoring at national, regional, provincial and FMU levels. The project has also introduced systematic, holistic auditing of forest management leading to strengthening of enforcement. Increased awareness on SFM at political decision-making level is also expected to lead to adjustments in the policy and institutional framework. The C&I system developed and capacities established enable rapid follow-up development of voluntary forest certification **(including chain of custody certification)** by stakeholders as well as clarification of the role of community forestry in the national policy. **The chain of custody system is necessary to demonstrate that the timber products exported from Thailand come from sustainably managed surces.**

1.4 Impact

1.4.1. Socio Economic and Cultural Impact

Clarification of the elements of social sustainability through the development and implementation of C&I in different forestry contexts contributes to consensus building among stakeholders on how the Thai forests should be managed and utilized. Indirectly, the project enhances the contribution of forest resources to the livelihoods of the rural people, including those 1.2 to 2.0 million living inside the protected areas. The people's access to timber and non-timber resources is improved. Simple, cost-efficient, transparent and repeatable indicators help measuring and communication on the social and cultural values of forests.

The economic impact is indirect deriving from facilitated market access of forest products and improved competitiveness of Thai producers, particularly in the export markets as exporters are able to demonstrate the legal origin of their products and communicate on the phased development of forest certification in Thailand for which the project will generate the necessary building blocks. The availability of NTFPs is also improved as they become part of the systematic forest management regime where the sustained supply of these products is ensured.

The project is not expected to have negative social and economic impacts.

1.4.2 Environmental impact

The environmental impacts of the project are indirect and positive. Through the implementation of the C&I system at the FMU level forest management will address forest ecosystem health, biological diversity and soil and water protection for which standards of performance will be elaborated, tested and adopted.

PART II. PROJECT IDENTIFICATION PROCESS

2.1 Origin and Sources of Information

The origin of the project lies with ITTO's work on C&I. Already in 1997 the Royal Forest Department explored the possibilities to implement C&I in Thailand (Jira 1997). As a follow-up, an effort was made in 1999 to test the C&I concept in two different forest situations (Mae Moh planted teak forest and Doi Inthanon national park) (Rasmussen et al. 2000). It was concluded that C&I could be an instrumental tool in the development of a more coherent forest policy in Thailand while providing the framework for generally accepted regulations for protected areas and timber production plantations at the FMU level. The testing exercise did not involve a proper stakeholder process but it demonstrated the potential for C&I application. The effort did not lead to a follow-up action even though RFD had considerable interest in pursuing the matter (Jira, pers. comm.).

The ASEAN cooperation on Regional Criteria and Indicators for Sustainable Forest Management culminated in a set of "ASEAN Regional Criteria and Indicators for Sustainable Management of Natural Tropical Forests" in October 1999 which was developed based on the 1998 ITTO C&I. The ASEAN regional C&I was later endorsed by the countries at the political level. The Vientiane Action Programme (VAP), 2004-2010 calls for the development and adoption of "common criteria for sustainable forest management in ASEAN, and eradicating unsustainable practices and related activities," based on the Revised ITTO C&I and its Reporting Format (ITTO 2004). A revised draft of the ASEAN C&I was subsequently produced (Thang 2005). Thailand is the only ASEAN country which has not put in place a national process for C&I which this project proposal addresses.

Upon the invitation of the Royal Thai Government, an ITTO Diagnostic Mission on the Achievement of the ITTO Objective 2000 was carried out in 2006 (ITTO 2006). The Mission consulted with all the key stakeholder groups and concluded that the most critical constraints impeding progress towards SFM in Thailand are: (i) the bottlenecks of the regulatory framework; (ii) lack of coherence between public policies; (iii) people's widely varying perceptions about how Thailand's forests should be conserved and managed; (iv) lack of coherent support to communities and the private sector to manage forest resources; (v) institutional uncertainty related to public forest administration; (vi) deficient information systems; and (vii) lack of systematic strategies for human resource development and extension (including processing industries). In addition, the Mission noted that the private sector is highly concerned about the market requirements for certified products which Thailand has not been able to deliver due to the fact there are no certified forests in the country. One of the Mission's six recommendations for ITTO's future support to Thailand was the development of national Criteria & Indicators through a broad-based participatory process. The instrument has a potential to serve as a critical element in developing a shared vision among stakeholders about how the country's national forests should be managed. In addition, the C&I would be a useful tool in addressing the key constraints (i), (ii), (iv), (vi) and (vii) listed above.

The earlier funded ITTO project PD 2/99 Rev. 2 (F) attempted to build up capacity for a monitoring system which could be used for assessment of eight biophysical indicators (RFD/ITTO 2002).[2] In 2002 the Ngao model forest project (PPD 5/99 Rev. 1 (F)) helped to devise a management system for FMU in the selected pilot context. However, a comprehensive approach to SFM is still missing.

Thailand is proposing to have in late 2007 a national C&I workshop funded from ITTO's 2006-07 work program element on additional funding for C&I workshops/Dec 4(XXXIV). This initial workshop will help inform stakeholders that will be active in the project about the general ITTO C&I framework, and to specify stakeholderss involvement in the project. The workshop will focus on the application of the C&I framework to plantations and protected areas and help set the stage for the further work proposed under the project to develop national C&I for Thailand.

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2 The ITTO C&I has a total of 56 indicators.

2.2 Stakeholders

2.1 Stakeholder Identification and Analysis

Stakeholder identification was based on the list of 125 persons that the Diagnostic Mission consulted. Their interests have been analyzed in the Mission report (ITTO 2006). In March 2007, an ITTO training course on project preparation was organized in Bangkok with 30 participants representing the key stakeholder groups (ITTO 2007). Two working groups developed the key elements of this project proposal. After the training course two validation meetings was organized, one with the NGO community and the other one with the private sector[3]. The project concept was presented for discussion in the meetings. The groups agreed with the project concept but it became also clear that stakeholders have vastly different views on how natural forests should be managed in the country. In particular, access to forest resources in other than private lands is the focal issue on which views differ. The comments received were taken into account in the elaboration of the draft proposal which was circulated for further comments by stakeholders. This final version incorporates these stakeholder comments.[4]

2.2 Stakeholder Involvement

There is a common view among stakeholders that the project is required and that a broad-based participatory approach is needed. The views differed whether priority should be given to apply C&I in protected areas, community forests or planted forests. Therefore, all these different contexts are included in the project strategy. Some stakeholders were of the view that forest resources should be primarily used for meeting the domestic consumption and therefore certification may not be needed. On the other hand, the private sector and Forest Industry Organization (FIO) see certification as a priority. There were also divergent views concerning the income generation role of community forestry, i.e. whether it should be targeted at meeting subsistence needs or whether it should also be a commercial activity generating paid employment and income for community members. These issues are foreseen to be further discussed and clarified in the National Committee on C&I and the National Working Group during the project implementation.

The project involves extensive broad participation of all the key stakeholder groups in the development of C&I and standards of performance (SOP). These groups are represented in the Project Steering Committee, the National Committee on C&I, the National Working Group and the Sub-groups on Community Forests and Planted Forests. In addition, there is public consultation on the draft C&I for all the interested parties. Table 1 outlines the identified interests and roles of various stakeholders in the project and its outcomes

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3 March 27, 2007. The participants in the NGO meeting included Seub Nakasatian Foundation, Thailand Environment Institute, WWF Thailand, RECOFTC, Wildlife Conservation Society, Sustainable Habitat, Forest Alumni Association, and the DANIDA funded JoMPA project. The participants of the private sector meeting represented Fancy Wood, Sun Wood Industries Public Co., Thai Som Boon Industrial CO., Shun Thai Co., and Thai Furniture Industry Association.

4 The comments received were related to (i) project implementation period, (ii) inclusion of COC for rubberwood, (iii) the National Committee on C&I. It was also suggested that pilot sites be identified in the proposal but this was deemed to be be better left for the inception phase.

