

INTERNATIONAL TROPICAL TIMBER ORGANIZATION

ITTO

PROJECT DOCUMENT

TITLE:	DEVELOPMENT OF CRITERIA AND INDICATORS FOR SUSTAINABLE MANAGEMENT APPROPRIATED TO BRAZILIAN TROPICAL FORESTS
SERIAL NUMBER:	PD 140/02 Rev.2 (M)
COMMITTEE:	ECONOMIC INFORMATION AND MARKET INTELLIGENCE
SUBMITTED BY:	GOVERNMENT OF BRAZIL
ORIGINAL LANGUAGE:	ENGLISH

SUMMARY

This project will develop a set of Criteria and Indicators for the sustainable management of Brazilian tropical forests, taking into consideration ITTO C&I and also the TARAPOTO regional initiative. The project will be implemented by ABIMCI- Brazilian Association of Mechanically Processed Timber, in co-operation with several other national organizations including the National Forum of Forest Organizations, Brazilian Society for Silviculture-SBS, The Brazilian Institute for Metrology, Standardization and Industrial Quality-INMETRO (a member of the International Accreditation Forum – IAF) and the Brazilian Ministry for the Environment-MMA. All these organizations are already engaged in the development of a set of C&I for plantation forests, rules for the chain of custody certification and auditing guidelines. The project will promote a broad consultation process in order to ensure that all stakeholders' positions and existing technical expertise are taken into consideration. The project will also develop a manual for the application of the C&I for sustainable management of natural forests. In the development of the Manual will be initially considered the C&I agreed, ITTO Manual and lessons learned in other projects (particularly in the ITTO Project for Dissemination and Training on ITTO Guidelines and C&I). The manual will be field-tested in three locations, and the results will be discussed in a workshop. Lessons learned in the field tests and inputs of the workshop participants will be used to produce a final version of the Manual. The manual will be printed and widely disseminated. Four training courses on the application of the manual will be implemented in the Amazon region. At least 100 persons will be trained on the application of manual for assessing the sustainability of Brazilian forests, and at least 90 persons will be trained on auditing management practices. The training program will provide the timber industry with the necessary expertise to assess its forest management sustainability. It will be important for government officials and will serve as an initial basis for the preparation of auditors for the Brazilian Certification System - SBC.

IMPLEMENTING AGENCY:	ABIMCI- Brazilian Association of Mechanically Processed Timber	
DURATION:	24 Months	
BUDGET AND PROPOSED SOURCES OF FINANCE:	Sources	US\$
	ITTO	396,313.00
	ABIMCI/FORUM/SBS	168,100.00
	TOTAL	563,663.00

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PART I: CONTEXT

1. ORIGIN.

Brazil has a large area of tropical forest. Most of the tropical forest is located in the Amazon region that covers more than 50% of the 8.5 million square km of the total country area. It is estimated that in the Amazon there are more than 250 million ha that can be classified as production forests, representing an enormous development potential.

The country has not been able to develop this forest potential, and in some areas deforestation has led to soil degradation and other negative impacts to the environment. In order to revert this situation several actions have been taken by the Brazilian Government. Among the most recent actions is the National Forest Program-NFP. The NFP proposes mechanisms to support the forest development of the country, taking into consideration the principles of sustainability.

The NFP is in line with new forest and environmental policies that have been adopted along the last years. In view of these new policies, government agencies at the federal level have been reformulated and the individual states have been asked to participate in the monitoring and the control process aiming at reducing deforestation and the depletion of forest resources.

At the same time this has happened, new mechanisms have been developed to improve forest management. These mechanisms include the important and pioneer initiative of ITTO in developing criteria and indicators for the sustainable management of tropical forests. Brazil as a member of the ITTO supported the initiative and actively promoted ITTO Criteria and Indicators implementing two large projects on training and dissemination of ITTO Guidelines and Criteria (Projects PD39/92 and PD30/95). These projects were implemented by FUNPAR, and cover all Amazonian states.

The pioneer ITTO initiative served as a model for the development of other regional Criteria and Indicators. The TARAPOTO C&I were discussed in a meeting held in 1994 in Peru, under the co-ordination of The Amazon Cooperation Treaty. The process of national consultations of TARAPOTO C&I was completed last year, and recently a meeting took place with the participation of member countries to discuss the findings of the national consultations. The process of consultation in Brazil was co-ordinated by the Ministry of Environment with the support of FUNPAR.

Another initiative is the CERFLOR process. This process, initially proposed by SBS, was officially presented for the first time to the international community in 1991 during the 10th World Forestry Congress held in Paris. CERFOR was created to be a national forest certification system, and already in 1993 a first attempt to develop C&I was made.

In June 1996, SBS and ABNT, the Brazilian National Association for Standardization, with the objective of making CERFLOR operational. In March 1997, SBC created Technical Committee N. 5 for Forest and Environmental Certification. This committee, made up of representatives from government agencies, private industry and social and environmental NGO's, has prepared preliminary C&I for sustainable management of planted forests.

In March 2001, a Special Temporary Study Committee on Forest Management – CEET was established by SBC. This committee has set up four Working Groups charged with the preparation of basic documents related to: management of planted forests, chain of custody, forest auditors qualification, and management standards for native forests.

In April 2001, the Brazilian Certification Committee – CBC, which is part of the National Council for Metrology, Standardization and Industrial Quality–CONMETRO, established the Technical Subcommittee on Forest Certification with the specific objective of developing additional rules for the forest certification within the framework of the Brazilian Certification System – SBC.

At this moment, the structuring of CERFLOR is in its final phases as ABNT technical committees finish the elaboration of Brazilian Standards for forest management (for plantations), chain of custody, and

guidelines for auditing forest management practices.

The CERFLOR certification program has been included in the objectives of the National Forest Program, as well as in Forum for Competitiveness of the Production Chain of the Wood and Furniture Industry, established by the Brazilian Ministry for Industry, Development and Foreign Trade. As the work of the INMETRO Forest Certification Subcommittee advances and CERFLOR Certification Program gets finalized, this program will be part of the Brazilian Certification System – SBC.

CERFLOR is a certification program of a voluntary nature with the purpose of recognizing forest producers that follow forest management procedures that are environmentally sound, socially fair and economically viable, which characterize good forest management in Brazil.

CERFLOR will be an important step in the direction of international recognition of forest products certified in Brazil, as discussed in the meeting "Market Discussions" organized by the Trade Advisory Group – TAG, during the last ITTO Council Session in Yaoundé, Cameroon, June 2001.

In view of the importance of natural forests for the economic development of Brazil, and considering the interests of its members, ABIMCI promoted a national discussion to evaluate the importance of having national criteria and indicators for natural forests.

The discussions were taken to the meetings of the CERFLOR technical committee coordinated by SBC, and ABIMCI, together with the National Forum of Forest Organizations, was asked to take a lead in the process related to natural forests.

Having this decision it was contacted several other organizations, aiming to identify technical support and also by enlarging the participation on the discussions at that stage, to gain political support. FUNPAR was one of the organizations contacted. FUNPAR support was considered to be important in view of the fact that the organization was responsible for the project on training and dissemination of ITTO Guidelines and Criteria, and also for the national discussion of the TARAPOTO process.

The FORUM also took the issue to the Ministry of Environment, other government organizations and to regional forest and timber industry associations. All organizations and persons contacted have agreed that ABIMCI, the FORUM and also SBS, should take actions in order to develop this proposed project. It is the general understanding that the implementation of this project will facilitate and accelerate the process for the development of national criteria and indicators for the sustainable management of tropical natural forests.

Based on the discussions held it was decided to move one step ahead, including in the project the development of a manual for the application of criteria and indicators, and also train personnel for the use of the manual. By training in the application of C&I it will be facilitated the process of accreditation of auditors as well as it will help in the internal auditing process of forest practices.

2. SECTORIAL POLICIES

The current Brazilian Forest Code is almost 40 years old, but it is still considered as an important basis for in the definition of forest policies, as in its principles incorporates the principle of forest sustainability. In spite of the fact that the Brazilian Forest Code remains as the main guideline for forest practices, new concepts of improved forest practices have been gradually incorporated to the national legislation.

In fact along the years forests, in most parts of the world, have been affected by general developments policies. Brazil is not an exception. During the 70's national policies have promoted the expansion of agriculture frontier. Incentives and other mechanisms were created to stimulate the occupation of new lands in the Amazon region for agriculture and cattle raising. In view of this fact large volumes of logs at low costs were made available in that region, and gradually the timber industry moved into the Amazon.

Large deforestation along the years, new global environmental concerns and the commitment of the country with the international efforts to protect forest ecosystems, motivated the government to review the policies along the last two decades.

This is reflected in the new legislation proposed for the adoption of sustainable forest management, in relevant activities implemented based on the international co-operation, such as ITTO projects, the PPG7 (Pilot Program for the Protection of Rain Forests supported by the G7), and on changes of the general government development policies that now takes into due consideration forests and environment related aspects.

The importance of forest is now fully recognised and the concept of forest management and the protection of forest ecosystems is ensured by law. IBAMA and individual states environmental authorities have been strengthened, and monitor and control activities have been improved. National policies to protect tropical forests are reflected in several ways. Timber companies are required to present a forest management plan, and deforestation has been restricted. By law 80% of any property in the Amazon region has to be kept under forest cover.

The National Development Bank (BNDES) only finances projects after a detail assessment of environmental impacts. Forest-based development projects are only financed if sustainable supply is ensured. In order to ensure this, BNDES is now also requesting proof that forests have been certified by independent organizations.

3. PROGRAMMES AND OPERATIONAL ACTIVITIES

Among the most significant recent national forest policies affecting forests and related activities, and that have been translated into programmes and operation activities are the following can be mentioned:

i) The PPA 2000-2004 forest related programs

The PPA 2000-2004 is the broad national development plan, covering a period of five years, proposed by the Federal Government. The Plan considers three programs of outstanding importance for the future of forests. They are:

- Florestar: a program to support the expansion of forest plantations;
- Sustentar: a program to support sustainable management of natural forests;
- Florescer- a program to reduce forest fires and its effects on forests ecosystems.

ii) The National Forest Program

Decree 3.420, dated April 20 2000, created the National Forest Program. The Program takes into consideration PPA 2000-2005, and it is based on an extensive national consultation process. The objective of the Program is to promote the sustainable forest development, conciliating the utilisation of the resources with the protection of ecosystems.

