ITTO annual report 2013

International Tropical Timber Organization



ITTO annual report 2013

The International Tropical Timber Organization (ITTO) is an intergovernmental organization promoting the conservation and sustainable management, use and trade of tropical forest resources. Its members represent the bulk of the world's tropical forests and of the global tropical timber trade. ITTO develops internationally agreed policy documents to promote sustainable forest management and forest conservation and assists tropical member countries to adapt such policies to local circumstances and to implement them in the field through projects. In addition, ITTO collects, analyzes and disseminates data on the production and trade of tropical timber and funds projects and other actions aimed at developing industries at both the community and industrial scales. Since it became operational in 1987, ITTO has funded more than 1000 projects, pre-projects and activities valued at more than US\$400 million. All projects are funded by voluntary contributions, the major donors being the governments of Japan, Switzerland, the United States of America, Norway and the European Union.

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Message from the Executive Director

With the accession, in 2013, of Brazil, Colombia and Costa Rica to the International Tropical Timber Agreement (ITTA), 2006, ITTO's membership grew to 67, its largest-ever number, and further increases are expected.

2013 was also the first year in which ITTO operated under the modalities established by the ITTA, 2006. We resumed publication of two flagships, the *Tropical Forest Update* and the *Tropical Timber Market Report*, thus providing valuable information to our stakeholders on sustainable forest management and the tropical timber trade.

The year was also distinguished by work carried out in valuable partnerships between ITTO and the following institutions:

- The Secretariat of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, which has strengthened the capacity of ITTO producer member countries to sustainably manage endangered tree species
- The Food and Agriculture Organization of the United Nations and the International Technical Tropical Timber Association to promote the further processing of timber in the Congo Basin and thus boost economies in the region
- The Japan International Cooperation Agency in participating in the Tokyo International Conference on African Development, thereby mobilizing support for African countries and elevating the discussion of the role of sustainable forest management in sustainable development as part of the post-2015 development agenda
- The **Secretariat of the Convention on Biological Diversity** in the implementation of (as of December 2013) ten projects designed to help conserve biodiversity in tropical forests in the Amazon, the Congo Basin, Southeast Asia and Central America
- **BirdLife International** in applying the ITTO Guidelines for the Restoration, Management and Rehabilitation of Degraded and Secondary Tropical Forests
- The Asia-Pacific Forest Network for Sustainable Forest Management and Rehabilitation by participating in its steering committee and expert panel for project appraisal and by co-hosting a statistics workshop in China
- The **international Partnership for the Satoyama Initiative** on the conservation of RAMSAR forest in Benin.

A new partnership was established during the year with the **ASEAN-Republic of Korea Forest Cooperation Secretariat** with the aim of assisting in the restoration of degraded forestlands and the enhancement of forest environmental services in Southeast Asia, and we also worked with many other valuable partners.



On the ground, ITTO projects completed in 2013 provided major benefits, such as:

- Improving sustainable forest management in Africa through the implementation of the ITTO/ATO principles, criteria and indicators for sustainable forest management, providing training in forest auditing, and promoting forest certification in Cameroon, the Democratic Republic of the Congo, Côte d'Ivoire, Gabon and Nigeria
- The characterization of 21 lesser-used timber species in Mexico and Peru, which has helped increase the variety of timber products available from tropical forests in those countries
- Training on the sustainable harvesting and processing of non-timber forest products by local communities in the Philippines
- The improved management and use of bamboo by local communities in northwest Peru (one of that country's poorest regions), thereby helping local forest farmers to significantly raise their incomes
- Improved techniques for the use of rubberwood and sandalwood in Indonesia
- The development of an ecotourism plan for the Fujian Zhangjiangkou Mangrove Nature Reserve in China
- The development of a management plan for mangroves in the coastal area of the Douala-Edéa Wildlife Reserve in Cameroon.