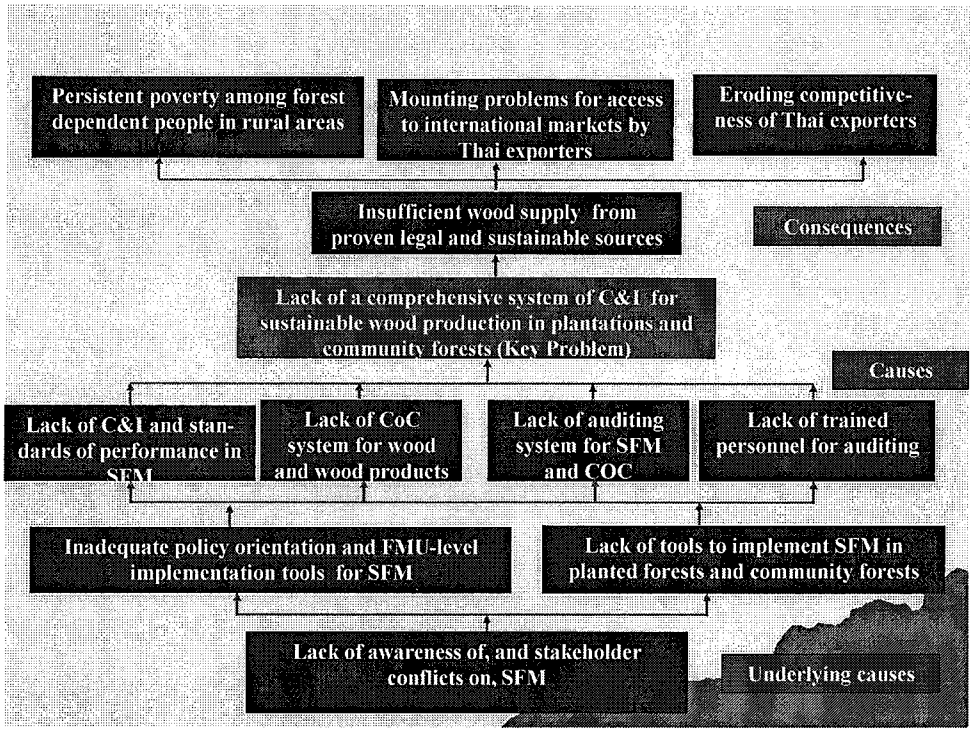
Table 1. Stakeholder Groups

Stakeholder	Policy/advocacy	Funding	Implementation of activities	Access	Monitoring
RFD, DNP, DMCR, MONRE	Policy development and implementation in forests, protected areas and coastal resources	RFD provides the counterpart funding and national experts. Other agencies provide national experts.	Representatives participate in the National Committee (NC) C&I, National Working Group (NWG) Integration of C&I and standards of performance in the regulatory framework	Facilitation of access to the process for other stakeholders	RFD chairing the PSG, others participates as members of the PSC
Universities (KUFF, Chiang Mai, etc.)	Integration of C&I in educational programs		Provision of local consultants for the project and trainers to be trained	Facilitation of the participation of the scientific community	Membership in PSC and NWG
Wood and furniture industry associations and companies	Use of C&I as a reference for voluntary certification standard Market access for legally and sustainably produced products	Support to pilot testing of COC auditing in pilot companies	Participation in NC, NWG, and sub-group on COC Pilot companies in COC auditing	Associations provide access to information for all the member companies	Participation in NC on C&I, NWG, PSC
Forest Industry Organization	Sustainability assessment of state-owned teak plantations	Provision of national experts in pilot testing of C&I in teak plantations and COC/tracking	Pilot area for testing in FIO teak plantations Integration of standards of performance for internal auditing system		Participation in PSC, NC on C&I, NWG,
NGOs	Social, cultural and environmental aspects in sustainable forest development		Participation in NC and NWG Provision of local consultants for pilot tests	Through NGO networks facilitate access to project information by grassroots organizations	Participation in PSC, NC on C&I, NWG
Forest and rubber plantation owners and their associations/ cooperatives	Role of plantations in the national forest policy		One pilot area in a small scale eucalyptus plantation, COC auditing of rubberwood in smallholder plantations	National and local producer associations/cooperatives facilitate access to information by individual plantation owners	Participation of plantation owners' associations/cooperatives in PSC, NC on C&I, NWG
Local communities, CBOs, TAOs	Interpretation of sustainability in community forestry		One pilot area in community forests		Community groups' participation in PSC, NC, NWG
Indigenous people	Interpretation of SFM in indigenous communities		One pilot area in indigenous community area (protected area)		Indigenous groups' participation in PSC, NC, NWG

2.3 Problem Analysis

The underlying issue is slow progress towards SFM in Thailand which is reflected, *inter alia*, in the current inadequate supply of timber and NTFPs from sustainable sources. This leads to continuing deforestation and forest degradation and persistent poverty among forest dependent people in rural areas. On the other hand, the Thai timber and timber-based industries are facing barriers to market access as they cannot demonstrate the legal origin and sustainability of their raw material supplies. This is coupled with the eroding competitiveness of Thailand as a timber producer.

There is no comprehensive system of C&I which would include a national set of C&I applicable in typical forestry contexts in the country, an adequate tracking/COC system for monitoring timber flows, an auditing system, and adequate trained personnel. This demonstrates that the key tools to implement SFM are lacking in the country. At the same time, the policy framework is inadequate failing to address the key issues in a consistent manner and SFM is not therefore a requirement for forest management. In this situation forest managers and owners cannot have proper understanding of SFM. The available information does not cover all the aspects of SFM and the respective monitoring system is therefore deficient focusing only on some indicators (RFD/ITTO 2002). Thailand has difficulties in providing required reporting to ITTO and other international fora. The underlying cause is lack of awareness of, and stakeholder conflicts on SFM. The figure below presents a problem tree summarizing the situation.

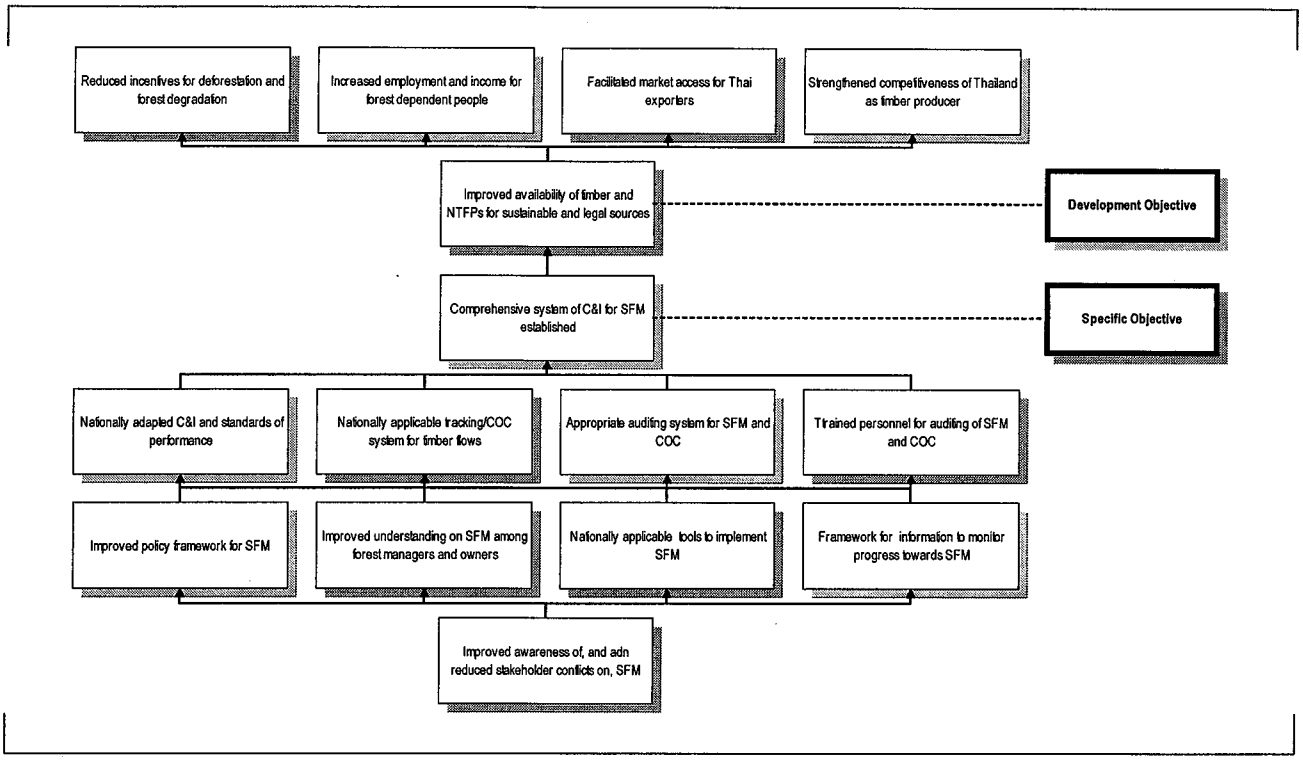


PART III PROJECT DESIGN

3.1 Objectives

Development Objective:
Improved availability of timber and NTFPs for sustainable and legal sources

Specific Objective(s):
Comprehensive system of C&I for SFM established



3.2 Outputs

Output 1:
National C&I and standards of performance for SFM developed, tested and adopted
Output 2:
National tracking/COC system developed, tested and adopted
Output 3:
Auditing system for C&I/standards of performance and COC/timber tracking developed, tested and adopted
Output 4:
Adequate personnel trained on auditing of C&I/standards of performance and COC

3.3 Logical Framework and Risks

PROGRAM ELEMENTS	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Development Objective: Improved availability of timber and NTFPs from sustainable and legal sources	1) Volume of legally and sustainably produced timber 2) Area under SFM 3) Employment and income of forest-dependent people from timber and NTFPs	1) Annual statistical reports of RFD, DNP and DMCR 2) Audit reports 3) Field interviews and surveys	1) Timber produced under SFM is recognized by domestic and export markets 2) The Government adjusts the policy and legal framework to make it compatible with SFM
Specific Objective : Comprehensive system of C&I for SFM established	1) C&I adopted by the forest authorities as a management tool 2) Number and area of private plantations, state-own plantations and community forests which have adopted the C&I	1) Instructions issued by RFD, DNP and DMCR 2) Project reports and audit reports	1) Willingness of all the key stakeholder groups to participate in the project 2) Forest communities, plantations owners and wood processing industries are convinced about the economic benefits of implementing SFM
Outputs 1: National C&I and standards of performance for SFM developed, tested and adopted	1) National C&I 2) Standards of performance for plantation and community forest management	1) C&I document adopted by the National Committee 2) Standard of performance documents adopted by the National Committee and instructions issued by RFD, DNP and DMCR 3) Pilot testing reports 4) Minutes of National Working Group	1) Participatory process is successful 2) Standards of performance are cost-efficient and practical for forest managers/owners and government agencies 3) Pilot area FMUs are willing to participate in the project
Outputs 2: National tracking/COC system developed, tested and adopted	1) System document 2) Volume of timber and products verified under tracking/COC system 3) Number of companies with tracking/COC system	1) System document and pilot test reports 2) Audit reports 3) Tracking/COC data base	1) Companies are convinced about the benefits of COC system 2) The Government adjusts regulations to make them practical for plantation wood producers
Outputs 3: Auditing system for C&I/standards of performance and COC/timber tracking developed, tested and adopted	1) Audit guidelines for SFM 2) Audit guidelines for COC/timber tracking	1) SFM audit guideline document 2) COC/timber tracking audit guideline document 3) Pilot testing reports	1) Auditing system adopted by the relevant agencies 2) Auditing costs can be financed from appropriate sources
Outputs 4: Adequate personnel trained on auditing of C&I/standards of performance and COC	1) Number of participants in training courses 2) Training events 3) Training packages	1) Training course reports 2) Training material documentation and audiovisuals	1) Willingness of stakeholders to send participants to training courses

The main risk factors and how they are mitigated are listed in the table below:

Risk factor	Mitigation measure
1. Stakeholder conflicts on the role of community forests as a source of income and employment cannot be solved	1.1 Broad participatory process to ensure full consideration of the views of interested parties. 1.2. Facilitation of NWG and sub-working group meetings with documented procedures
2. Markets do not recognize C&I/SOP and their auditing	2.1 C&I/SOP development process designed to meet the international requirements 2.2 Encouragement of development of forest certification as a follow-up activity
3. Government does not revise the policy and legal framework to facilitate SFM	3.1 C&I developed reveal the gaps and inconsistencies in the policy framework 3.2 Broad stakeholder support is mobilized for policy adjustment
4. Lack of interest by plantation owners and forest communities to implement C&I/SOP	4.1 Full participation of these stakeholders in the development process 4.2 Effective communication on market requirements concerning legally and sustainably produced timber as part of the dissemination strategy
5. Excessive cost of C&I/SOP implementation and auditing	5.1 Elaboration of simple, practical and cost-efficient performance requirements 5.2 Development of cost-efficient auditing procedures

Monitoring of risk factors is carried out during the entire project implementation period and reported to the Project Steering Committee for deciding on possible necessary additional mitigation measures.