The program has a broad scope, and counts in its implementation with the participation of the government, private sector and other stakeholders. The main aspects considered in the Program are:

- Expansion of plantations;
- Expansion and consolidation of management of natural forest in public lands;
- Management of natural forests in private lands;
- Improvement of monitoring and control

- Support to traditional and native populations
- Forest education, science and technology development
- Environment services of the forests
- Institutional strengthening and forest extension
- Forest industry modernization
- Market and trade of forest products.

For each one of the above aspects targets have been established. It has been also defined an implementation strategy. In view of this fact the Program is at moment considered as the main instrument that will be guiding the forest sector development along the next years.

The implementation of the National Forest Program will have a substantial impact on the Amazon region. Among other things, the Program will focus on expanding government lands for timber production. This is a new concept adopted as practically all timber production in Brazil is at moment based in private lands.

As a result of allocation of public forests for the private sector government will need not only to monitor and control forest related activity in private lands, but also will needs to agree on a system to assess sustainability of forest operations in public lands. So the development of a local set of criteria and indicators as part of a system to assess the sustainability, within the national standards framework, is now considered as of outstanding importance for the implementation of the National Forest Program.

PART II: THE PROJECT

1. PROJECT OBJECTIVES

1.1 Development Objective

To contribute with the national efforts to achieve the sustainable management of forests in Brazil.

1.2 Specific Objectives

The specific of objectives of this project proposal are:

- 1.2.1 To develop a set of criteria and indicators for sustainable management of Brazilian natural tropical forests, *at forest management unity level*, within the Brazilian Certification System (SBC), and taking ITTO and TARAPOTO Criteria and Indicators as a basis;
- 1.2.2 To build up human capacity in the application of the Criteria and Indicators for sustainable forest management in Brazil, especially in the Amazon region;
- 1.2.3 To test and disseminate information on forest management standards and train personnel on the use.

2. PROJECT JUSTIFICATION

2.1 Problems to be addressed

Through the project it will be possible to facilitate the discussion and accelerate the process of preparation of national criteria and indicators for the management of Brazilian natural tropical forests. The project will make available expertise and also resources needed to increase the participation of stakeholders in the process, especially NGOs, and this will also increase the transparency of the process and make available new knowledge and views.

In fact this Project is proposed in an important momentum. The development of the national C&I for Brazilian tropical forests, *at forest management unity level* will be greatly facilitated and accelerated by the ongoing work within the National Forest Program, which is being developed within framework of the Brazilian Certification System. Besides this fact the project will benefit from projects and activities developed in the past, including the ITTO Projects related to training and dissemination on ITTO guidelines and criteria (Projects PD 39/92 and PD20/94), and also the recent national consultation process on the TARAPOTO C&I.

Furthermore the proposed project will make available a manual for the application of the C&I in assessing the sustainability of forest management in tropical forests. The manual and the complementary training program proposed are in line with the efforts for having, in a short time, a national certification system for forest fully operational.

Having available a set of C&I agreed for the Brazilian forests, based on a broad discussion will facilitate the implementation of the National Forest Program, particularly in relation to the new concept adopted of allocation of public forest lands to the private sector under a concession scheme. Taken into account legal aspects involved in the government/private sector relationship under this new scheme, it will not only require a set of C&I and clear rules for the measurement of sustainability in public lands given to the private sector, but also the agreed C&I should be inserted within the national standards framework. It will therefore be possible to take these C&I as a basis for legal instruments and agreements. On this aspect, this project is of outstanding importance to the National Forest Program.

The implementation of this project is also in line with another important trend: internal auditing of forest practices. By making available a set of Criteria and Indicators and a manual for the application, and by training personnel on the use of the manual, timber companies will be able to assess their process of the sustainability of their forest management operations, and thus decide to take measures to improve forest practices.

2.2 Intended situation after project completion

The development of the criteria and indicators, the manual and the implementation of the training program on the use of the manual will create local expertise and facilitate the process of auditing sustainable forest practices.

The manual and the trained personnel will be an important tool for forest owners and for the timber industry. The manual and the expertise can be applied for a self-assessment of the progress towards sustainable forest management, and will create a basis for self-regulation of companies.

At the completion of this project at least one hundred and ninety professionals will have been trained and will be fully familiarized with and able to apply the set of criteria and indicators to assess the sustainability of forest management plans in the Brazil. The results of this project will also serve as a basis for other countries of the region.

So, at the completion of the project a complete system will be available to improve forest practices, corroborating in the national effort for the sustainability of natural tropical forests.

2.3 Project strategy

The strategy of this project is very clear. The project aims to improve forest management of tropical forests of Brazil, thus corroborating with national efforts towards the preservation and conservation of forest resources. The strategy also considers two other important strategies: the development of the basic tools to support the establishment and consolidation of a national certification system for tropical forests, and improve the local expertise in assessing the sustainability of tropical forests.

In this line the project will take advantage of lessons learned from projects developed in the past. Among the most relevant projects implement along the last years are two projects on training and dissemination of ITTO Guidelines and Criteria. These projects (PD39/92 and PD30/95) were financed by ITTO and covered all Amazon States.

Another relevant activity that will be taken into consideration in the project implementation strategy is the recent national consultation process related to TARAPOTO process. The consultation is part of the Amazon Cooperation Treaty proposed strategy to develop regional agreed criteria and indicators, taking into consideration local conditions.

The Project will also take advantage of the structure related to the National standards framework for certification (SBC), and this will greatly minimize the risks in the implementation of this project. Within this structure it is already operating the working groups interested in the development of C&I for plantations and native forests, and in the preparation of standards for the assessment of the chain of custody and rules for the qualification of auditors.

Thus, using the strategy of working within the SBC framework for forest certification, this project will, in a first stage, take advantage of the transparency and credibility of an ongoing process by involving all stakeholders. The process will be carried out within ABNT, the Brazilian National Standards Organization, a non governmental organization that ensures the participation of the different stakeholders, including the private sector, government organizations, research and training institutions, non governmental organizations, consumers and others. INMETRO/SBC also have national and international recognition and credibility, and these in the future will facilitate the discussions related to mutual recognition of certification scheme. In addition, using the already existing structure will ensure the future operation of the national certification system, normally the most difficult part of any certification scheme.

ABIMCI is fully involved in the SBC process and took the responsibility to develop the criteria and indicators for natural tropical forests. It was decided in view of the importance for the tropical timber industry and considered the discussions held with stakeholders involved in the process, that have considered ABIMCI as the most appropriated organization to coordinate the work. As agreed ABIMCI will implement the work in full cooperation with SBS, INMETRO/SBC- Brazilian Certification System and others.

The strategy for executing this project also includes actions that will contribute to a high degree of transparency of the system by making extensive use of public consultations, promotional workshops and ample dissemination of results of the Project.

In spite of the fact that this project is proposed by Brazil, it covers all types of tropical forests, including those of the Amazon Region, which transcends the country's boundaries. This broadens the geographical coverage of the project, as other countries of the region will benefit from the project achievements.

The adoption of the C&I and the Manual developed by this project by other countries of the region, will be extremely facilitated by the fact that this project work will take into consideration the on going discussions related to the TARAPOTO initiative. This means that, as a result of the strategy adopted by this project, it will be possible to develop in the future a regional certification scheme. This is in line with other regional initiatives, strengthening a regional position and making it possible the participation of Brazil and neighboring countries in international discussions related to the process of mutual recognition of forest certification schemes.

2.4 Target beneficiaries

The main direct target beneficiaries will be forest owners and the tropical timber industry. They will have available the basic tools to assess the sustainability of natural tropical forests (C&I and the Manual) in support to their aspirations of self regulation, and also an alternative tool to support the national certification efforts, an important element to ensure future market access. Thus, indirectly, the Brazilian forest economy, and all those involved in the international trade of tropical timber products will be benefited.

The Federal and State governments will also be benefited. Besides making available tools to be used to assess the sustainability of forests, and thus improving transparency of the monitoring and control process, the project will also increase the awareness of the private sector, and thus will facilitate the government work and the achievement of proposed targets related to the improvements in forest practices and environment conditions.

This project will also allow starting the development of the basic principles for self-regulation of forest owners and timber industry along the next years. The development of an adequate self-regulatory process would bring, no doubt, enormous benefits to the country. It would reduce conflicts and costs and would increase the competitiveness of the tropical timber industry.

On the overall, by making available tools to improve forest management and facilitating the activities related to monitoring and control, the project will be contributing with the global efforts for the protection of tropical forests.

2.5 Technical and scientific aspects

There is sufficient technical and scientific expertise to implement this project. The information available from past studies, in particular from ITTO Projects PD39/92 and PD30/95 implemented by FUNPAR (Dissemination and training on ITTO guidelines and criteria and indicators) will serve as an important basis. Besides the specific activities related to dissemination and training the above mentioned projects also made available important data and technical information that will contribute to the implementation of this project, including:

1. Compiled information on land use in the region and assessed the situation of forest lands;

2. Prepared a complete data bank on forest management plans in the Amazon region;
3. Made a field assessment of the implementation of forest management plans in view of ITTO Criteria and Indicators.

Another important source of information and that can make available technical elements to be considered in the implementation of this project is the documents produced in the development of the TARAPOTO initiative. The national consultation process on TARAPOTO C&I was recently completed, and the lessons learned and documents produced will be helping the implementation of this project.

Even considering the existence of local expertise for the implementation of the activities of the proposed project, it was decided to consider an international consultant. The international consultant will be selected taking into consideration his experience in the development of C&I and also in the development of certification schemes in other parts of the world. It was found to be wise to consider external expertise in order to accelerate the process of discussion, and also aiming to facilitate in the future the process of international recognition.

Finally, it is important to note that the Brazilian Technical Subcommittee on Forest Certification, which operates within the framework of Brazilian Certification System – SBC, has already produced the basic texts of the following standards: Forest Management – Principles, Criteria, and Indicators for Forest Plantations (Project 00:001.39-001); Chain of Custody – General Principles (Project 00:001.39-002); General Principles for Auditing forest assessments (Project 00:001.39-003); Guidelines for auditing forest management assessments; (Project 00:001.39-004), Guidelines for auditing forest management assessments; criteria for the qualification of forest auditors (Project 00:001.39-005).

The aspects related to the chain of custody have received particular attention under the CERFLOR recent developments. The ABNT Norm Project 00:001.30-003, developed within the CERFLOR/SBC framework, is now in final stage of public consultation and shortly it will be adopted as a national standard.

The already developed set of norms (Criteria and Indicators for Plantations, Chain of Custody and Principles for Auditing) will be completed by the output of this project. This project will make available Criteria and Indicators for natural tropical forests at forest management unity level, forming a basis to enable to include natural tropical forests in the national certification system for forests.