In the same fashion, the implementation of the ITTO thematic programmes has started to yield results on the ground. For example, activities under the Thematic Programme on Forest Law Enforcement, Governance and Trade have enabled small and medium-sized enterprises in Ghana to adopt timber-tracking and chain-of-custody practices, and they have strengthened the legal framework in Indonesia. An action plan for the prevention of illegal logging was developed in Guatemala under the Thematic Programme on Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests. Livelihoods were improved in forest communities in Ghana as a result of activities under the Thematic Programme on Community Forest Management and Enterprises.

In its policy work in 2013, ITTO assisted China to increase its statistical capacity, and shared its experiences on data collection, validation and dissemination with East African countries. ITTO also monitored timber certification, studied the economic impacts of governmental procurement policies on tropical timber and the carbon benefits of ITTO projects, assisted Guyana in establishing a timber-tracking system, and promoted efficient wood-processing technologies in Mexico and Guatemala.

ITTO made progress in 2013 on a range of other topics, such as preparing its strategy to improve knowledge management to tap the wide experience it has acquired in implementing sustainable forest management, hence laying the foundation for even greater impacts in the future.

Emmanuel Ze Meka

Executive Director August 2014

ITTO timeline of key achievements

ITTO's mission is to facilitate discussion, consultation and international cooperation on issues relating to the international trade and utilization of tropical timber and the sustainable management of its resource base. Below is a timeline of some of the Organization's key achievements.



No timber without trees is published, reporting a negligible area of tropical forest under SFM in ITTO member countries

The funding of projects begins

The ITTO Fellowship Programme is launched

Annual market discussions begin



ITTO defines SFM

ITTO launches *Criteria for the measurement of sustainable natural tropical forest management* (the world's first internationally agreed set of criteria for SFM)

1990

is adopted

ITTO guidelines for the sustainable

management of natural tropical

The ITTO Year 2000 Objective

of its kind) is published

forests (the first set of guidelines



1994

A new ITTA

establishing

Partnership

is agreed,

the Bali

Fund

1997

The Annual review and assessment of the world tropical timber situation becomes the Annual review and assessment of the world timber situation under the new ITTA

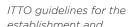
ITTO guidelines on fire management in tropical forests are published

World mangrove atlas is published

1987

The first Annual review and assessment of the world tropical timber situation is produced

The first pre-projects are approved and funded



1993

establishment and sustainable management of planted tropical forests are published

ITTO guidelines on the conservation of biological diversity in tropical production forest are published

1998

Criteria and indicators for sustainable management of natural tropical forests are published, updating the original criteria



Independent diagnostic missions begin to assist countries in identifying actions to achieve Objective 2000

> The Trade Advisory Group is established



The first ITTA is negotiated and adopted



ITTO is established in Yokohama, Japan



The ITTA, 1983 comes into force

2006

A new ITTA is agreed, focusing on the world timber economy, the sustainable management of the resource base, increasing the value of non-timber forest products and environmental services, and encouraging the trade of timber from legal and sustainable sources

Status of tropical forest management 2005 is published, a comprehensive survey of tropical forest management. The estimated area of tropical forest under SFM in ITTO producer member countries is 36 million hectares



ITTO launches thematic programmes on a pilot basis

The ITTO/IUCN guidelines for the conservation and sustainable use of biodiversity in tropical timber production forests are published

2013

The total number of projects, pre-projects and activities financed by ITTO exceeds 1000, with a value of more than US\$400 million

ITTO membership reaches 67, the highest ever

ITTO develops a knowledge management strategy

CITES Appendix II timber species (African cherry in Cameroon, ramin in Indonesia and bigleaf mahogany in Peru) are better managed through the ITTO-CITES Programme

Biodiversity conservation areas are supported in 20 countries through the ITTO-CBD Collaborative Initiative

The total number of ITTO fellows reaches 1250, with a total investment of US\$7.2 million

ITTO, FAO and ATIBT combine in an initiative to promote the further processing of timber in the Congo Basin

2002

ITTO guidelines for the restoration, management and rehabilitation of degraded and secondary tropical forests are published

The Civil Society Advisory Group is established

2005

Revised criteria and indicators for SFM are published, with a reporting format

Best practices for improving law compliance in the forestry sector are published



World atlas of mangroves is published



Revised guidelines for the conservation of biological diversity in tropical production forests are field-tested