Based on the stakeholder analysis and stakeholder participation during the preparapation of the project proposal (see section 2.1 and 2.2 in part II) the risk that the formulated C&I (and the COC system) are not accepted by users appears limited as the latter will be closely involved in the elaboration process. All the parties involved indicated their support to the project support in the stakeholder workshops organized. The potential cost of such an outcome would be high for Thai exporters as they would gradually lose their market share for not being able to meet the demand for products coming from sustainable and legal sources. This would oblige Thai exporters to seek for alternative markets at lower prices. The cost would be significant but it is not, however, possible to estimate in quantitative terms.

3.4 Implementation Strategy

3.4.1 Choice of Outputs

The project generates the key tools to implement SFM in Thailand which are lacking. The project builds capacity to deliver products from sustainably managed legal sources. An alternative strategy could have been to expand on the technical work related to the monitoring system developed under PD2/99 Rev. 2 (F). This approach would have not, however, resulted in the targeted project outputs. The present proposal adopts a comprehensive approach by addressing the key bottlenecks to SFM through a participatory broad-based process creating commitment among stakeholders to implementation.

3.4.2 Effectiveness

The project is aimed at producing a set of C&I/SOP and an auditing system which can be adopted by the forest authorities. It is obvious that parts of the forest legislation will have to be revised to comply with the implementation of C&I. Linking the auditing system of COC/tracking with licensing of forest harvesting and timber transport facilitates and reduces needs for traditional control and supervision. The standards-based approach of the project represents an innovation in the Thai context and experience in other countries demonstrates that it can work well in natural forest management, community forestry, and planted forests (Markopoulos 2002a; 2002b). Broad adoption of the auditing system by all the actors enhances the project

effectiveness and therefore full participation of the private sector is provided together with targeted dissemination of all the outputs generated by the project.

The project applies a broad participatory approach to the elaboration of C&I/SOP which will be done in the National Working and its Sub-groups. Members represent all the stakeholder groups which are invited to nominate their representatives. Special efforts are made that all the relevant stakeholder groups are duly involved in the process which is important for the credibility of the final products. To ensure full ownership of the outputs, stakeholders will also participate in the pilot testing of the draft C&I/SOP and the COC/tracking auditing system. Stakeholders are also invited to participate in the Project Steering Committee and the National Committee on C&I which will oversee the process and formally adopt the C&I/SOP. All the groups follow documented procedures in their work and the minutes are made public through the project web page.

The project involves the Thailand Standards Institute (TSI) in the development of C&I/SOP and COC/tracking system to allow possibility for adoption of these outputs as national standards and later on use these as the basis of forest certification.

The project strategy relies on testing and demonstration in the field. Pilot assessment are carried out in the following representative situations (a) community (natural) forests (4 regions representing timber production, commercial NTFP harvesting and management, buffer zone and protected area); (b) small-scale eucalyptus (3-4 cases including individual owners and a group of owners, i.e. co-operative, community, association, extension area, company smallholder contract groups), (c) large-scale teak and eucalyptus plantation (FIO, industrial company), and (d) small-scale private rubberwood production (COC system only)[5].

The project lays down a comprehensive framework for the development of information system and monitoring procedures. Pilot assessments reveal (i) gaps in the existing information, (ii) gaps in the existing knowledge on forest management, (iii) support needs of the forest managers to implement the various aspects of SFM, (iv) and estimated costs of implementation.

3.4.3 Efficiency

The input of international expertise is limited to the minimum. Two assignments are foreseen to assist local experts and national consultants in preparing draft (i) C&I/SOP and (ii) design of the COC/tracking system. The international expertise is also provided for follow-up advice and peer review of the outputs of the project.

A national consultant is contracted to provide core expertise for (i) the development of C&I/SOP, (ii) facilitating the work of the NWG and sub-working groups for community forests and planted forests, (iii) pilot testing in the field, and (iii) finalization of the C&I/SOP based on the inputs of stakeholder workshops and public consultation. The same consultant may also be engaged to elaborate (iv) the audit guidelines and (v) training package for SFM as well as (vi) to act as the resource person during the pilot training courses on auditing of C&I/SOP of sustainable forest management. Another national consultant is contracted to provide core expertise for (i) the design of COC/tracking system, (ii) preparation of the auditing guidelines, (iii) preparation of the training package, and (iv) running the pilot training course on the auditing of the COC/tracking system. This approach would ensure the consistency of the various outputs and cost-efficiency. However, both task groups can also be shared between two different consultants.

3.4.4 Technical and Scientific Aspects

C&I/SOP are an important management tool not yet systematically applied in Thailand. To implement and assess SFM, a comprehensive system of C&I is a prerequisite for defining (a) performance requirements and (b) the management system which enables meeting these requirements at the FMU level. In view of

[5] Stakeholder meetings indicated that there is no market need to develop a set of C&I for rubberwood plantations

the fact that C&I/SOP are to be applied in community forests and small-scale private planted forests, the standards developed are simple, practical and cost-efficient in terms of data collection while ensuring that all the critical elements of SFM are duly addressed.

The project generates a number of key elements for the Thai forestry sector to implement forest certification which include (i) standards of performance to serve as a basis for forest management standards for voluntary certification, (ii) an auditable chain of custody system which would assist industrial companies and traders to seek for chain-of-custody certification, (iii) an audit system for forest management and chain of custody which FMUs and forest industry and trade enterprises can use for developing their internal auditing systems and certification bodies can use for verification of the compliance with forest management and chain-of-custody standards, and (iv) a pool of trained national auditors. The project will enable exporters to make claims on the sustainability and legal origin of their products to ensure continuous market access to the main import markets. The C&I/SOP produced can serve as a basis for a national voluntary certification standard, which can be elaborated with a limited additional effort. The tracking/COC system will enable certification of COC at the FMU/industrial enterprise level as these will have their management and information systems improved to enable necessary verification. Training materials produced and auditor training will build up a pool of specialist who can carry out auditing work of the C&I/SOP (and the associated certification standard to be developed) as well as that of the chain of custody of timber and timber products. Availability of local auditor capacity will significantly reduce the costs of certification to FMUs and forest industries.

Pilot testing of C&I/SOP includes (i) 4 community forests, one in each of the four regions representing different contexts (one with potential for timber, one with potential for NTFPs, one in the buffer zone, and one inside a protected area), (ii) 3-4 smallholder plantations (including individual, cooperative/association, company-smallholder contract groups, extension units) enabling also to explore auditing by group, and (iii) two large-scale plantations (FIO and forest industry). Pilot testing will be carried out by two to three field teams working in parallel.

ITTO has assisted the Royal Thai Government to establish model forest (PPD 5/99 Rev 1(F)) and to design a monitoring system at the FMU level (PD 2/99 Rev. 2(F)). These efforts have generated, *inter alia,* an implementation plan focusing on establishing the baseline information on the status of the forest resources. The respective data base is aimed at serving for monitoring. The Ngao model forest project has produced a reference for FMU level management plans. The project directly draws on these outputs and helps mainstream these efforts to make their outputs more effective.

In the sub-regional ASEAN C&I context, specific management specifications and prescriptions (performance standards) would be developed by individual ASEAN member countries for each of the indicators at both the national and forest management unit levels. These prescriptions would be appropriate, for example, to the harvesting systems used, through which the standard of performance or acceptable levels of sustainable forest management could be ascertained. Development and implementation of national and forest management unit levels criteria and indicators depend on the particular conditions and the level of socio-economic development of each country, as well as existing cultural and traditional values, the regulatory framework and the structure of the forestry sector itself. (Thang 2005). Thailand is the only ASEAN country which has not launched a national C&I process.

RECOFTC has been pioneering in analyzing standards-based approaches in the Southeast Asia region. Their studies have demonstrated that such approaches can offer greater efficiency and reliability than traditional supervision and control. Standards of performance can address most aspects covered by management plans and replace forest management guidelines (Markopoulos 2002a; 2002b). Due to different nature of community forest management and planted forest management by private landowners, different performance standards are developed for them in the project.

The SOPs are developed by Sub-working Groups of the National Working Group on C&I. There is a third Sub-working Group developing the COC/tracking system. This is deemed necessary as different expertise is required in these groups.

The tracking/COC system to be developed will enable establishment of the origin of the wood raw material used by the Thai primary and further processing industries to enable enterprises to make claims on the orgin of the products exported. In the case of sawlogs, the system is targeted at generating information on the originating compartment and FMU of each log/truck load of logs, while in the case of small-sized logs information is likely to be based on tuck loads. FMUs will have recording systems which quantify the volume of logs produced by category and if both certified and uncertified timber is produced, these volumes will be separately recorded. The same information can be generated on the intermediate woodyards and the mill woodyards. The processing industries will generate information on the volume of wood raw material by type and origin (and by certification status) as well as the volume of products produced and stocked and delivered. There are various options how to capture such information and the project will analyze their feasibility in terms of reliability, practicality and costs. It is possible that solution to be adopted will be somewhat different fro sawlogs and small-sized pulpwood used for reconstituted panels and pulp production The costs cannot be estimated at this stage as yet as their assessment requires scrutiny of the current government contol system as well as a review of the existing information systems. In any case it will be necessary to improve the management systems of forest industry enterprises. These costs are however expected to be limited as improvements can probably be implemented through improvements and adjustment of the existing systems.