In the implementation of this project it will be taken into due consideration other developments made by ITTO and other organizations, particularly ITTO's work on the SFM auditing. This development will be important specially in the work related to the preparation of the manual for the application of the Criteria and Indicators in assessing sustainable management at forest management unity level in tropical forests, and also in the associated field tests.

2.6 Economic aspects

The project is of outstanding economic importance. Forests in Brazil represent an enormous potential for the timber industry that based on sustainable sources can give an important contribution to the economic development of the country.

The sustainability of the timber industry, and thus indirectly of the forests, has in principle to be based on market response. Consumers at the market, based the growing discussions related to the depletion of tropical forests, and related effects on biodiversity and global warming, are getting reluctant to the use of tropical timber product.

In order to avoid losing market several actions have been taken, and it is now clear that certification is an important tool to ensure future market access for tropical timber products. This project is inserted in the national work towards the development of a certification scheme compatible with local conditions. In this line it will have an important contribution in ensuring market access, the most important source of funds to support investments needed to improve in sustainable forest management.

The Brazilian Government also recognizes the economic relevance of having a national forest certification program in place. This is reflected in the National Forest Program as well as in the discussions of the Forum for Competitiveness of the Production Chain of the Wood and Furniture Industry, established by the Brazilian Ministry for Industry, Development and Foreign Trade. ABIMCI, the FORUM and SBS are active participants of the on going discussions at the Forum of Competitiveness.

2.7 Environmental aspects

The project is aimed at promoting sustainable forest management of natural tropical forests. This is fully in line with the national and international efforts to reduce forest depletion and the impact of harvesting on natural forests.

In developing criteria and indicator and a manual for the application of the C&I, taking into consideration local conditions and a broad consultation process, it will be made available adequate tools to manage tropical forests for production of good and services. Sustainable managed forests producing market good an services will have its intrinsic value increased and so the interest in protect the forest resource will be greater, and this is an indirect but real environment gain.

Furthermore the development of the C&I and the Manual, and also the training program, will enhance the awareness of stakeholders, particularly of the timber industry, contributing to the important process of environmental education.

Finally, by having in place a well-structured certification process it will be involved not only producers and the government, but it will also involve the society in the national effort to protect forest and its ecosystems.

2.8 Social aspects

The development of the project will also bring direct and indirect social benefits. The C&I will necessarily consider social aspects elements, and this will benefit directly the local communities and workers involved in forest operations and working at the tropical timber industry.

Additionally the by improving market access it will be ensured a flow of financial resources needed to improve the socio economic conditions of local populations and of the country populations as a whole.

2.9 Risks

Since the project strategy takes into account a solid technical and scientific basis, covering an area where several related previous project work have been implemented, and also considering the it will be implemented within the Brazilian Certification System (SBC) and has received the support of several stakeholders the possibilities of failure have been minimized.

The Brazilian Certification System - SBC is part the National Standard System, having ABNT- a non-governmental organization- as the national forum for consultation and development of standards. ABNT is the organization representing Brazil at ISO. The development of standards considers a well-developed process of public consultation, fully transparent, with work developed in open-end committees, and several subsequent stages of public consultation. Participants of the working committees include representatives of the private sector, government organizations, research and training institutions, NGOs, consumers and other interested parties. The organization has full credibility, is fully independent and has made constant efforts to involve stakeholders in all work at all stages. This has happened in the development of the Criteria and Indicator for plantations and the other associated work. Based on the already existing structure and on the established process it is not envisaged any risk, and a wide support and participation of stakeholders in the implementation of this project is expected.

The risks are also minimized by the fact that there is already a process in course. Certification discussion and more specifically CERFLOR is not a new matter in Brazil. In fact the process has started around ten years ago. Furthermore the process has been strengthened by recent involvement

of the government, and by been now part of the national strategy for the development of the timber and furniture industry.

3. OUTPUT

3.1 Specific Objective 1

To develop a set of criteria and indicators for sustainable management of Brazilian natural tropical forests, *at forest management unity level*, within the Brazilian Certification System (SBC) and taking ITTO and TARAPOTO Criteria and Indicators as a basis.

- Output 1.1: A working group organized fully organized and formally established within the National Framework and operational.
- Output 1.2: A set of C&I for sustainable management of Amazon natural tropical forest developed and adopted as a National Standard.

3.2 Specific Objective 2

To build human capacity in the application of the Criteria and Indicators for sustainable forest management of Brazilian tropical forests, especially those in the Amazon region.

- Output 2.1: A Manual for the Application of Criteria and Indicators for Sustainable Management of Amazon Natural Tropical Forest prepared and tested.
- Output 2.2: Five thousand copies of the Manual for the Application of Criteria and Indicators for Sustainable Management of Amazon Natural Tropical Forest printed and distributed to relevant government agencies, forest owners, NGOs, forest professionals and forest industry.
- Output 2.3: One hundred professionals from government agencies, industry, NGOs and others organizations trained on the use of the Manual in assessing the sustainability of Amazon natural tropical forest.

3.3 Specific Objective 3

To test and disseminate information on forest management standards and train personnel on the use.

- Output 3.1: Management standards tested and disseminated.
- Output 3.2: Ninety professionals trained on auditing forest management systems within the Brazilian Certification System (SBC).
- Output 3.3: Three workshops, one in each production region, aiming to disseminate information.

4. ACTIVITIES

SPECIFIC OBJECTIVE	OUTPUTS	ACTIVITIES
1. To develop a set of C&I for sustainable management of Brazilian natural tropical forests <i>at forest management unity level</i> within the Brazilian Certification System (SBC) and taking ITTO and TARAPOTO C&I as a basis.	1.1. A working group fully organized and formally established within the National Framework and operational.	1.1.1. To carry out consultations with government organizations, parties private sectors, research organizations, NGOs and other interested on certification of natural tropical forest aiming to form an open ended working group including representatives of interested parties.
		1.1.2. To formally establish the working group within the National Framework to propose a working program and submit to the group for discussion and adoption.
	1.2. A set of C&I for sustainable management of Amazon natural tropical forest developed and adopted as a National Standard.	1.2.1. To review relevant documents, related to C&I and certification, particularly ITTO and TARAPOTO Criteria and Indicators and assess the progress made within the SBC Framework.
		1.2.2. To promote and support the participation of stakeholders in the discussion process for the preparation of the Criteria and Indicators
		1.2.3. To monitor and support the national consultation process for the approval of the Criteria and Indicators as part of the National Standards within the SBC Framework.

SPECIFIC OBJECTIVE	OUTPUTS	ACTIVITIES
2. To build human capacity in the application of the criteria and indicator for sustainable forest management in the Amazon region.	2.1 A Manual for the Application of Criteria and Indicators for Sustainable Management of Amazon Natural Tropical Forest consolidated.	2.1.1. Review existing documents relevant to the issue, particularly ITTO Manual for the application of C&I (ITTO Policy Development Series n° 9 and 10).
		2.1.2. Taking into consideration the review and the agreed SBC / C&I to prepare a preliminary version of the Manual.
		2.1.3. To selected three locations and carry out tests to assess the manual application in field condition.
		2.1.4. To carry out a workshop to present and discuss the Manual and the field tests results.
		2.1.5. Taking into consideration the workshop discussions and recommendations to review the preliminary version of the manual and prepare a final version.
	2.2 Five thousand copies of the Manual for the Application of Criteria and Indicators for Sustainable Management of Amazon Natural Tropical Forest printed in Portuguese and distributed to relevant government agencies, forest owners, forest professionals and forest industry.	2.2.1. To edit and print five thousand copies of the Manual for the Application of a C&I for Sustainable Management of Amazon Natural Tropical Forest.
		2.2.2 To mail four thousand copies of the manual to relevant organization, timber industry and professionals involved and / or interested in the sustainable management of natural tropical forest.
	2.3 One hundred professionals from government agencies, industry and others organizations trained on the use of the Manual in assessing the sustainability of Amazon natural tropical forest.	2.3.1 To prepare a training program to facilitate the use of the Manual.
		2.3.2 To select participants of training course taking into consideration a regional and stakeholder's balance.
		2.3.3 To select four locations and to implement training courses on the use of the Manual to in assessing the sustainability of Amazon natural tropical forest.

SPECIFIC OBJECTIVE	OUTPUTS	ACTIVITIES
3. To test and disseminate information on forest management standards and train personnel on the use.	3.1 Management standards tested and disseminated.	3.1.1 Field-testing of Forest Management Standards and assessment of the results.
		3.1.2 Adjustments, adoption and publication of the SBC Forest Management Standards.
	3.2 Ninety professional trained on auditing forest Management practices within the Brazilian Certification System (SBC).	3.2.1 Organization of the training program, training and evaluation material.
		3.2.2 Advertise and select participants considering a regional and stakeholders balance.
		3.2.3 To conduct the training program in three different location and carry out on evaluation
	3.3 Three workshops, one in each production region, aiming to disseminate information	3.3.1 Preparation of the workshop program and other materials.
		3.3.2 To make a public announcement and invite representatives of different stakeholders of the several regions to participate
		3.3.3 To implement three workshops in the pre- selected location

ACTIVITIES AND INPUTS

ACTIVITY	INPUTS
1.1.1. To carry out consultations with government organizations, parties private sectors, research organizations, NGOs and other interested on certification of natural tropical forest aiming to form an open ended working group including representatives of all interested parties.	ITTO <ul style="list-style-type: none"> - 1mm Project Leader - Duty travel - Communications and Consumables ABIMCI/FORUM/SBS- Office facilities <ul style="list-style-type: none"> - 0.5mm Project Adm. Manager - 1mm Secretary
1.1.2. To formally establish the working group within the National Framework to propose a working program and submit to the group for discussion and adoption.	ITTO <ul style="list-style-type: none"> - 1mm Project Leader - Duty travel - Communications and Consumables ABIMCI/FORUM/SBS- Office facilities <ul style="list-style-type: none"> - 0.5mm Project Adm. Manager - 1mm Secretary
1.2.1. To review relevant documents, related to Criteria and Indicators and certification, particularly ITTO and TARAPOTO Criteria and Indicators and assess the progress made within the SBC Framework.	ITTO <ul style="list-style-type: none"> - 2mm Project Leader - Duty travel - Communications and Consumables ABIMCI/FORUM/SBS- Office facilities <ul style="list-style-type: none"> - 1mm Project Adm. Manager - 1mm Secretary
1.2.2 To promote and support the participation of stakeholders in the discussion process for the preparation of the Criteria and Indicators	ITTO <ul style="list-style-type: none"> - 5mm Project Leader - 2mm International Consultant - Duty travel - International travel - Travel and DSA for NGOs / others participants (3) - Communications and Consumables ABIMCI/FORUM/SBS- Office facilities <ul style="list-style-type: none"> - 4mm Project Adm. Manager - 4mm Secretary
1.2.3. To monitor and support the national consultation process for the approval of the Criteria and Indicators as part of the National Standards within the SBC Framework.	ITTO <ul style="list-style-type: none"> - 1mm Project Leader - Duty travel - Communications and Consumables ABIMCI/FORUM/SBS- Office facilities <ul style="list-style-type: none"> - 1mm Project Adm. Manager - 1mm Secretary