ITTO co-convenes a landmark international conference on forest tenure 2012

Thematic programmes are fully incorporated in the work of ITTO



The ITTA, 2006 enters into force (in December)

Status of tropical forest management 2011 is published. The estimated area of tropical forest under SFM in ITTO producer member countries is 53 million hectares



ITTO provides resources for improving forest law enforcement in the context of SFM

The Council's Informal Advisory Group is established

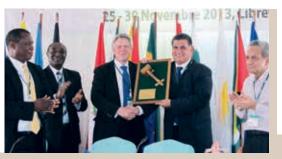
49th Session of the International Tropical Timber Council and Associated Committees

25–30 November 2013 Libreville, Gabon

The International Tropical Timber Council is ITTO's governing body. It meets once a year to discuss wide-ranging issues with the aim of promoting sustainable tropical forest management and the trade of sustainably produced tropical timber.

The 49th Session of the International Tropical Timber Council and Associated Sessions of the Committees was opened by the outgoing Council Chair, José Trinidad Suazo Bulnes (Honduras), and was honoured by the presence of His Excellency Raymond Ndong Sima, Prime Minister and Head of the Government of Gabon; His Excellency Gabriel Tchango, Minister of Water and Forests of Gabon; His Excellency Henri Djombo, Minister of Forest Economy and Sustainable Development of the Republic of the Congo; Senator Jorge Viana of the Federal Senate of Brazil; and John Scanlon, Secretary-General of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). This was the first session of the Council to take place outside ITTO headquarters since the International Tropical Timber Agreement (ITTA), 2006 (the new international treaty to govern the Council's work) came into force.

In his opening remarks, Mr Suazo highlighted the ratification of the ITTA, 2006, by Colombia and Brazil, as well as the accession of Costa Rica as a new member, thus increasing the membership of ITTO to 67, the largest it has ever been.



Incoming Council Chair Rob Busink presents a framed gavel to outgoing Council Chair José Trinidad Suazo. Photo: R. Carrillo, ITTO

- 11 new projects and 1 pre-project valued at US\$5.13 million**
- The following activities under the 2013-2014 Biennial Work Programme:
 - The ITTO-CITES Programme
 - The demonstration of credit schemes for small and medium-sized enterprises
 - The application of criteria and indicators for sustainable forest management
 - Understanding the contribution of environmental services to sustainable forest management
 - Guidelines for the restoration and rehabilitation of degraded forest
 - The prevention of forest fires
 - Enhancing public relations, education and outreach
 - ITTO knowledge management strategy
 - Development of environmental product declarations
- The Freezailah Fellowship Fund
- The independent market monitoring system for FLEGT-licensed timber entering the European Union market (IMM)

* Includes a pledge made by the European Commission for €4 million for the IMM to be received in installments;
** Appendix 3 contains details of newly funded projects.

Additional funding of



During the Session, the Council, among other things:

- Renewed the mandate of the Informal Advisory Group
- **Decided** on the conditions for recruiting a new Executive Director (to be employed from November 2015)
- Decided on procedures to respond to additional funding opportunities for the Organization
- **Approved** a Latin American workshop on sustainable forest management (SFM) and forest education, to be held in 2014
- Reviewed and approved a knowledge management strategy for the Organization
- **Reviewed** the implementation of the thematic programmes, which have funded 64 projects
- Reviewed developments in the United Nations Framework Convention on Climate Change (UNFCCC) regarding forests and their potential implications for tropical forests and the world tropical timber economy
- **Reviewed** the implementation of the Joint ITTO-Convention on Biological Diversity (CBD) Collaborative Initiative to Conserve Tropical Forests
- Reviewed the report on technical guidance for the quantification of carbon benefits in ITTO projects
- **Held** discussions with the Trade Advisory Group and the Civil Society Advisory Group on topics such as trade approaches to meeting market demand for legality and the challenges and opportunities for supporting legal smallholder and community forestry enterprises
- Considered the ex-post evaluation of six completed projects
- Reviewed progress on the implementation of 57 projects
- Declared as completed a total of 19 projects and one pre-project (see Appendix 1)
- **Reviewed** applications to the ITTO Fellowship Programme and awarded 23 fellowships valued at US\$151 455
- **Reviewed** the implementation of the ITTO-CITES Programme, which runs 21 country-specific activities in eight countries.