The auditing system developed clarifies what to audit, whom to audit, who to carry out audits and how the audits can be carried out. FIO is in the process of developing a tracking system for its own purposes but this will not be sufficient to meet the market needs. COC auditing will be needed for products produced from community forests, private tree plantations and rubber plantations which have reached their maturity.

3.4.5 Information Gaps

The project reveals the gaps of the existing information at the FMU and national levels when C&I and SOP are tested in pilot areas. This allows forest managers and owners to take immediate action to fill the identified information gaps.

3.4.6 Training and Extension

The project's training strategy has the following elements: (i) The project trains trainers as the primary target group; the trainers come from educational institutes and training units of the MONRE departments allowing them to integrate the project training packages in the current training programs. (ii) The project trains a critical mass of (internal and external) auditors of SFM and COC/tracking as there is currently no competent human resources in this field. (iii) The training packages will be modular to allow easy utilization for different target groups and technical levels. (iv) The project involves local communities and private landowners in testing the draft C&I/SOP allowing development of appropriate training modules for follow-up training packages for these ultimate target groups.

3.4.7 Dissemination Strategy

Dissemination is critical for the effectiveness of the project outcomes in this project where follow-up action is needed to put the SFM tools developed into full use. In the dissemination strategy the following in-built elements are included: (i) decision-makers are engaged in the National Committee on C&I to ensure their support to mainstreaming of the projects outputs, (ii) key representatives of various stakeholder groups are involved in the National Working Groups and its Subgroups to ensure ownership of the resulting C&I/SOP. (iii) National consultants will be recruited from the academic/educational institutions to ensure integration of the SFM tools produced in existing training programs. The project draws on the use of existing networks of the stakeholders to disseminate the main outputs.

In view of the fundamental importance of the C&I/SOP developed for SFM, it is necessary to produce them in an easily understood leaflet in Thai language which is printed in 10 000 copies for dissemination

to all the registered community forests (about 6,000), plantation owner organizations and extension offices (about 1,000), forest industry associations and their members (about 1,000) and relevant government agencies at central and local levels, particularly MONRE, RFD, DNP, and DMCR (about 500). The remaining copies are reserved for educational institutes and training events. A CD-ROM is also produced containing the C&I/SOP and the other documentation of the project to be disseminated in training events, workshops, etc.

The project's webpage includes work plans, minutes of the PSC/NWG/Sub-working Group meetings, draft versions of the C&I/SOP, COC/tracking system, auditing guidelines, etc. The draft versions of the normative documents are made available for public consultation within preset time-schedules allowing adequate time for review and commenting.

3.5 Activities

Output 1: National C&I and standards of performance for SFM developed and tested

1.1. Establishment of National C&I Committee
1.2. Establishment of National Working Group and Subgroups on community forests and plantations
1.3. Elaboration of rules of operation of working groups
1.4. Training workshop on C&I/SOP elaboration for stakeholders
1.5. Elaboration of first draft of national C&I
1.6. NWG workshop on the first draft
1.7. Elaboration of the first draft of C&I/SOP for community forests and planted forests
1.8. Subgroup workshops on the first drafts
1.9. Testing of draft C&I/SOP in pilot areas
1.10. Analysis and review of pilot testing results
1.11. Elaboration of second drafts of C&I/SOP
1.12. Public consultation on second drafts through communication
1.13. National workshop on the second C&I/SOP draft
1.14. Elaboration of the final draft C&I/SOP
1.15. Adoption of the national C&I/SOP by the NWG and the National C&I Committee

Output 2: National tracking/COC system developed and tested

2.1. Review of legal requirements and national/international experience on tracking/COC
2.2. Elaboration of system elements
2.3. Stakeholder workshop to review draft system description
2.4. Pilot testing by FIO/industry
2.5. Analysis of pilot results and finalization of system description
2.6. Adoption by the National C&I Committee

Output 3: Auditing system for C&I/standards of performance and COC/timber tracking

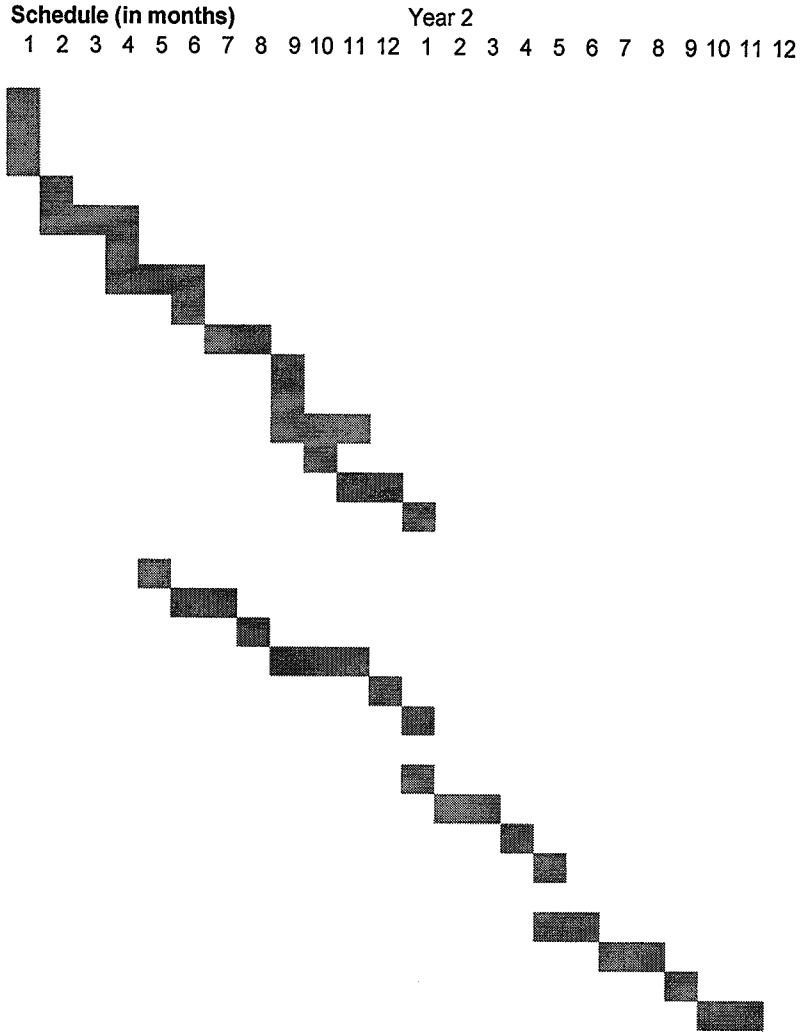
3.1. Review of ITTO and other reference guidelines for auditing of SFM and COC/tracking
3.2. Elaboration of draft audit guideline for SFM
3.3. Elaboration of draft guideline for COC/tracking
3.4. Adoption by the National C&I Committee

Output 4: Adequate personnel trained on auditing of C&I/standards of performance and COC

4.1. Elaboration of training packages for auditing of SFM and COC/tracking
4.2. 2 pilot training courses
4.3. Revision of training packages
4.4. 2 training courses for auditors of SFM and COC

3.6 Work Plan

Outputs and Activities	Responsible Party
Output 1: National C&I and standards of performance for SFM developed and tested	
1.1. Establishment of National C&I Committee	RFD Coordinator
1.2. Establishment of National Working Group and Subgroups on community forests and plantations	RFD Coordinator
1.3. Elaboration of rules of operation of working groups	National Committee
1.4. Training workshop on C&I/SOP elaboration for stakeholders	RFD Coordinator
1.5. Elaboration of first draft of national C&I	National consultant
1.6. NWG workshop on the first draft	RFD Coordinator
1.7. Elaboration of the first draft of C&I/SOP for community forests and planted forests	National consultant
1.8. Subgroup workshops on the first drafts	RFD Coordinator
1.9. Testing of draft C&I/SOP in pilot areas	National consultant
1.10. Analysis and review of pilot testing results	National consultant
1.11. Elaboration of second drafts of C&I/SOP	National consultant
1.12. Public consultation on second drafts through communication	RFD Coordinator
1.13. National workshop on the second C&I/SOP draft	RFD Coordinator
1.14. Elaboration of the final draft C&I/SOP	National consultant
1.15. Adoption of the national C&I/SOP by the National C&I Committee	National Committee
Output 2: National tracking/COC system developed and tested	
2.1. Review of legal requriements and national/international experience on tracking/COC	National consultant
2.2. Elaboration of system elements	National consultant
2.3. Stakeholder workshop to review draft system description	RFD Coordinator
2.4. Pilot testing by FIO/industry	National consultant
2.5. Analysis of pilot results and finalization of system description	National consultant
2.6. Adoption by the National C&I Committee	National Committee
Output 3: Auditing system for C&I/standards of performance and COC/timber tracking	
3.1. Review of ITTO and other reference guidelines for auditing of SFM and COC/tracking	National consultant
3.2. Elaboration of draft audit guideline for SFM	National consultant
3.3. Elaboration of draft guideline for COC/tracking	National consultant
3.4. Adoption by the National C&I Committee	National Committee
Output 4: Adequate personnel trained on auditing of C&I/standards of performance and COC	
4.1. Elaboration of training packages for auditng of SFM and COC/tracking	National consultant
4.2. 2 pilot training courses	RFD Coordinator
4.3. Revision of training packages	National consultant
4.4. 2 training courses for auditors of SFM and COC	RFD Coordinator



3.7 Inputs and Budget

See separate excel file

3.8 Sustainability

The project-generated building blocks for SFM will not be sufficient to achieve the Development Objective and a number of activities will be needed after the termination of the project. The project is seen as the first phase in the process of mainstreaming the implementation of an adequate system of sustainable forest management in community forests and planted forests at FMU level. This process is expected to take several years and after the project the following steps are envisaged: (i) In community forestry, forest management guidelines, may have to be developed to assist community forest managers to implement the standards of performance of SFM. (ii) The extension service needs to be strengthened and large-scale training of community representatives will be needed. (iii) The policy and legal framework will have to be adjusted. RFD and DNP will have to find suitable ways to internalize the project outputs in the management of forest reserves and protected areas. (iv) The information system has to be improved to allow monitoring of progress towards SFM at national, regional, provincial, TAO and FMU levels. (v) Voluntary certification of forest management and COC needs to be implemented involving the supply chain serving the export industries. (vi) Extensive promotion and dissemination need to be continued to mainstream the C&I both among community forests and private smallholders involved in plantation development.