ACTIVITY	INPUTS
2.1.1. Review existing documents relevant to the issues, particularly ITTO Manual for the application of C&I (ITTO Policy Development Series n° 9 and 10).	ITTO <ul style="list-style-type: none"> - 1mm Project Leader - 1mm Consultant in forest management - Duty travel - Communications and Consumables ABIMCI/FORUM/SBS- Office facilities <ul style="list-style-type: none"> - 0.5mm Project Adm. Manager - 0.5mm Secretary
2.1.2. Taking into consideration the review and the agreed SBC C&I to prepare a preliminary version of the Manual.	ITTO <ul style="list-style-type: none"> - 1mm Project Leader - 1mm Consultant in forest management - Communications and Consumables ABIMCI/FORUM/SBS- Office facilities <ul style="list-style-type: none"> - 0.5mm Project Adm. Manager - 0.5mm Secretary
2.1.3. To selected three locations and carry out tests to assess the manual application in field condition.	ITTO <ul style="list-style-type: none"> - 2mm Project Leader - 3mm Consultant in forest management - Duty travel - Communications and Consumables - Field material - Car rental / Local travel - Travel and DSA for NGOs / others participants (3) ABIMCI/FORUM/SBS- Office facilities <ul style="list-style-type: none"> - Local support for field tests - 1mm Project Adm. Manager - 0.5mm Secretary
2.1.4. To carry out a workshop to present and discuss the Manual and the field tests results.	ITTO <ul style="list-style-type: none"> - 0.5mm Project Leader - 1mm Consultant in forest management - Travel expenses and DSA for participants (30) ABIMCI/FORUM/SBS-Office facilities <ul style="list-style-type: none"> - Facilities for workshop - 0.5mm Project Adm. Manager - 0.5mm Secretary
2.1.5. Taking into consideration the workshop discussions and recommendations to review the preliminary version of the manual and prepare a final version.	ITTO <ul style="list-style-type: none"> - 0.5mm Project Leader - 1mm Consultant in forest management ABIMCI/FORUM/SBS-Office facilities

ACTIVITY	INPUTS
2.2.1. To edit and print five thousand copies of the Manual for the Application of a C&I for Sustainable Management of Amazon Natural Tropical Forest.	ITTO <ul style="list-style-type: none"> - 0.5mm Project Leader - Sub contact to edit and print ABIMCI/FORUM/SBS-Office facilities <ul style="list-style-type: none"> - 0.5mm Project Adm. Manager - 0.5mm Secretary
2.2.2. To mail four thousand copies of the manual to relevant organization, timber industry and professionals involved and / or interested in the sustainable management of natural tropical forest.	ITTO <ul style="list-style-type: none"> - 0.5mm Project Leader - Sub contact mailing ABIMCI/FORUM/SBS-Office facilities <ul style="list-style-type: none"> - 0.5mm Project Adm. Manager - 1mm Secretary
2.3.1. To prepare a training program to facilitate the use of the Manual.	ITTO <ul style="list-style-type: none"> - 0.5mm Project Leader - 2mm Consultant in forest management - Communications and Consumables ABIMCI/FORUM/SBS-Office facilities <ul style="list-style-type: none"> - 0.5mm Project Adm. Manager - 1mm Secretary
2.3.2. To select participants of training course taking into consideration a regional and stakeholder's balance.	ITTO <ul style="list-style-type: none"> - 0.5mm Project Leader - Communications and Consumables ABIMCI/FORUM/SBS-Office facilities <ul style="list-style-type: none"> - 0.5mm Project Adm. Manager - 1mm Secretary
2.3.3. To select four locations and to implement training courses on the use of the Manual to in assessing the sustainability of Amazon natural tropical forest.	ITTO <ul style="list-style-type: none"> - 2mm Project Leader - 4mm Consultant in forest management - Communications and Consumables - Duty travel - Travel expenses and DSA for participants - Sub contract for local support ABIMCI/FORUM/SBS-Office facilities <ul style="list-style-type: none"> - 3mm Project Adm. Manager - 2mm Secretary

ACTIVITY	INPUTS
3.1.1. Field-testing of Forest Management Standards of the Brazilian Certification System and assessment of the results.	ITTO <ul style="list-style-type: none"> - 0.5 mm Project Leader - 1 mm Consultant - Duty travel - Communications and Consumables ABIMCI/FORUM/SBS-Office and field facilities <ul style="list-style-type: none"> - Local support for field tests - 1mm Tech. Assistant - 0.5mm Secretary
3.1.2. Adjustments, adoption and publication of the SBC Forest Management Standards.	ITTO <ul style="list-style-type: none"> - 1.5mm Project Leader - Duty travel - Printing/mailling costs - Communications and Consumables ABIMCI/FORUM/SBS-Office facilities <ul style="list-style-type: none"> - 1.5mm Tech. Assistant - 1mm Secretary
3.2.1 Organization of the training program, training and evaluation material.	ITTO <ul style="list-style-type: none"> - 0.5mm Project Leader - 1 mm Consultant - Duty travel - Communications and Consumables ABIMCI/FORUM/SBS- Office facilities INMETRO <ul style="list-style-type: none"> - 1mm Tech. Assist. - 0.5mm Secretary
3.2.2. Advertise and select participants considering a regional and stakeholders balance.	ITTO <ul style="list-style-type: none"> - 0.5mm Project Leader - Duty travel - Communications and Consumables ABIMCI/FORUM/SBS-Office facilities INMETRO <ul style="list-style-type: none"> - 1mm Tech. Assist. - 1mm Secretary

ACTIVITY	INPUTS
3.2.3. To conduct the training program in three different location and carry out on evaluation	ITTO <ul style="list-style-type: none"> - 0.5mm Project Leader - 1mm Consultant - Duty travel - Communications and Consumables ABIMCI/FORUM/SBS-Office facilities INMETRO <ul style="list-style-type: none"> - 1mm Tech. Assist. - 0.5mm Secretary
3.3.1. Preparation of the workshop program and other materials.	ITTO <ul style="list-style-type: none"> - 0.5mm Consultant - Duty Travel - Communications and Consumables ABIMCI/FORUM/SBS-Office facilities INMETRO <ul style="list-style-type: none"> - 0.5mm Tech. Assist - 1mm Secretary
3.3.2. To make a public announcement and invite representatives of different stakeholders of the several regions to participate	ITTO <ul style="list-style-type: none"> - Communications/mailling and consumables ABIMCI/FORUM/SBS- Office facilities INMETRO <ul style="list-style-type: none"> - 1mm Tech. Assistant - 0.5mm Secretary
3.3.3. To implement three workshops in the pre-related location	ITTO <ul style="list-style-type: none"> - 0.5mm Project Leader - 1 mm Consultant - Duty Travel - Communications and Consumables ABIMCI/FORUM/SBS-Office facilities INMETRO <ul style="list-style-type: none"> - Facilities for workshop - 1 mm Tech. Assistant - 0.5mm Secretary

5. LOGICAL FRAMEWORK STRUCTURE

PROJECT ELEMENTS	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
DEVELOPMENT ELEMENTS To contribute with the national efforts to achieve the sustainable management of forests in Brazil	Forest owners, timber industry and other stakeholders have instruments available to assess the sustainability and improve forest practices, and to facilitate market access.	Reports of IBAMA and State Environment Agencies. Market reports/ statistics.	Brazilian Government will continue to apply policies aimed at sustainable forest management, and to support trade of timber from sustainable sources.
SPECIFIC OBJECTIVE 1 To develop a set of Criteria and Indicators for sustainable management of Amazon natural tropical forest at forest management unity level, within the National Framework for Certification of Forest (SBC) and taking ITTO and TARAPOTO C&I as a basis.	A document containing a set of Criteria and Indicators for sustainable management of Amazon tropical forest, agreed among stakeholders, completed	Document of C&I adapted as a National Standard. Project reports.	The National Framework for Certification (SBC) will continue the work and will consider natural forests.
OUTPUT 1.1. A working group organized, formally established within the National Framework and operational.	Working group formed and officially installed within the National Framework.	Documents of the SBC Project reports.	Funds made available according to schedule. Stakeholders interested in the process.
ACTIVITY 1.1.1 To carry out consultations with government organizations, parties private sectors, research organizations, NGOs and other interested on certification of natural tropical forest aiming to form an open ended working group including representative of interested parties.	Stakeholders contacted and motivated to participate in the process.		
ACTIVITY 1.1.2. To formally establish the working group within the National Framework to propose a working program and submit to the group for discussion and adoption.	Group formally established and ready to start the discuss process.		

PROJECT ELEMENTS	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
OUTPUT 1.2. A set of C&I for sustainable management of Amazon natural tropical forest developed and adopted as a National Standard.	C&I for sustainable management of Amazon natural tropical forests, available and approved by SBC.	National Standard on C&I for natural tropical forests available to public Project reports	Stakeholders agreed on the set of C&I. SBC supports and process the internal work.
ACTIVITY 1.2.1. To review relevant documents, related to C&I and certification, particularly ITTO and TARAPOTO Criteria and Indicators and assess the progress made within the SBC Framework.	Documents collected and project staff engaged in the review and in the preparation of material for the working group.		
ACTIVITY 1.2.2. To promote and support the participation of stakeholders in the discussion process for the preparation of the Criteria and Indicators	Working group regular meetings with active participation of stakeholders taking place.		
ACTIVITY 1.2.3. To monitor and support the national consultation process for the approval of the Criteria and Indicators as part of the National Standards within the SBC Framework.	Final documents of the working group containing the C&I delivered to SBC. Voting list distributed by SBC.		
SPECIFIC OBJECTIVE 2 To build human capacity in the application of the criteria and indicator for sustainable forest management in the Amazon region.	The Criteria and Indicators applied for the assessment of the sustainability of forest management in the Amazon region	Reports from assessments Project reports	National C&I natural tropical forests available and adopted.
OUTPUT 2.1. A Manual for the Application of Criteria and Indicators for Sustainable Management of Amazon Natural Tropical Forest consolidated.	Manual for the application of C&I developed, tested and discussed among stakeholders.	Project reports Final version of the manual available for printing.	Disbursement of funds made available in accordingly with schedule.
ACTIVITY 2.1.1. Review existing documents relevant to the issue, particularly ITTO Manual for the application of C&I (ITTO Policy Development Series n° 9 and 10).	Documents collected and project staff involved in the review.		