Side-events:

- Challenges and opportunities for supporting legal smallholder and community forestry enterprises in today's context, hosted by the Civil Society Advisory Group
- Forest Stewardship Council certification as a tool for responding to global sustainability and legality demands, hosted by the Forest Stewardship Council
- The development and implementation of a species identification and timber-tracking system in Africa using DNA fingerprints and stable isotopes, hosted by the German delegation

Donors at the 49th Session of the International Tropical Timber Council were the European Union (EU) and the governments of Japan, Australia, the USA, Switzerland and the Republic of Korea. Resources were also obtained from ITTO's Bali Partnership Fund and private-sector donors (Marubeni and INDENA SAS). Appendix 2 provides descriptions of all newly funded projects and pre-projects.



The 49th Session of the International Tropical Timber Council in Libreville. Photo: R. Carrillo, ITTO

Field visit to the timber company Société Nationale des Bois du Gabon. Photo: J. Madouma, ITTO

Gabonese hospitality during the official reception at the 49th Session of the International Tropical Timber Council. Photo: J. Madouma, ITTO

Side-events

hosted at the 49th Session of the International Tropical Timber Council

Improvement of statistical collection and reporting through national statistical workshop on forest products statistics

A national workshop on forest products statistics was convened in April 2013 in Haikou, Hainan Province, China. The workshop was co-hosted by ITTO, the Asia-Pacific Network for Sustainable Forest Management and Rehabilitation (APFNet) and the Food and Agriculture Organization of the United Nations (FAO) and attended by about 40 people.

At the workshop, representatives of the State Forestry Administration of China, the General Administration of Customs of China, the Chinese Academy of Forestry, APFNet, the provinces of Zhejiang, Jiangxi, Anhui and Xinjiang, the China National Forest Product Industry Association, FAO and ITTO made presentations on the various challenges in forest-sector data collection, analysis and definitions.

The workshop addressed the challenge of estimating roundwood and plywood production in China. It was also an opportunity for important national key players in statistics collection and dissemination to discuss and resolve issues on product definitions. The workshop enabled provincial representatives to present their data-collection methods and speak about their challenges in statistical dissemination and collection.

The ITTO Secretariat also participated in an FAO regional statistical workshop in Debre Zeyit, Ethiopia, on 2-4 December 2013, which was attended by statistics officials from Burundi, Djibouti, Ethiopia, Kenya, South Sudan, Sudan and Uganda. ITTO's participation was sponsored by FAO as part of the long-running collaboration between the two organizations to improve global forest products statistics. While none of the participating countries is a current member of ITTO, the workshop provided an excellent opportunity for countries in East Africa to become more aware of ITTO, and vice-versa.

The aim of the workshop was to improve data collection and statistics in East Africa, and ITTO was able to share its experiences on data collection, validation and dissemination. The workshop provided an opportunity to strengthen international collaboration on data collection for wood products and r einforced the joint efforts of FAO and ITTO to improve data quality.



A fiberboard cooling system at the Hongtai wood-processing company, China. Photo: J. Claudon, ITTO



Statistics officials at the FAO regional statistical workshop in Debre Zeyit, Ethiopia. Photo: J. Claudon, ITTO

Promoting tropical timber trade from sustainably managed and legally harvested sources

ITTO's work to promote tropical timber trade from sustainably managed and legally harvested sources has led to, among other things, the development of innovative timber-tracking systems in several countries. Six proposals for system development have been implemented—two in each of the three ITTO producer regions.