The project emphasizes the role of networking among stakeholder groups in the participation in the development of C&I/SOP. This strengthens the advocacy role of stakeholders ensuring their active role in the mainstreaming of the project outputs.

The C&I/SOP will need periodic revision based on accumulating experience, new scientific knowledge and evolving stakeholder values.

For meeting market needs, relevant stakeholders will have to take further action to develop voluntary certification based on the C&I/SOP developed by the project. The COC/tracking system can be adopted by the producers and timber buyers. The auditors trained are capable for working both in the government sector and the private sector, including for certification bodies when certification starts.

PART IV. IMPLEMENTATION ARRANGEMENTS

4.1 IMPLEMENTING INSTITUTIONS AND STAKEHOLDERS

4.1.1 Executing Agency

The Ministry of Natural Resources and Environment (MONRE) of Thailand is responsible for the implementation of the project. Within the Ministry, the Executing Agency is the Royal Forest Department (RFD). Its profile is presented in Annex 1.

4.1.2 Collaborating Agencies, Consultants and Other Stakeholders

The following government agencies will participate as collaborating agencies: Department of National Park, Wildlife and Plant Conservation (DNP), Marine and Coastal Resources Department (MACR), Forest Industry Organization (FIO), and National Standard Institute (NSI).

Other stakeholders participate in the National Committee on C&I, the National Working Group and Subgroups working on community forests, planted forests and COC/tracking system and auditing. They include[6]:

- Private sector: Thailand Furniture Association, , Forest Plantation Owner Association
- NGOs: Thailand Environmental Institute (TEI), NGO-CORD, RECOFTC, WWF (Thailand), Thailand Wildlife Fund, Sustainable Habitat Foundation
- Other civil society: Forestry Alumni Association
- Academic institutions: the Forestry Faculty of the Kasetsart University

4.1.3 Management Structure of the Project

RFD designates a Project Leader and an operational Project Coordinator and her/his team comprising expertise in community forestry, promotion of planted forests, forest products and industry, information systems, research, and a technical assistant. The Project Coordinator assumes the responsibility for the operational coordination work while the Project Leader guides and oversees the project implementation (see Organization chart), and the production of outputs. At provincial level and district levels, RFD also provides staff and support to implementation of pilot testing of C&I/SOP.

The Executing Agency establishes a Project Steering Committee (PSC), consisting of its own representatives and representatives of the collaborating agencies and other stakeholders, together with ITTO and financing donor agencies.

The national experts and other staff provided by the Executing Agency are listed in Annex III. The Terms-of-Reference of the three key consultants, i.e. National Consultant on C&I, National Consultant on COC and International Consultant on C&I, are given in Annex IV. In addition, short-term national consultants are recruited for specific tasks.

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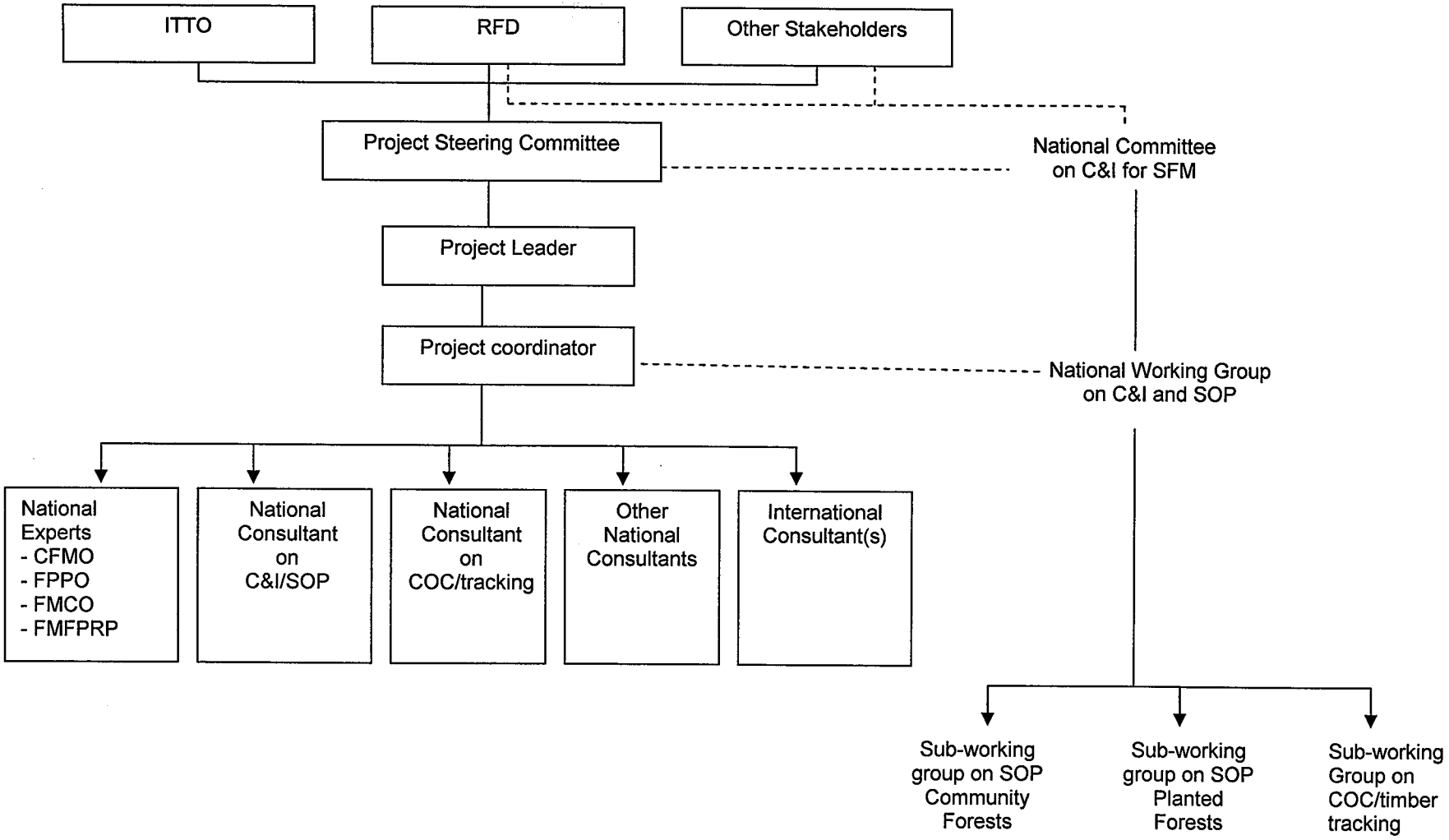
6 Preliminary list to be revised during the inception phase of the project subject to further consultations

Management Structure of the Project



4.2 Monitoring, Reporting and Evaluation

The project monitoring, review and evaluation is in accordance with the September 28, 2006 Edition of the ITTO Manual for Project Monitoring, Review, Reporting and Evaluation.

The responsibility for the internal monitoring of the project is vested with RFD, and more specifically with the Project Leader. Monitoring focuses on (i) the achievement of the milestones of the Work Plan, (ii) timing and quality of outputs, (iii) the deployment of the project resources, and (iv) materialization of project risks and mitigation measures. Monitoring is based on (a) progress reports and other documentary evidence, (b) oral reporting by the Coordinator as well as (c) interviews with project staff and stakeholder group representatives.

Reporting on the project implementation includes (i) an inception report, (ii) bi-annual progress reports, (iii) project financial statements with an audited financial statements (within three months from the end of the first year and from the project completion) and (iv) project completion report (within three months from the project completion). In addition, (v) technical reports related to outputs as defined in section 3.2 are produced. The monitoring indicators and their verifiers are identified in the Logical Framework Matrix in section 3.3.

The PSC and its members are responsible for external monitoring of the project. The Committee meets shortly after the submission of the Inception report, once after the first year of implementation, and once about three months before the completion of the project. As may be necessary, the project is subject to Monitoring/Review mission by ITTO together with PSC members about 12 months after the project start-up.

An internal evaluation is prepared by the Executing Agency within three months of the termination of the project. Its report is annexed to the project completion report. It is focuses on the effectiveness and efficiency of project implementation, stakeholder participation and impacts, project risks and their mitigation, dissemination, and lessons learnt including those which could be shared with other ITTO producing member countries. To carry out the internal evaluation, data are collected by a questionnaire survey and interviews. The responsibility of organizing the internal evaluation is vested with the Project Coordinator.

The Ex-post evaluation is conducted as may be decided by ITTO.