PROJECT ELEMENTS	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
ACTIVITY 2.1.2. Taking into consideration the review and the agreed SBC C&I to prepare a preliminary version of the Manual.	Preliminary version of the manual prepared by the project staff.		
ACTIVITY 2.1.3. To select three locations and carry out tests to assess the manual application in field condition.	Location defined and tests realized in the three different sites.		
ACTIVITY 2.1.4. To carry out a workshop to present and discuss the Manual and the field-tests results.	Workshop implemented and field test results assessed. Recommendations to improve the Manual available		
ACTIVITY 2.1.5. Tacking into consideration the workshop discussions to review the preliminary version of the manual and prepare a final version.	Final version of the manual prepared and available.		
OUTPUT 2.2 Five thousand copies of the Manual for the Application of Criteria and Indicators for Sustainable Management of Amazon Natural Tropical Forested printed and distributed to relevant government agencies, forest owners forest professionals and forest industry.	Manual disseminated and training program defined and implemented:	Project report and evaluation.	Funds for implementation of activities made available.
ACTIVITY 2.2.1. To edit and print five thousand copies of the Manual for the Application of a C&I for Sustainable Management of Amazon Natural Tropical Forest.	Manual edited and printed (5000)		

PROJECT ELEMENTS	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
ACTIVITY 2.2.2. To mail four thousand copies of the manual to relevant organization, timber industry and professionals involved and / or interested in the sustainable management of natural tropical forest.	Mailing list of 4000 persons / organizations prepared and manuals mailed.		
OUTPUT 2.3. One hundred professionals from government agencies, industry and others organizations trained on the use of the Manual in assessing the sustainability of Amazon natural tropical forest.	Professionals (100) trained in the application of the Manual and capable to assess sustainability of natural tropical forests.	Project report List of participants Result of course evaluation	Funds for implementation of activities are made available Persons are interested on the training program.
ACTIVITY 2.3.1. To prepare a training program to facilitate the use of the Manual.	Program for the training courses available		
ACTIVITY 2.3.2. To select participants of training course taking into consideration a regional and stockholders balance.	Participants for the training courses selected		
ACTIVITY 2.3.3. To select four locations and to implement training courses on the use of the Manual to in assessing the sustainability of Amazon natural tropical forest.	Locations selected and at least 100 persons trained on the use of the manual in assessing the sustainability.		
SPECIFIC OBJECTIVE 3 To test and disseminate information on forest management standards and train personnel on the use.	The SBC is promulgated.	Forest management standards used by forest managers.	INMETRO supports the process.
OUTPUT 3.1. Management standards tested and disseminated.1	Forest management standards are promulgated by the Brazilian Certification System (SBC).	Project report and evaluation. SBC official documents.	Funds are made available. Stakeholders support the process and INMETRO proceeds with internal work.
ACTIVITY 3.1.1. Field-testing of Forest Management Standards and assessment of the results.	Results of field tests and assessment is available		

PROJECT ELEMENTS	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
ACTIVITY 3.1.2. Adjustments, adoption and publication of the SBC Forest Management Standards.	Renewed SBC Forest Management Standards are published		
OUTPUT 3.2. Ninety professional trained on auditing forest Management practices.	Professionals (90) trained on auditing management and the chain of custody	Project report. List of participants. Results of the course evaluation.	Funds are made available. Professionals are interested in the training program.
ACTIVITY 3.2.1. Organization of the training program, training and evaluation material.	Program and other material for the training course is available		
ACTIVITY 3.2.2. Advertise and select participants considering a regional and stockholders balance.	Participants for the training program are selected		
ACTIVITY 3.2.3. To conduct the training program in three different location and carry out an evaluation	Locations selected and at least 90 persons trained on auditing forest management and the chain of custody		
OUTPUT 3.3. Three workshops, one in each production region, aiming to disseminate information implemented	Workshops have been implemented in three locations	Project report. Reports with summary on workshop findings are recommended.	Stakeholders interested to participate. Funds are made available.
ACTIVITY 3.3.1. Preparation of the workshop program and other materials.	Local selected and materials available for the workshop		
ACTIVITY 3.3.2. To make a public announcement and invite representative of different stakeholders of the several regions to participative	Stakeholders have been contacted, have shown interest and in the workshop		
ACTIVITY 3.3.3. To implement three workshops in the pre-related location	Three workshops implemented, information disseminated and contributions collected		

6. WORK PLAN

PROJECT OUTPUTS AND ACTIVITIES	RESPONSIBLE PARTY	MONTHS																							
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
OUTPUT 1.1. A Working Group Organized and Formally Established																									
Activity 1.1.1 - Consultations	Project Staff																								
Activity 1.1.2 - Group Establishment	Project Staff																								
OUTPUT 1.2. C&I for Sustainable Management Developed and Adopted																									
Activity 1.2.1 – Review of Documents	Project Staff																								
Activity 1.2.2 - Discussions and C&I Preparation	Project Staff Working Group																								
Activity 1.2.3 - Approval of C&I as National Standard	Project Staff Working Group																								
OUTPUT 2.1. Manual of Application of C&I																									
Activity 2.1.1 – Review of Documents	Project Staff																								
Activity 2.1.2 - Preparation of Manual	Project Staff																								
Activity 2.1.3 - Field Tests	Project Staff ABIMCI / FORUM																								
Activity 2.1.4 – Workshop	Project Staff																								
Activity 2.1.5 - Preparation Final Version of Manual	Project Staff																								
OUTPUT 2.2. Manual Printed and Disseminated																									
Activity 2.2.1 - To Edit and Print	Project Staff Sub Contractor																								
Activity 2.2.2 – Dissemination	Project Staff Sub Contractor																								
OUTPUT 2.3. Professionals Trained																									
Activity 2.3.1 - Preparing of Training Program and Material	Project Staff																								
Activity 2.3.2 - Selected Participants	Project Staff																								
Activity 2.3.3 - Selected Locations and Implement Training Course in Four Locations	Project Staff																								

PROJECT OUTPUTS AND ACTIVITIES	RESPONSIBLE PARTY	MONTHS																							
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
OUTPUT 3.1. Management standards tested and disseminated.																									
Activity 3.1.1 - Field tests of FM standards	P. Staff/ SBS/INMTR																								
Activity 3.1.2 - FM standards adoption & publication.	SBS/INMETRO																								
OUTPUT 3.2. Professionals trained																									
Activity 3.2.1 - Organization of training programs	Project Staff																								
Activity 3.2.2 – Recruitment./selection of participants	Project Staff																								
Activity 3.2.3 – Conduction of training programs	Project Staff																								
OUTPUT 3.3. SBC workshops																									
Activity 3.3.1 - Preparation of workshops	Project Staff																								
Activity 3.3.2 – Dissemination of workshop info.	SBS/INMETRO																								
Activity 3.3.3 – Conduction of workshops	Project Staff SBS/INMETRO																								

7. BUDGET

a) OVERALL PROJECT BUDGET BY ACTIVITY AND COMPONENT (US\$)

OUTPUT / ACTIVITIES + NON-ACTIVITY BASED EXPENSES	BUDGET COMPONENTS								
	10. Project Personnel	20. Sub contracts	30. Duty Travel	40. Capital Items	50. Consumables	60. Miscellaneous	70. Exec. Ag. Costs	YEAR	GRAND TOTAL
OUTPUT 1.1. A Working Group Organized and Formally Established									
Activity 1.1.1 - Consultations	7000 (5000I + 2000E)		3700 (I)		500 (E)	1000 (I)	300 (E)	1	12500
Activity 1.1.2 - Group Establishment	7000 (5000I + 2000E)		1800 (I)		500 (E)	1000 (E)	300 (E)	1	10600
SUBTOTAL OUTPUT 1.1	14000 (I+E)		5500 (I)		1000 (E)	2000 (E)	600 (E)		23100
OUTPUT 1.2. C&I for Sustainable Management Developed and Adopted									
Activity 1.2.1 – Review of Documents	13500 (10000I + 3500E)		1500 (I)		500 (E)		300 (E)	1	15800
Activity 1.2.2 - Discussions and C&I Preparation	59000 (45000I + 14000E)		36600 (20800I + 16000E)		1000 (E)	1000 (E)	2400 (E)	1	100000
Activity 1.2.3 - Approval of C&I as National Standard	8500 (5000I + 3500E)		2500 (I)		500 (E)		300 (E)	1 + 2	11800
SUBTOTAL OUTPUT 1.2	81000 (I+E)		40600 (I+E)		2000 (E)	1000 (E)	3000 (E)		127600
OUTPUT 2.1. Manual of Application of C&I									
Activity 2.1.1 – Review of Documents	10250 (8500I + 1750E)		1300 (I)				300 (E)	1 + 2	11850
Activity 2.1.2 - Preparation of Manual	10250 (8500I + 1750E)						300 (E)	2	10550
Activity 2.1.3 - Field Tests	23750 (20500I + 3250E)		12680 (5780I + 6900E)		1000 (E)	16000 (1000I + 15000E)	600 (E)	2	54030
Activity 2.1.4 - Workshop	8000 (6000I + 2000E)		19400 (13000I + 6400E)		2000 (E)		3300 (E)	2	32700
Activity 2.1.5 - Preparation Final Version of Manual	6000 (I)						300 (E)	2	6300
SUBTOTAL OUTPUT 2.1	58250 (I+E)		33380 (E+I)		3000 (E)	16000 (I+E)	4800 (E)		115430