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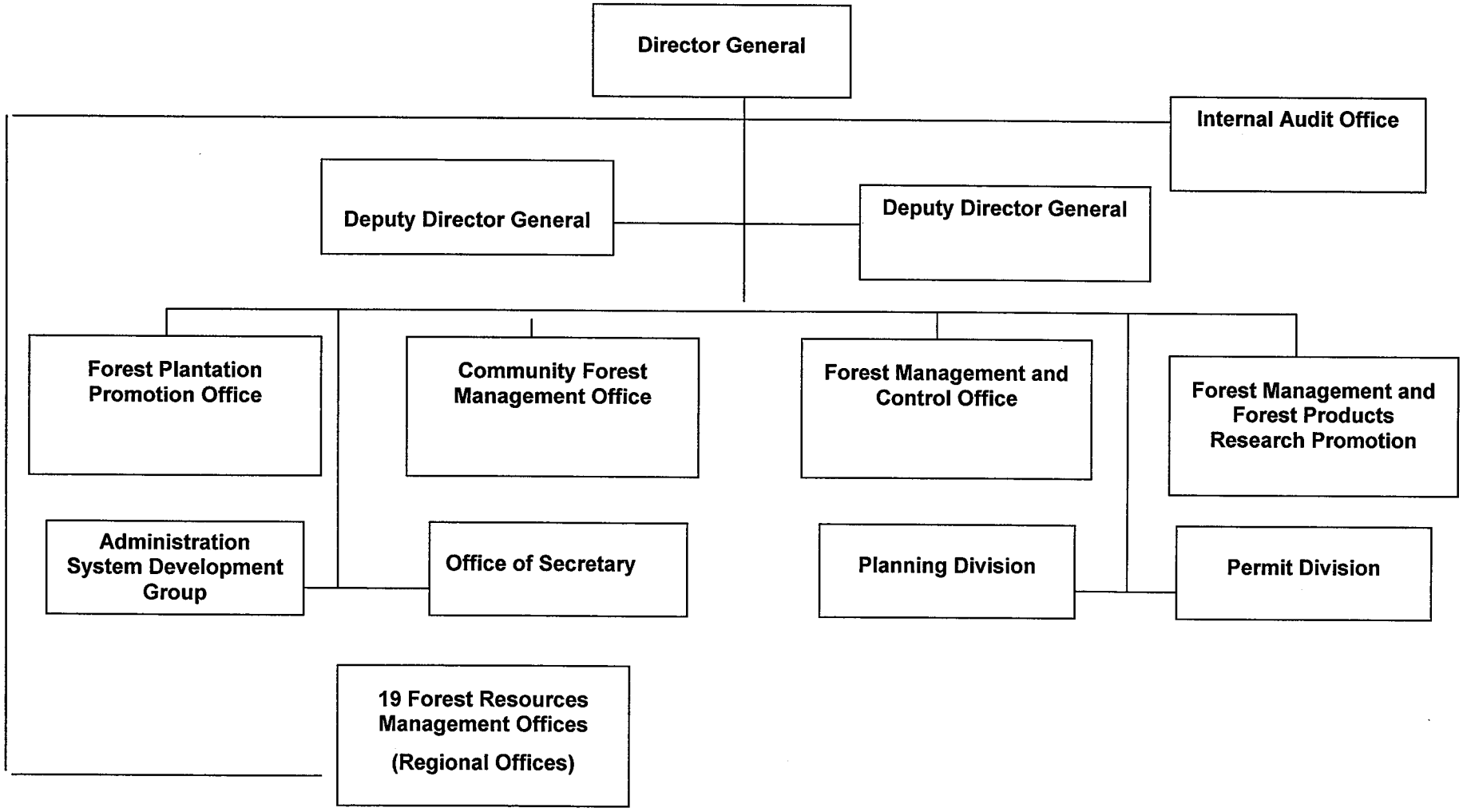
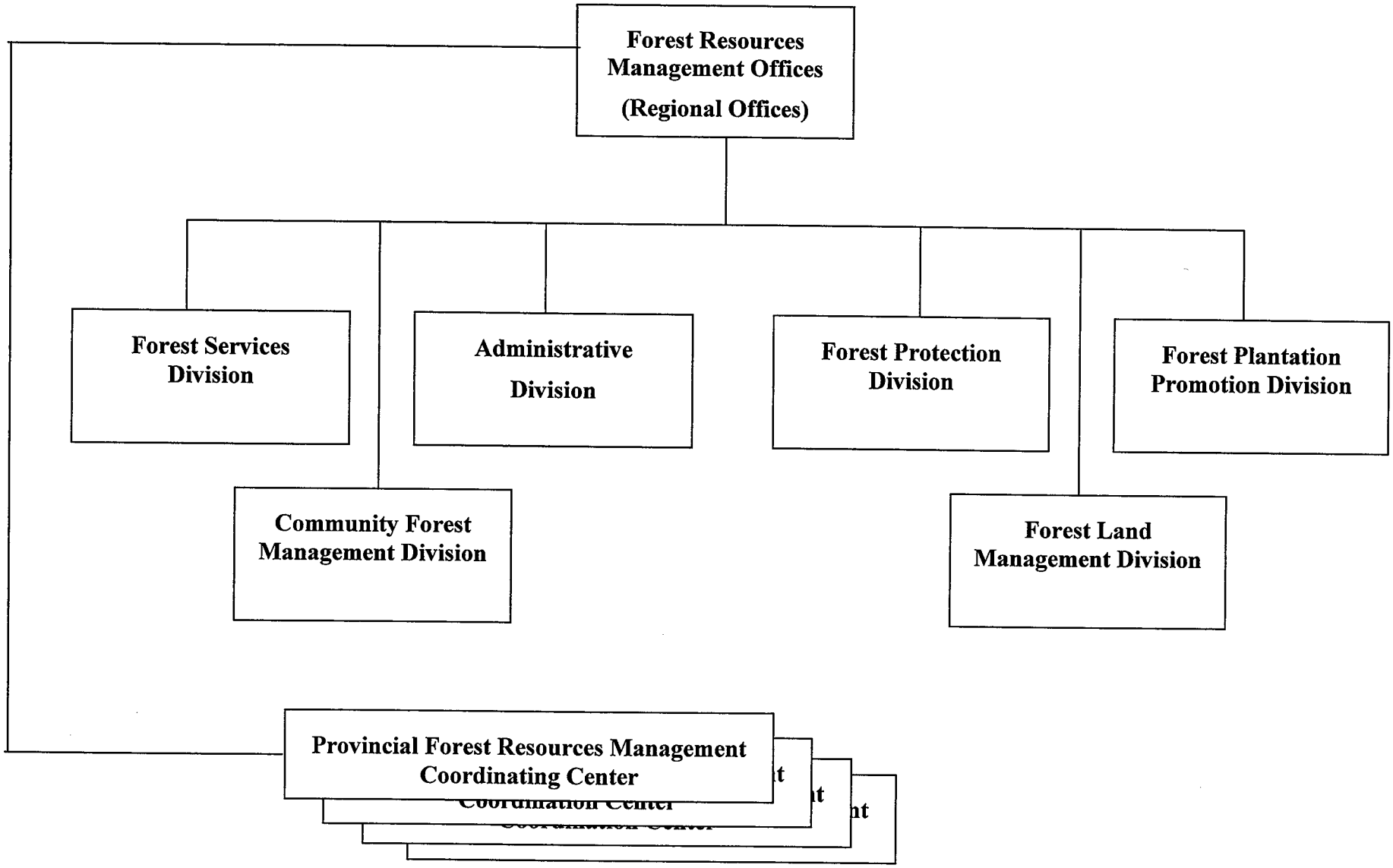
ANNEX I
BUDGET TABLES

<See separate excel sheet

ANNEX II
PROFILE OF THE EXECUTING AGENCY




Forest Resources Management Offices (Regional Offices)
Forest Services Division
Administrative Division
Forest Protection Division
Forest Plantation Promotion Division
Community Forest Management Division
Forest Land Management Division
Provincial Forest Resources Management Coordinating Center

ANNEX III
PERSONNELPROVIDED BY THE GOVERNMENT/EXECUTING AGENCY

- **Project Leader** will have an advanced science degree (MS or Ph.D.) in subjects related to forest management, forest economics, silviculture, forest ecology or environmental sciences. He/she will have a minimum of 10 years experience interdisciplinary and multidisciplinary approaches in forestry/environmental field and ability to lead project and experience in working with government administration, NGOs, private sectors, academic institute and other stakeholders.

- **Project Coordinator** will have an advanced science degree (M.S. or Ph.D.) in subjects related to forest management, forest economics, silviculture, forest ecology or environmental sciences. He/she will have a minimum of 5 years experience in interdisciplinary and multidisciplinary approaches in forestry/environmental field, and a demonstrated ability in managing/coordinating projects, and a practical experience in working with government administration, local communities, NGOs, private sectors, academic institutes and other stakeholders.

- **National experts** will have a science degree (B.Sc.) in subjects related to forest management, forest economic, silviculture, forest ecology or environmental science. He/she will have a minimum of 5 years experience working in interdisciplinary and multidisciplinary approaches in forestry/environmental field and demonstrated ability in working with government administration, local communities, NGOs, forest owners etc.

ANNEX IV

TERMS OF REFERENCE OF PROJECT CONSULTANTS TO BE FUNDED BY ITTO

1. National Consultant on Criteria & Indicators (Forest Management Specialist) (16 m/m)

The National Consultant on C&I has the following duties:

- Elaboration a proposal for the rules of operation of the National Working Group and its Sub-groups for the approval of the groups
- Assist the Project Coordinator in the organization of workshops and working group meetings of the project and act as resource person in the workshops and meetings
- Prepare drafts for the national C&I for SFM as well as standards of performance for planted forests and community forests
- Plan the testing of the C&I/SOP in pilot locations together with the Project Coordinator
- Act as the leader of the national consultants in the testing of the C&I/SOP
- Prepare and analysis and review of the results of the pilot testing of the C&I/SOP for planted forests and community forests
- Assess the cost and implementation of implications of the C&I in varying typical conditions based on the pilot tests
- Elaborate the second draft of the C&I/SOPs
- Prepare necessary documentation on the C&I/SOP for public consultation and organize posting of the second draft on an easily accessible web page
- Analyze the comments made in the second national workshop as well as those received during the public consultation and prepare the final draft of the C&I/SOPs together with a document explaining how the comments were taken into account in the final version
- Assist the Project Coordinator in preparing the leaflet of the C&I/SOP for printing and dissemination
- Prepare a draft audit guideline for C&I/SOP
- Prepare a training package for auditors and plan the respective training courses
- Act as the resource person in the training courses on C&I/SOP
- Assist the Project Coordinator in the preparation of the reports on the project

Qualifications:

Advanced science degree (M.S. or Ph.D.) in subjects related to forest management or environmental sciences. He/she will have a minimum of 7 years working experience including in interdisciplinary and multidisciplinary approaches in forest management, including community forestry, and a demonstrated ability in organizing participative processes in forestry. Practical experience in working with government administration, local communities, NGOs, private sectors, academic institutes and other stakeholders would be desirable.