OUTPUT / ACTIVITIES + NON-ACTIVITY BASED EXPENSES	BUDGET COMPONENTS								YEAR	GRAND TOTAL
	10. Project Personnel	20. Sub contracts	30. Duty Travel	40. Capital Items	50. Consumables	60. Miscellaneous	70. Exec. Ag. Costs			
OUTPUT 2.2. Manual Printed and Disseminated										
Activity 2.2.1 - To Edit and Print	4250 (2500I + 1750E)	19000 (I)					300 (E)	2		23550
Activity 2.2.2 – Dissemination	4500 (2500I + 2000E)	4000 (I)					300 (E)	2		8800
SUBTOTAL OUTPUT 2.2	8750 (I+E)	23000 (I)					600 (E)			32350
OUTPUT 2.3. Professionals Trained										
Activity 2.3.1 - Preparing of Training Program and Material	11500 (9500I + 2000E)				500 (E)		300 (E)	2		12300
Activity 2.3.2 - Selected Participants	4500 (2500I + 2000E)				500 (E)		300 (E)	2		5300
Activity 2.3.3 - Selected Locations and Implement Training Course in Four Locations	34000 (24000I + 10000E)		45000 (20000I + 25000E)		2000 (E)	2000 (1000I + 1000E)	600 (E)			83600
SUBTOTAL OUTPUT 2.3	50000 (I+E)		45000 (I+E)		3000 (E)	2000 (I+E)	1200 (E)			101200
OUTPUT 3.1 Program Establishment										
Activity 3.1.1 – Field testing of Forest Management Standards of the SBC and assessment	7750 (6000I + 1750E)		3600 (I)		400 (E)	1000 (E)	1000 (E)	1 + 2		13750
Activity 3.1.2 – Adjustments, adoption and publication	10250 (7500I + 2750E)	19000(I)	3400 (I)		400 (E)		200 (E)	1 + 2		33250
SUBTOTAL OUTPUT 3.1	18000 (I+E)	19000 (I)	7000 (I+E)		800 (E)	1000 (E)	1200 (E)			47000
OUTPUT 3.2 Professionals Trained										
Activity 3.2.1 – Organization of the program, training and evaluation material	7750 (6000I + 1750E)		4200 (I)		400 (E)		200 (E)	1 + 2		12550
Activity 3.2.2 - Advertise and participants selection	4500 (2500I + 2000E)		2800 (I)		400 (E)		200 (E)	1 + 2		8000
Activity 3.2.3 - To conduct the training program	7750 (6000I + 1750E)		5300 (I)		400 (E)	1000 (I)	200 (E)	1 + 2		14650
SUBTOTAL OUTPUT 3.2	20000 (I+E)		12400 (I)		1200 (E)	1000 (I)	600 (E)			35200
OUTPUT 3.3 SBC Workshops										

OUTPUT / ACTIVITIES + NON-ACTIVITY BASED EXPENSES	BUDGET COMPONENTS								
	10. Project Personnel	20. Sub contracts	30. Duty Travel	40. Capital Items	50. Consumables	60. Miscellaneous	70. Exec. Ag. Costs	YEAR	GRAND TOTAL
Activity 3.3.1 - Preparation of the program and materials	3750 (2500I + 1250F)		2300 (I)		500 (E)		2000 (E)	1 + 2	8550
Activity 3.3.2 - Public announcement and invitation	1750 (1750E)				500 (E)		200 (E)	1 + 2	2450
Activity 3.3.3 - Implement workshops	6750 (6000I + 1750E)		10800 (7000I + 3800E)		600 (E)	2000 (1000I + 1000E)	200 (E)	1 + 2	20350
SUBTOTAL OUTPUT 3.3	12250 (I+E)		13100 (I+E)		1600 (E)	2000 (I+E)	2400 (E)		31350
SUBTOTAL OUTPUTS	262250 (I+E)	42000 (I)	156980 (I+E)		12600 (E)	25000 (I+E)	14400 (E)		513230
NON ACTIVITY BASED EXPENSES									
ABC Monitoring Cost						3000 (I)			3000
Auditing						5000 (I)			5000
SUBTOTAL NON ACTIVITY BASED EXPENSES						8000 (I)			8000
SUBTOTAL ITTO (I)	196000	42000	102880			13000			353880
SUBTOTAL EXECUTING AGENCY (E)	66250		54100		12600	20000	14400		167350
TOTAL *	262250	42000	156980		12600	33000	14400		521230

* The above total does not includes ITTO administration and monitoring costs

b) PROJECT BUDGET BY SOURCE (US\$)

BUDGET COMPONENT	TOTAL	ITTO	ABIMCI/ FORUM/ SBS
10. PROJECT PERSONNEL			
11. Project leader 21.5mm x 5.000	107.500	107.500	
12. International consultant 2mm x 10.000	20.000	20.000	
13. Management certification consultant 19.5mm x 3.500	68.500	68.500	
14. Project adm. Manager 14mm x 3.000	42.000		42.000
15. Technical assistant 9mm x 1500	13.500		13.500
16. Secretary (support) 21.5mm x 500	10.750		10.750
19. Component Total	262.250	196.000	66.250
20. SUB-CONTRACTS			
21. Sub-contract (edit / printing manual and standard)	38.000	38.000	
22. Sub contract (mailing manuals)	4.000	4.000	
29. Component Total	42.000	42.000	
30. DUTY TRAVEL			
31. DSA / accommodation costs (700x 100)	70.000	49.000	21.000
32. National travel (210 x 300)	75980	50880	25100
33. International travel (4 x 3.000)	3.000	3.000	
34. Transport cost (local)	8.000		8.000
39. Component Total	156.980	102.880	54.100
40. CAPITAL ITEMS			
49. Component Total			
50. CONSUMABLES ITEMS			
51. Fuel and utilities	5.000		5.000
52. Office supplies	7.600		7.600
59. Component Total	12.600		12.600
60. MISCELLANEOUS			
61. Auditing/ ABC monitoring costs	8.000	8.000	
62. Field support (tests)	15.000		15.000
63. Contingencies	10.000	5.000	5.000
69. Component Total	33.000	13.000	20.000
70. EXECUTING AGENCY MANAGEMENT COSTS			
71. Office facilities / Workshop facilities	14.400		14.400
79. Component Total	14.400		14.400
SUBTOTAL	521.230	353.880	167.350
80. ITTO MONITORING EVALUATION AND ADMINISTRATION			
81. Monitoring and evaluation	20.000	20.000	
82. Programme support Costs 6%	22.433	22.433	
89. Component Total	42.433	42.433	
GRAND TOTAL	563.663	396.313	166.100

c) PROJECT BUDGET BY YEAR.

BUDGET COMPONENT	TOTAL	YEAR 1	YEAR 2
10. PROJECT PERSONNEL			
11. Project leader 21.5mm x 5.000	107.500	55.000	55.000
12. International consultant 2mm x 10.000	20.000		20.000
13. Management certification consultant 19.5mm x 3.500	68.500	38.500	30.000
14. Project adm. Manager 14mm x 3.000	42.000	21.000	21.000
15. Technical assistant 9mm x 1500	13.500	9.000	4.500
16. Secretary (support) 21.5mm x 500	10.750	6.000	4.750
19. Component Total	262.250	129.500	132.750
20. SUB-CONTRACTS			
21. Sub-contract (edit / printing manual)	38.000	20.000	18.000
22. Sub contract (mailing manuals)	4.000	2.000	2.000
29. Component Total	42.000	22.000	20.000
30. DUTY TRAVEL			
31. DSA / accomodate costs (700 x 100)	70.000	30.000	40.000
32. National travel (210 x 380)	75.980	30.000	45.980
33. International travel (1 x 3.000)	3.000		3.000
34. Transport cost (local)	8.000	4.000	4.000
39. Component Total	156.980	64.000	92.980
40. CAPITAL ITEMS			
19. Component Total			
50. CONSUMABLES ITEMS			
51. Fuel and utilities	5.000	2.500	2.500
52. Office supplies	7.600	4.000	3.600
59. Component Total	12.600	6.500	6.100
60. MISCELLANEOUS			
61. Auditing/ ABC monitoring costs	8.000	4.000	4.000
62. Field support (tests)	15.000		15.000
63. Contingencies	10.000	5.000	5.000
69. Component Total	33.000	9.000	24.000
70. EXECUTING AGENCY MANAGEMENT COSTS			
71. Office facilities / Workshop facilities	14.400	4.400	10.000
79. Component Total	14.400	4.400	10.000
SUBTOTAL	521.230	235.400	285.830
80. ITTO MONITORING EVALUATION AND ADMINISTRATION			
81. Monitoring and evaluation	20.000	10.000	10.000
82. Programmed support Costs 6%	22.433	22.433	
89. Component Total	42.433	42.433	
GRAND TOTAL	563.663	277.833	295.830

PART III: OPERATIONAL ARRANGEMENTS

1. MANAGEMENT STRUCTURE

The project will be implemented by ABIMCI, a national association representing the mechanically processed timber industry, in co-operation with the National Forum of Forest Organization, SBS- The Brazilian Society for Silviculture, INMETRO- The Brazilian Institute for Metrology, Standardization and Industrial Quality, and MMA- The Brazilian Ministry of Environment.

In the implementation of this project ABIMCI and will be receiving the technical and institutional support of FUNPAR- Foundation of the Federal University of Paraná. FUNPAR was responsible for the implementation of important projects related to the aspects covered by this project, including the projects for the dissemination and training on ITTO Guidelines and Criteria, and the work related to the national consultations for the TARAPOTO criteria and indicators.

The project will also take advantage of be inserted in SBC- The Brazilian National Standards Association, the national forum for discussion on standards. SBC as the national standard organization has a fully developed and well-established structure for consultation and this will greatly facilitate the implementation of this project. The structure includes a well-defined process for the development, voting and adoption of national standards, in full agreement with the ISO system.

Furthermore the project will be benefited from the already existing structure of the Brazilian Certification System- SBC, and of the developments already made on management standards for plantations, certification of the chain of custody and auditing system. These elements together with the C&I to be developed by this project will also serve for the purpose of certification of natural tropical forests.

The operational technical activities of the project will be under the responsibility of the Project Leader an expert with large experience in forest policies, forest management and other related issues. An Administrative Manager will make the administration of the project, and the project will count with a secretary for the general support.

A Steering Committee will be formed in accordance with ITTO regulations, and it will include ITTO, ABC (Brazilian Government), donors and the executing agency. *The project leader, representatives of ABNT- Brazilian Technical Standard Organization, INMETRO/SBC- National Institute of Metrology, MMA/IBAMA, will also be invited to participate in the Steering Committee. This will enhance the transparency of the implementation of the project.*

2. MONITORING REPORTING AND EVALUATION

(a) Reports

At the initial stage of the work implementation the Project Leader will prepare a detailed working program. In this document it will be given details of the reports and other documents to be prepared during the implementation of this project. A detailed schedule will also be prepared, and dates for the deliver of the reports and for the Steering Committee meetings will be proposed in the work plan.

In principle ABIMCI, through the Project Leader, will submit progress reports to ITTO in February and September of each year so that they can be reviewed before the sessions of the International Tropical Timber Council and the Committee meetings. These reports will be prepared in accordance with the guidelines presented in the ITTO Manual for Project Monitoring, Review and Evaluation.

In case ITTO plan a review mission, or a steering committee meeting is requested the project staff will prepare a specific progress report.

A Progress Completion Report will be prepared following the ITTO format and will be submitted within one month of the completion of the activities of this project. Technical reports will be prepared based on the time schedule established for the project. They will be made available to ITTO as soon as they are produced in a final version form.

(b) Evaluation

Full support will be given by ABIMCI for any field monitoring made by ITTO and/or by donors. ABIMCI understands that ITTO has procedures for evaluation fully developed and will facilitate the process as possible. The aim of such evaluation should be to ensure the highest transparency possible in the implementation of activities as well as the wide dissemination of results among the general public and in particular among ITTO member countries.

3. FUTURE OPERATION AND MAINTENANCE

This project will provide a basis for the establishment of a national certification process, but is not proposing specifically any project based future operation. The future of operations derived from this project is ensured by the fact that this project will be implemented within the National Certification System- SNC.

The development of the work within the National Certification System-SNC framework, in fact offers a guarantee that future operations will be maintained and no specific project is expected to be necessary to support the future operations.

Also the fact of certification is becoming an important market tool, and it will be fundamental to ensure access at least to some markets in the future, offers another guarantee that no problem will be expected in the maintenance of an eventual certification structure derived from this project.

Furthermore, as already stated, it is expected that the documents produced will serve as a tool for forest owners and timber industry in self-assessing their forest sustainability. This fact will also have an important contribution in maintaining the process without the need of any external funding.

4. KEY STAFF OF THE PROJECT MANAGEMENT.

The staff of the project is listed under the inputs. The terms of reference for the key staff are presented in Annex B.

PART IV: TROPICAL TIMBER FRAMEWORK

1. COMPLIANCE WITH ITTO 1994 OBJECTIVES

This Project Proposal is fully consistent with and closely related to several of the objectives set out in Article 1 of the International Tropical Timber Agreement 1994, in particular with the following objectives:

- Objective (c): To contribute to the process of sustainable development;
- Objective (d): To enhance the capacity of members to implement a strategy for achieving exports of tropical timber and timber products from sustainable produced managed sources (Year 2000 Objective);
- Objective (e): To promote the expansion and diversification of international trade in tropical timber from sustainable sources by improving the structural conditions in international markets, by taking into account, on one hand a long-term increase in consumption and continuity of supplies, and, on the other, prices which reflect the costs of sustainable forests management and which are remunerative and equitable for members, and the improvement of market access;
- Objective (f): to promote and support research and development with a view to improving forest management and efficiency of wood utilisation as well as increasing the capacity to conserve and enhance other forest values in timber production tropical forests;
- Objective (l): To encourage members to develop national policies aimed at sustainable utilisation and conservation of timber producing forests and their genetic resources and at maintaining the ecological balance in the regions concerned, in the context of tropical timber trade.

2. COMPLIANCE WITH ITTO ACTION PLAN

This Project Proposal takes into account the priorities and guidelines established in the ITTO Libreville Action Plan (1998-2001). In particular this Project Proposal takes into consideration the actions recommended under Goal 3 of the Economic Information and Market Intelligence area, related to improve market access for tropical timber exports from sustainable managed sources. Under this goal members are encouraged to:

- Develop public awareness that timber harvesting can be consistent with the sustainability of tropical forests and that trade with tropical timber produced from sustainable managed forests is an important tool in forest conservation;
- Identify trade barriers and other obstacles to the tropical timber trade and propose measures to improve market access.

This Project Proposal is also in line with Goal 2 of Reforestation and Forest Management area of the Action Plan, in particular with Action 4: To facilitate the development, testing and implementation of regional and national criteria and indicators for sustainable forest management in member countries.

ANNEX A

PROFILE OF THE EXECUTING AGENCIES

ABIMCI

ABIMCI- Brazilian Association of Mechanically Processed Timber was established in 1972, in São Paulo, as a national organization representing the plywood producers.

Along the almost 30 years of existence ABIMCI scope was enlarged, and presently the organization represents the all forest industry related to mechanical processing of timber product. Among the members of ABIMCI are forest owners and timber producers, traders and suppliers. Presently the headquarters of the organization is located in Curitiba.

Forest owners and timber producers members are located all over Brazil. ABIMCI has over 100 members, including large, medium and some small size companies. These companies are responsible for around 50% of the mechanically processed wood production in Brazil. As related to international trade ABIMCI members are responsible for more than 70% of all plywood and veneer exports and over 60% of sawn wood exports, based on tropical and non-tropical timber

The Council defines the main strategy of the association. The Council elected with a mandate of 2 years, and is headed by a President. After election the President revises the Master Plan of the organization, and submits to the Council for consideration and approval. In the Master Plan is clearly stated the activities and targets for the two years period. The 2001-2002 Master Plan considers all work related to certification as a priority, and proposes that ABIMCI takes a lead in the national process of certification of natural tropical forests. This decision was taken after it was identified that the work towards the development of a national certification of forests (SBC/ CERFLOR) was only considering plantations forests.

ABIMCI has been very active at national and international level. At national level ABIMCI has actively participated in the discussions of forest, industrial and development policies related to the interest of the member. At international level is worth to mention the long relationship ABIMCI has with ITTO. The organization has been represented in practically all ITTC sessions since 1987 (Council Session held in Rio), and had an active participation in renegotiation of the ITTA. Also along the years ABIMCI has received a strong support from ITTO to implement projects and activities. Among the most relevant projects and actions developed by ABIMCI along the last years are:

1. Promotion of the Plywood and Tropical Timber International Congress and Machinery and Timber Products Fair

This activity started in 1992, takes place every two years and in the past received financial and institutional support from ITTO. The events can be considered as an example of sustainability of ITTO projects. It is now the largest and most important event related to tropical forest and tropical timber industry in Latin America, and financially self-sufficient. The next Congress and Fair will be in November 2001, and more than 15,000, between congress participants and visitors from different parts of the world are expected.

2. Introduction of New Species in the Plywood Industry.

This project was implemented in 1991-92 with the support of ITTO. Based on this project several new species were introduced in the plywood industry of the Amazon region, and this has facilitated the implementation of forest management plans. In fact this was a pioneer project work, with direct involvement in the industry and effective practical results.

3. National Program for Quality Plywood Certification- NPQPC.

The Program was started in early 1999 and formally announced during the last International Congress held in November of that year. ABIMCI was responsible to structure the NPQPC. The program is now fully operational, and is ruled by an independent Council having producers, traders, buyers, research organizations and universities as members. The program covers typical activities for certification as well as technical assistance and product development activities. In fact technical assistance and products development (implemented in cooperation with the Forestry School of Federal University of Paraná) makes are unique components of the program. The program is an effective response to trade barriers (base on technical aspects) faced by Brazilian producers in several markets. The positive results obtained and the lessons learned will now allow expanding the program to other timber products.

4. Promotion of Timber Products in the National and International Markets

Several actions have been developed by ABIMCI to promote timber products and benefit organization members. The most recent was the Mission to China and Japan. The Brazilian Government, aiming to increase co-operation and trade with those countries, supported this mission. This is in line with a larger strategy of ABIMCI: diversify markets and introduce new species. The Brazilian Government supported this large strategy.

5. Cooperation with other Organizations

Along the years ABIMCI, being a national organization, has taken actions in several directions. One important action is related to cooperation with regional organizations aiming to consolidate a national position of the national private forest sector. This is the case of the co-operation established with regional organizations such as AIMEX (Belem Congress and Fair), and SINDILAM (Mato Grosso). Cooperation has also been strong with universities and research organizations, including the University of Paraná (Forestry School, FUNPAR and FUPEF), the Forest Products Laboratory of IBAMA, and several others. As a result of these efforts ABIMCI has strengthened its national position as a national organization able to articulate within and outside the private sector, and this capacity and experience is made available to implement this project.

One concrete example of ABIMCI capacity to articulate the private sector is the creation of the National Forum of Forest Organizations. The Forum was proposed by ABIMCI and established during the IV Plywood and Tropical Timber International Congress held in November 1999. The FORUM mission is to work towards the sustainable development of the forestry sector, and acts as the main channel of communication between the private sector and government and non-governmental organizations. Member of the FORUM are national associations such as ABIMCI and regional organizations. At moment the FORUM has around 40 members.

The FORUM headquarters is in Brasília. It is very active in discussions of policies related to forest and timber industry issues. It had an active participation in the discussions related to the National Forest Program announced by the Brazilian Government last year.

Another important activity developed by ABIMCI is related to market and technical information. This is a continuous activity, and the organization publishes every month the "RESENHA", a bulletin with updated information in the field of forest and timber industry, that is widely distributed. Besides the "RESENHA" ABIMCI also makes available every month information on market domestic and export prices and evolution of costs.

As can be observed ABIMCI, besides the normal activities related to the direct interest of members, is involved in strategic planning and has a solid experience in implementing large projects. ABIMCI and the FORUM are representative organizations, with adequate structure and experience to implement a project to co-ordinate the national process for the certification of tropical forest management. In this respect ABIMCI and the FORUM are already engaged in the work under development within the National Framework for Certification of Forests (SBC/ CERFLOR), that at moment is only dealing with plantation forests.

Further information on ABIMCI structure, members and activities can be found in the organization home page (www.abimci.com.br). The home page also brings technical and statistics information related to the national mechanical processed timber.

SBS - THE BRAZILIAN SOCIETY FOR SILVICULTURE

SBS is a non-profit, non-governmental organization of national scope, founded in September 1955. Its members include representatives, both companies and individuals, of the Brazilian private forest sector. Its main objectives are:

To congregate people dedicated to the establishment, recomposition and sustainable use of forests;

To study and promote technologies for the conservation of renewable natural resources and the general protection of the environment;

To promote and participate in studies and campaigns to ensure forest rehabilitation and the availability of forest-based raw materials;

To participate in the preparation of forest plans and programs in collaboration with the private sector and the Federal, State, and Municipal governments;

To promote the improvement of forest legislation.

In order to achieve these goals, SBS promotes and participates in conferences, congresses, exhibitions, courses, communication and extension programs; represents and defends, together with government authorities, the interests of its members; maintains exchange and co-operation with similar organizations in Brazil and abroad; collaborates with official agencies responsible for forest activities in different regions of the country; carries out literature searches and distributes information of interest to the forest sector, maintaining working groups in its many areas of activity.