2. National Consultant on Chain of Custody (Tracking/Auditing Specialist) (11 months)

The National Consultant on COC has the following duties:

- Review of the legal requirements and national experiences in developing tracking/COC systems
- Develop the conceptual plan and the implementation details for a COC system applicable in Thai conditions
- Plan a stakeholder workshop to review and analyze the system proposal
- Revise the system based on the inputs of the workshop
- Organize and execute pilot testing of the COC/tracking system with the participation of the pilot companies and relevant authorities
- Analyze the results of the pilot testing and finalize the system description
- Assess the cost implications of implementing the COC/tracking system
- Prepare the respective final document to be approved by the National Committee on C&I
- Review the existing auditing practices of COC/tracking in Thailand
- Prepare a draft audit guideline for the COC/timber tracking for the implementation of the system
- Prepare a training package for auditors and plan the respective training courses

- Act as the resource person in the training courses on C&I/SOP
- Assist the Project Coordinator in the preparation of the reports on the project
- Provide selected inputs to the feasibility study and the roadmap

Qualifications:

Advanced science degree (M.S. or Ph.D.) in subjects related to forestry/forest industries. He/she will have a minimum of 5 years working experience in developing and operating monitoring and control systems in the forestry sector, and a demonstrated ability for system design for practical purposes.

3. International Consultant (C&I Specialist) (1 month)

The International Consultant (C&I Specialist) has the following duties:

Phase 1 (mission to Thailand)
- Review of the background documentation on the C&I in Thailand
- Provision of advice to the Project Coordinator and in the elaboration of the detailed work plan including the details of the consultative process
- Plan and participate as a resource person in the training workshop on C&I/SOP elaboration for stakeholders (2-3 days)
- Assist the course the National Consultant on C&I in the elaboration of the first draft of C&I/SOPs for community forestry and planted forests

Phase 2
- Review the second and final draft of C&I/SOPs and provide suggestions for their improvement
- Review the draft audit guideline of the C&I/SOPs and provide suggestions for their improvement
- Review the draft training package on C&I/SOPs provide suggestions for their improvement

Qualifications:

Advanced science degree (M.S. or Ph.D.) in subjects related to forest management, forest economics, or environmental sciences. He/she will have a minimum of 7 years working experience in developing and operating C&I/forest certification with an understanding of the international requirements for standard development process and contents.

3. International Consultant (COC/Timber Tracking Specialist) (1 month)

The International Consultant (COC/Timber Tracking Specialist) has the following duties:

Phase 1 (mission to Thailand)
- Review of the international experience and requirements for COC/timber tracking and analyze the implications for the system development Thailand
- Provision of advice to the Project Coordinator and in the elaboration of the detailed work plan including pilot testing of the COC system
- Together with the National Consultant, organize a technical meeting with industry and forest owners to review possibilities for a feasible solution for COC/tracking
- Visit selected companies to understand fully the operating conditions
- Together with the National Consultant on COC prepare a proposal or the COC/tracking system in Thailand
- Assist the National Consultant on COC in planning the pilot testing of the system

Phase 2
- Review the second and final draft of COC/tracking system description and provide suggestions for their improvement
- Review the draft audit guideline of the COC/tracking system and provide suggestions for improvement
- Review the draft training package on auditing under COC/tracking system provide suggestions for their improvement

Qualifications:

Advanced science degree (M.S. or Ph.D.) in subjects related to forest management, or forest industry, or other appropriate field.. He/she will have a minimum of 7 years working experience in auditing systems for timber tracking/COC/forest certification with an understanding of the international requirements for system development process and contents.

Annex V

PD 470/07 (F) **Development and Implementation of Criteria and Indicators for Sustainable Management of Planted Forests and Community Forests** (Thailand)

COMMENTS OF THE PANEL OF EXPERTS AND MODIFICATIONS OF THE PROJECT PROPOSAL

Comment of the Panel		Modifications implemented
General	Lack of clarity and rationale in the project proposal	Explanatory text added to end of sections 1.1.2 and 1.2.1 (page 2)
1.	Provide more information on the potential cost and the risk that the formulated C&I are not acceptable to users	Exlanatory text added at the end of section 3.3 (page 11)
2.	Make clear in the proposal the link between the C&I and CoC in the context of sustainable forest management	Eplanatory text added in section 1.3 (page 3)
3.	Clarify what kind of information the CoC system tries to reveal and signify, how and at what cost	Explanatory text added in section 3.4.4 (pages 13-14)
4.	Clarify the role of certification in the project and its relation to C&I;	Explanatory text added in section 3.4.4. (page 13)
5.	Include US$ 12,000.00 for Monitoring and Review Costs (budget line 81) and US$ 10,000.00 for Ex-post Evaluation Costs (budget line 82) and recalculate the Programme Support costs at 8% of ITTO total project costs	The Monitoring and Review costs as well as the Ex-Post Evaluation costs were included and the Programme Support costs were adjusted at 8% of the ITTO total project costs. These changes were made in the budget tables in Section (Annex 1 and the cover page ; revised budget tables provided also as separate excel sheets)
6.	Include an annex that shows the recommendation of the 34th Expert Panel and the respective modifications in tabular form. Modifications should also be highlighted (bold and underline) in the text.	This is the Annex requested.

CONSOLIDATED YEARLY PROJECT BUDGET
Total contribution

ANNEX 5

	Budget components	Total	Year 1	Year 2
10	**Project Personnel**	**142,650**	**113,150**	**29,500**
	11 National experts	38,900	31,900	7,000
	12 National consultants	83,750	61,250	22,500
	13 Training	0	0	0
	14 International experts	0		0
	15 International consultant	20,000	20,000	0
20	**Subcontracts**	**3,000**	**3,000**	**0**
	21 Subcontract (printing)	3,000	3,000	0
30	**Duty travel**	**57,900**	**39,100**	**18,800**
	31 Daily subsistance allowance, international	5,000	5,000	0
	32 International travel	2,800	2,800	0
	33 Transport costs, international travel	0	0	0
	34 Daily subsistance allowance, national travel	28,100	19,300	8,800
	35 Transport costs, national travel	22,000	12,000	10,000
40	**Capital items**	**0**	**0**	**0**
	41 Computer and other equipment	0	0	0
	42 Car	0	0	0
50	**Consumable items**	**0**	**0**	**0**
	51 Office supplies	0	0	0
	52 Equipment maintenance	0	0	0
	53 Fuel and utilities	0	0	0
	54 Office rent	0	0	0
60	**Miscellaneous**	**17,600**	**11,800**	**5,800**
	61 Workshop logistic costs, communication	17,600	11,800	5,800
	62 Contingencies	0	0	0
70	**Executing agency management cost**	**0**	**0**	**0**
	79 Component total	0		
	Subtotal	**221,150**	**167,050**	**54,100**
80	**ITTO monitoring, evaluation and administration**	**37,524**	**15,396**	**22,128**
	81 Monitoring and review costs	12,000	5,000	7,000
	82 Evaluation costs	10,000	0	10,000
	83 Programme support costs (6%)	15,524	10,396	5,128
90	**Refund of preproject costs**	**0**	**0**	**0**
100	**Grand total**	**258,674**	**182,446**	**76,228**

YEARLY PROJECT BUDGET BY SOURCE – ITTO

ANNEX 5

		Total	Year 1	Year 2
10	Project Personnel	103,750	81,250	22,500
20	Subcontracts	3,000	3,000	0
30	Travel	47,700	28,900	18,800
40	Capital items	0	0	0
50	Consumable items	0	0	0
60	Miscellaneous	17,600	11,800	5,800
70	Executing agency management cost	0		
	Subtotal 1	172,050	124,950	47,100
80				
81	ITTO monitoring, evaluation and administration	12,000	5,000	7,000
82	Evaluation costs	10,000	0	10,000
	Subtotal 2	22,000	5,000	17,000
83	ITTO program support costs (8%)	15,524	10,396	5,128
90	Refund of preproject costs	0	0	0
ITTO TOTAL		209,574	140,346	69,228

YEARLY PROJECT BUDGET BY SOURCE – RTG

ANNEX 5

		Total	Year 1	Year 2
10	Project Personnel	38,900	31,900	7,000
20	Subcontracts	0		
30	Duty travel	10,200	10,200	0
40	Capital items	0		
50	Consumable items			
60	Miscellaneous	0		
70	Executing agency management cost	0		
	Subtotal 1	49,100	42,100	7,000
80	ITTO monitoring, evaluation and administration	0		
81	Monitoring and review costs	0		
82	Evaluation costs	0		
	Subtotal 2	49,100	42,100	7,000
83	Programme support costs (6%)	0		
90	Refund of preproject costs	0	0	0
RTG TOTAL		49,100	42,100	7,000

OVERALL PROJECT BUDGET BY ACTIVITY

ANNEX 5

Outputs/Activities	10 Personnel	20 Subcontracts	30 Travel	40 Capital items	50 Materials	60 Miscellaneous	Total	
Output 1:	77,750	3,000	30,100	0	0	11,000	121,850	
Activity 1.1	1,400					300	1,700	
Activity 1.2	700					900	1,600	
Activity 1.3	2,500						2,500	
Activity 1.4	11,400		6,700			500	18,600	
Activity 1.5	5,000						5,000	
Activity 1.6	1,400		2,800			1,000	5,200	
Activity 1.7	10,000						10,000	
Activity 1.8	1,400		2,600			1,400	5,400	
Activity 1.9	31,000		15,200			1,600	47,800	
Activity 1.10	2,500						2,500	
Activity 1.11	2,500						2,500	
Activity 1.12	1,400					2,000	3,400	
Activity 1.13	3,900		2,800			1,000	7,700	
Activity 1.14	1,250						1,250	
Activity 1.15	1,400	3,000				2,300	6,700	
Output 2	36,800	0	9,000	0	0	1,100	46,900	
Activity 2.1	10,000		3,900				13,900	
Activity 2.2	7,800						7,800	
Activity 2.3	1,400					500	1,900	
Activity 2.4	11,200		5,100				16,300	
Activity 2.5	5,000					300	5,300	
Activity 2.6	1,400					300	1,700	
Output 3	8,900	0	0	0	0	300	9,200	
Activity 3.1	2,500						2,500	
Activity 3.2	2,500						2,500	
Activity 3.3	2,500						2,500	
Activity 3.4	1,400					300	1,700	
Output 4	19,200	0	18,800	0	0	5,200	43,200	
Activity 4.1	5,000						5,000	
Activity 4.2	1,400		10,400			2,600	14,400	
Activity 4.3	5,000						5,000	
Activity 4.4	7,800		8,400			2,600	18,800	
Sub-total	142,650	3,000	57,900	0	0	17,600	221,150	
ITTO monitoring and evaluation							12,000	221,150
Ex-post evaluation							0	
ITTO programme support costs (8%)							15,524	
Executing agency management cost (3%)							0	
Total							258,674	
ITTO contribution							209,574	
RTG contribution							49,100	

Budget by Activity – Project Total

ANNEX 5

Outputs/ Acitivites	Code	Qty	Inputs	No.	Unit	Unit Cost USD	Subtotal p.a.	Year 1	Year 2	Total (USD)	Source
Output 1:								121,850		121,850	
Activity 1.1	61	1	Meeting logistic costs	1	lump sum	300	300	300		300	(I)
	11.1	1	Project coordinator	1	m/m	1400	1,400	1,400		1,400	(E)
Activity 1.2	61	1	Group meeting logistic costs	3	lump sum	300	900	900		900	(I)
	11.1	1	Project coordinator	0.5	m/m	1400	700	700		700	(E)
Activity 1.3	11.1	1	National consultant C&I	1	m/m	2500	2,500	2,500		2,500	(I)
Activity 1.4	14.1	1	International expert C&I	1	m/m	10000	10,000	10,000		10,000	(I)
	32.2	1	Return air ticket economy class	1	ticket	1400	1,400	1,400		1,400	(I)
	31.2	1	DSA international expert	25	days	100	2,500	2,500		2,500	(I)
	11.1	1	Project coordinator	1	m/m	1400	1,400	1,400		1,400	(E)
	61	1	Workshop logistic costs	1	lump sum	500	500	500		500	(I)
	33.3	10	Travel cost for participants	1	lump sum	150	1,500	1,500		1,500	(I)
	31.3	10	DSA for participants	2	days	65	1,300	1,300		1,300	(I)
Activity 1.5	13.1	1	National consultant C&I	2	m/m	2500	5,000	5,000		5,000	(I)
Activity 1.6	61	1	Workshop logistic costs	1	lump sum	1000	1,000	1,000		1,000	(I)
	33.3	10	Travel costs for participants	1	lump sum	150	1,500	1,500		1,500	(I)
	11.1	1	Project coordinator	1	m/m	1400	1,400	1,400		1,400	(E)
	31.3	10	DSA for participants	2	days	65	1,300	1,300		1,300	(I)
Activity 1.7	13.1	2	National consultant C&I/CF	2	m/m	2500	10,000	10,000		10,000	(I)
Activity 1.8	61	2	Workshop logistic costs	1	lump sum	700	1,400	1,400		1,400	(I)
	33.3	2	Travel cost participants	5	lump sum	150	1,500	1,500		1,500	(I)
	31.3	2	DSA for participants	10	days	55	1,100	1,100		1,100	(I)
	11.1	1	Project coordinator	1	m/m	1400	1,400	1,400		1,400	(E)
Activity 1.9	13.1	4	National consultant	2	m/m	2500	20,000	20,000		20,000	(I)
	11.1	1	Project coordinator	1	m/m	1400	1,400	1,400		1,400	(E)
	11.2	4	National expert	2	m/m	1200	9,600	9,600		9,600	(E)
	33.1	4	Travel cost national consultants	4	lump sum	150	2,400	2,400		2,400	(I)
	31.1	4	DSA national consultant	20	days	65	5,200	5,200		5,200	(I)
	33.1	4	Travel cost national experts	4	lump sum	150	2,400	2,400		2,400	(E)
	31.1	4	DSA national experts	20	days	65	5,200	5,200		5,200	(E)
	61	1	Local meeting logistic costs	8	lump sum	200	1,600	1,600		1,600	(I)
Activity 1.10	13.1	1	National consultant C&I	1	m/m	2500	2,500	2,500		2,500	(I)
Activity 1.11	31.1	1	National consultant	1	m/m	2500	2,500	2,500		2,500	(I)
Activity 1.12	13.1	1	Project coordinator	1	m/m	1400	1,400	1,400		1,400	(E)
	61	1	Communication costs	1	lump sum	2000	2,000	2,000		2,000	(I)
Activity 1.13	61	1	Workshop logistic costs	1	lump sum	1000	1,000	1,000		1,000	(I)
	33.3	10	Travel cost participants	1	lump sum	150	1,500	1,500		1,500	(I)
	31.3	10	DSA for participants	2	days	65	1,300	1,300		1,300	(I)
	11.1	1	Project coordinator	1	m/m	1400	1,400	1,400		1,400	(E)
	13.1	1	National consultant C&I	1	m/m	2500	2,500	2,500		2,500	(I)
Activity 1.14	13.1	1	National consultant C&I	0.5	m/m	2500	1,250	1,250		1,250	(I)
Activity 1.15	61	1	Meeting logistic costs	1	lump sum	300	300	300		300	(I)
	11.1	1	Project coordinator	1	m/m	1400	1,400	1,400		1,400	(E)
	21	1	Leaflet printing	10000	unit	0.3	3,000	3,000		3,000	(I)
	61	1	Dissemination	1	lump sum	2000	2,000	2,000		2,000	(I)
Output 2								45,200	1,700	46,900	
Activity 2.1	14.2	1	International expert COC	1	m/m	10000	10,000	10,000		10,000	(I)
	32.2	1	Return air ticket economy class	1	ticket	1400	1,400	1,400		1,400	(I)

Budget by Activity – Project Total

ANNEX 5

Outputs/	Code	Qty	Inputs	No.	Unit	Unit Cost	Subtotal	Year 1	Year 2	Total (USD)	Source		
	31.2	1	DSA international expert	25	days	100	2,500	2,500		2,500	(I)		
Activity 2.2	13.3	1	National consultant COC	2	m/m	2500	5,000	5,000		5,000	(I)		
	11.3	2	National expert	1	m/m	1400	2,800	2,800		2,800	(E)		
Activity 2.3	61	1	Workshop logistic costs	1	lump sum	500	500	500		500	(I)		
	11.3	1	Project coordinator	1	m/m	1400	1,400	1,400		1,400	(E)		
Activity 2.4	13.3	1	National consultant COC	2	m/m	2500	5,000	5,000		5,000	(I)		
	11.3	1	Project coordinator	1	m/m	1400	1,400	1,400		1,400	(E)		
	11.3	4	National expert	1	m/m	1200	4,800	4,800		4,800	(E)		
	33.1	1	Travel cost national consultants	4	lump sum	300	1,200	1,200		1,200	(I)		
	31.1	1	DSA national consultant	20	days	65	1,300	1,300		1,300	(I)		
	31.1	4	DSA national expert	10	days	65	2,600	2,600		2,600	(E)		
Activity 2.5	13.3	1	National consultant COC	2	m/m	2500	5,000	5,000		5,000	(I)		
	61	1	Internal workshop logistic costs	1	m/m	300	300	300		300	(I)		
Activity 2.6		1	Meeting logistic costs	1	lump sum	300	300		300	300	(I)		
	11.3	1	Project coordinator	1	m/m	1400	1,400		1,400	1,400	(E)		
Output 3									9,200	9,200			
Activity 3.1	13.3	2	National consultant C&I/COC	0.5	m/m	2500	2,500		2,500	2,500	(I)		
Activity 3.2	13.3	1	National consultant C&I	1	m/m	2500	2,500		2,500	2,500	(I)		
Activity 3.3	13.3	1	National consultant COC	1	m/m	2500	2,500		2,500	2,500	(I)		
Activity 3.4	61	1	Meeting logistic costs	1	lump sum	200	300		300	300	(I)		
	11.3	1	Project coordinator	1	m/m	1400	1,400		1,400	1,400	(E)		
Output 4:									43,200	43,200			
Activity 4.1		2	National consultant C&I/COC	1	m/m	2500	5,000		5,000	5,000	(I)		
Activity 4.2	61	2	Training course logistic costs	1	lump sum	1300	2,600		2,600	2,600	(I)		
	33.3	2	Travel cost participants	20	lump sum	150	6,000		6,000	6,000	(I)		
	11.3	1	Project coordinator	1	m/m	1400	1,400		1,400	1,400	(E)		
	31.3	2	DSA for participants	40	days	55	4,400		4,400	4,400	(I)		
Activity 4.3	13.3	2	National consultant C&I/COC	1	m/m	2500	5,000		5,000	5,000	(I)		
Activity 4.4	61	2	Training course logistic costs	1	lump sum	1300	2,600		2,600	2,600	(I)		
	33.3	2	Travel cost participants	20	lump sum	100	4,000		4,000	4,000	(I)		
	31.3	2	DSA for participants	40	days	55	4,400		4,400	4,400	(I)		
	13.3	2	National consultant	1	m/m	2500	5,000		5,000	5,000	(I)		
	11.3	1	Project coordinator	2	m/m	1400	2,800		2,800	2,800	(E)		
Subtotal ITTO								124,950	47,100	172,050		172,050	
Subtotal RTG								42,100	7,000	49,100		49,100	
Subtotal								167,050	54,100	221,150		221,150	221,150
Executing agency management cost (3%)													
ITTO monitoring and review								**5,000**	**7,000**	**12,000**			
Ex-post evaluation									**10,000**	**10,000**			

Budget by Activity – Project Total

ANNEX 5

Outputs/	Code	Qty	Inputs	No.	Unit	Unit Cost	Subtotal	Year 1	Year 2	Total (USD)	Source
ITTO program support costs (8%)								10,396	5,128	15,524	
Total								182,446	76,228	258,674	
ITTO contribution								140,346	69,228	209,574	
RTG								42,100	7,000	49,100	