One of SBS priorities refers to forest policies in Brazil. Such work is conducted by means of permanently monitoring the facts of interest to the forest sector informing and discussing them with its members, other associations and institutions. For over a year now, SBS has published everyday its electronic bulletin "Rede SBS Dia-a-Dia", which reaches over 10,000 subscribers and has met with great success. Its web site (www.sbs.org.br) is very popular among forest professionals, government officials, entrepreneurs, legislators, decision-makers, and students. In addition to these modern communication tools, SBS also publishes "Fatosintese", a bi-weekly newsletter and a quarterly journal, "Silviculture". Forest legislation, which is a very complex subject, has received special attention with the creation of "Legiflor", a thorough compilation of the Brazilian forest and environmental legal provisions, as well as all treaties, conventions and agreements of which the country is signatory.

Traditionally, SBS has been in charge of organizing the Brazilian Forest Congress, which happens about every five years, and that will have its eighth edition next year in Brasilia, jointly with the Second Pan-American Forest Congress.

In 1991, during the 10th. World Forestry Congress in Paris, SBS launched the CERFLOR concept, a forest certification program that will soon become operational within the framework of the Brazilian Certification System – SBC. CERFLOR is a trademark that legally belongs to SBS.

SBS has participated very actively in various national and international fora related to forestry and environmental policies. In Brazil, recent activities of SBS have included:

- Participation in the formulation of guidelines, proposals and goals of the National Forest Plan (PNF) launched in September, 2000, by the Brazilian Ministry for the Environment (MMA);

- Macro-zoning for reforestation projects in Brazil, aiming at providing the Brazilian Ministry for the Environment (MMA) with subsidies for implementing the National Forest Program (PNF), which is oriented towards the sustainable expansion of the country's forest resource base;
- Reformulation of the Brazilian Forest Code, currently under discussion by the National Congress and the National Council for the Environment – CONAMA;
- The wood and furniture competitiveness forum organized by the Brazilian Trade and Industrial Development Ministry (MDIC), where it coordinates, jointly with INMETRO, a forest certification program based on CERFLOR;
- The competitive expansion of the Brazilian Forest Sector, a project sponsored by the Federal Government, within the PADCT – Scientific and Technological Development Program, in partnership with IPEF. Institute for Forest Research, IPT – Institute for Technological Research, ABRACAVE – Brazilian Association of Renewable Forests, ABIPT – Brazilian Association of Technological Research Organizations.

SBS plays an important role in articulating actions and initiatives of interest to its member companies, as well as universities, research institutions and NGOs. It often promotes roundtables, workshops and seminars on issues such as: GMO's, Forest Policy and Legislation, Certification, Market Intelligence, Product and Process Technologies and many others.

At the international level, SBS has been involved with a number of activities related to forests, such as:

- Foundation of the Forest Stewardship Council – FSC, being represented in its first board of directors for four years;
- Intergovernmental Panel on Forests (IPF), as the representative of the private forest sector in the Brazilian Delegation, as well in the subsequent International Forum on Forests (IFF);
- Member of the Brazilian Delegation to the Conferences of Parts (CoP's) of the United Nations Framework Conference on Climate Change in charge of Kyoto Protocol discussions;
- Member of ISO Working Group in charge of preparing Technical Report 14061, regarding Sustainable Forest Management in connection with ISO TC 207;
- Member, under the invitation of MMA, of the Brazilian Delegation participating in meetings of the COFLAC, Latin American and Caribbean Forest Committee;
- Organizer, jointly with FAO and ILO, of a seminar in Brazil on codes of best practices related to the social aspects of workers of forest based industries.

Finally, SBS members take part in innumerable directive boards of forest related organizations, for example, the Sectorial Chamber for Forest Products, São Paulo State Government, CEDEFOR – Council for Sustainable Forest Development of Mercosur, IFIR – International Forest Industry Roundtable, and IUFRO – International Union of Forest Research Organizations.

ANNEX B

TERMS OF REFERENCE FOR PROJECT STAFF

Project Leader

The Project Leader will be hired by the Executing Agency, and will be the main responsible for the implementation of the Project "Development on the Certification of Sustainable Forest Management of Amazon Natural Tropical Forests".

Qualifications Required:

The Project Leader will be a senior national professional, with relevant experience in Project management, and with experience in management of tropical forests in Brazil and other countries. Preference will be given to candidates with specific experience in the Amazon region, and with strong academic background. A minimum experience of 15 years on the subjects related to the project will be required for candidate.

Duties:

The Project Leader will be responsible for:

1. To develop a detailed work plan and related budget for the Project
2. To select, under the ITTO rules and regulation, and in agreement with the Executing Agency, the required personnel and subcontractors;
3. To co-ordinate the Project personnel and subcontractors, and to provide all technical orientation and support for carrying out the planned activities;
4. To ensure the timely achievement of the Project Results and Objectives;
5. To take decision on the structure of the documents prepared and provide the technical input to ensure the quality of the outputs;
6. To actively participate in the discussion process, field tests and training program;
7. To work in close co-operation with the Project Administrative Manager in aspects related to funds use and other administrative matters;
8. To prepare the progress reports and other documents required for the Project monitoring and evaluation;
9. To participate in meetings as required by the Executing Agency, including specifically the Steering Committee meetings;
10. At the completion of the work to prepare a final report on the Project achievements in agreement with ITTO manuals.

Forest Management Consultant

The Forest Management Consultant to be hired by the Executing Agency, and work under the supervision of the Project Leader of the Project "Development on the Certification of Sustainable Forest Management of Amazon Natural Tropical Forests".

Qualifications Required:

The Forest Management Consultant will be a senior national professional, with relevant experience in management of tropical forests. Preference will be given to candidates with experience in the Amazon. A minimum experience of 10 years on the subjects related to the project will be required for candidate.

Duties:

The Forest Management Consultant will work in close co-operation with the Project Leader and will be responsible for:

1. Review relevant documents related to the national and others criteria and indicators developed for the sustainable management of natural forests, manuals for the application of C&I, auditors guidelines and others;
2. Based on the review, and in co-ordination with the Project Leader to develop a Manual for the application of the national C&I for assessing the sustainability of natural tropical forests of the Amazon region;
3. To support the Project Leader in activities related to the test the manual in three different locations in the Amazon;
4. To present the result of the test in a workshop and participate in the discussions;
5. Based on the assessment and recommendation made by the workshop participants to review the manual and prepare a final draft;
6. To support activities related to the preparation of the material for the training courses on the use of the Manual;
7. To cooperate actively participate in the training courses in four location in the Amazon regions
8. To support the Project Leader in the preparation of the final reports and other duties related to the project.

ANNEX C

LIST OF ABBREVIATIONS

ABC- Brazilian Cooperation Agency

ABIMCI- Brazilian Association of Mechanically Processed Timber

ABNT- Brazilian Technical Standard Organization

BNDES- National Bank for Social and Economic Development

CBC Brazilian Certification Committee

CEET- Special Temporary Study Committee

CEFLOR- Brazilian Forest Certification Program

CONMETRO- National Council for Metrology, Standardisation and Industrial Quality

FORUM- National Forum of Timber Organizations (Brazil)

FUNPAR- Foundation of the Federal University of Parana

IBAMA- Brazilian Institute of Environment and Natural Resources

INMETRO- National Institute of Metrology

NGO- Non Governmental Organization

NFP- National Forest Program

PPA- Multi Annual Program

SBC- Brazilian Certification System

SBS- Brazilian Silviculture Society

TAG- Trade Advisory Group (ITTO)

ANNEX D

RESPONSE TO THE PANEL COMMENTS AND RECOMMENDATIONS

The Expert Panel for Technical Appraisal of Project Proposals during its twenty-third meeting held in Yokohama between January 28 and February 1, 2002, made several comments and recommendations on the Proposal PD 140/02 (M)- Development of Criteria and Indicators for Sustainable Management Appropriated to Brazilian Tropical Forests and Consolidation of CERFLOR- The Brazilian Forest Certification Program.

Based on the assessment made the Panel concluded that with the inclusion of the important amendments noted, the project proposal could be commended to the Committee for final appraisal.

Based on the comments and recommendations of the Panel the following amendments were made to project proposal:

1. Abbreviations used in the document

A list of abbreviations used in the document is was added to the project proposal (see Annex C).

2. Methodology to implement the proposed chain of custody

As stated under Part II, item 2.5- Technical and scientific aspects the chain of custody is considered under another standard that at moment is at the final stage of public consultation within the framework of the Brazilian Certification System (Project 00:001.39-002- Chain of Custody).

In order to comply with the request of the Panel a summary of the methodology considered for the chain of custody in the above referred standard project was included in item 2.5 (Part II) of the project proposal (changes are in italic).

3. ABIMCI involvement and relationship with the existing CERFLOR scheme

Clarification requested on the involvement and the role of ABIMCI and the relationship with the existing CERFLOR scheme can be found in the revised project proposal (see amendments-in italic- made in item 2.3- Project Strategy)

4. Inclusion of other stakeholders in the project management structure and risks involved

The inclusion of the other stakeholders was, to some extend, already considered in the project document. In any case amendments were made in the revised project proposal (see Part III- Item 1- Management structure (amendments made are in italic).

The associated risks are considered under Part II- item 2.9. To further clarify amendments were made to this item (in italic).

5. Scope of the C&I to be developed

The decision taken in the process of the development of the criteria and indicator within the CERFLOR scheme considers only at the forest management unity level, specially due to the fact that one of the CERFLOR aims is to work towards the establishment of national certification scheme. Reference to this is made in the amended project proposal (see Part II items 2.1 and 2.5 – changes are in italic)

Changes were also made in the specific objectives at 3.1 to incorporate this concept and to have the objectives clear, as requested by the Panel.

6. ITTO's work on the SFM auditing framework

The project will consider the ITTO work on the SFM auditing system. Reference to this was included in Part II, item 2.5- Technical and scientific aspects (changes are in *italic*)

7. Mutual recognition

The project include specific activities to facilitate the international recognition of the CERFLOR scheme. The activities include the identification and collection of information of other relevant forest certification systems, a comparison of the certification systems, identification of requirements and other aspects that should be considered in establishing a basis for international recognition agreements.

The project aims to contribute to the process, and it is expected that an agreement is reached with most of the relevant systems already in place or in final stage of development. This was mentioned in the original project proposal, and was expanded in the revised one (see Part II item 2.2 and 2.3- changes made are in *italic*)

8. Budget

The budget was revised following the recommendation of the Panel. The total budged was reduced, the ITTO contribution was substantially reduced (around 33%) and the contribution of the industry was significantly increased (78%).