ITTO provided support to the Guyanese company DTL in 2013 to establish a timber-tracking system involving hand-held computers and bar-code scanners with the aim of providing detailed information on the nature and location of timber produced by DTL and its transport. The interface between DTL's tracking system and government forest control systems allows the Guyana Forestry Commission to monitor DTL's forestry operations to ensure the company's compliance with relevant permits and licences.

An official from the Guyana Forestry Commission scans a bar code attached to a log. Photo: P. Bholanath, Guyana Forestry Commission



Facilitating market access

The global financial and economic crisis continued to affect the world tropical timber trade in 2013, with weakened demand for primary and processed timber products in many ITTO tropical timber producer and consumer countries. Many uncertainties still exist about the supply of, and demand and market access for, tropical timber products.

A number of developments have the potential to affect market access for tropical timber market, including:

- Unilateral protection measures on timber products, such as anti-dumping and countervailing measures
- International environmental regimes
- The strengthening of public procurement policies
- Timber legality requirements
- Various regional and national trade initiatives.



Tropical timber consumers are increasingly demanding that products come from verified legal and sustainable sources, and timber legality requirements and actions have attracted the attention of participants in the tropical timber trade

A consignment of sawn timber in Gabon, ready for the export market. Photo: J. Madouma, ITTO

The European Union Timber Regulation (EUTR) applies to a wide range of timber and timber products imported by the EU. Significant developments occurred in 2012, including the adoption by the European Commission of the implementing regulation, and the EUTR came into force on 3 March 2013. In the USA, the implementation of the 2008 amendments to the Lacey Act has also created changes in the practices of importers, manufacturers and timber companies to avoid imports of illegally sourced timber. The Australian Illegal Logging Prohibition Act 2012, which prohibits the importation and processing of illegally logged timber, was due to come into force in 2014. These developments have attracted considerable attention from participants in the tropical timber trade.

Review and assessment of world timber situation

With the entry into force of the ITTA, 2006, a "review and assessment of the world timber situation" will be published biennially (Article 28). The next edition of this review and assessment (covering the 2013-2014 biennium) will be released in June 2015.

Monitoring forest and timber certification

As part of its focus on policy issues relevant to tropical forests, the Committee on Economics, Statistics and Markets encourages discussion and information exchange on timber certification at its annual sessions. In 2013, the Committee reviewed progress in forest and timber certification in 2012. It noted that the total area of certified forests in ITTO producer member countries in 2012 was 24.9 million hectares, which was 5.9% of the global area of certified forests (421.7 million hectares). A total of 1985 chain-of-custody (CoC) certificates were current in ITTO producer member countries in 2012, which was 5.8% of the total number of CoC certificates worldwide.

Forest certification in ITTO producer member countries mainly involves two international certification systems: the FSC and the PEFC.

FSC

- The area of FSC-certified forest in ITTO producer countries in 2012 was 16.7 million hectares, which was 9.9% of the total FSC-certified forest area worldwide.
- The number of FSC CoC certificates in ITTO producer countries in 2012 was 1669, which was 6.8% of the global total.
- The ITTO producer countries with the largest areas of FSC-certified forest areas were
 - Brazil—7.2 million hectares and 927 FSC CoC certificates
 - the Republic of Congo-2.5 million hectares
 - Gabon—1.9 million hectares.

PEFC

- The total area of PEFC-certified forest in ITTO producer countries in 2012 was 6.3 million hectares, which was 2.5% of the total area of PEFC-certified forest worldwide.
- The number of PEFC CoC certificates in ITTO producer countries in 2012 was 310, 3.1% of the total worldwide.
- The ITTO producer countries with the largest PEFC-certified forest areas were:
 - Malaysia—4.7 million hectares and 249 CoC certificates
 - Brazil—1.66 million hectares and 46 CoC certificates.

In addition, there were three national certification systems in ITTO producer member countries:

- The Brazilian Forest Certification Programme (CERFLOR)
- The Malaysian Timber Certification Council (MTCC)
- The LEI.

CERFLOR and the MTCC have been endorsed by the PEFC, and their certification statistics are included in those of the PEFC. In Indonesia, 1.9 million hectares of forest were certified under the LEI in 2012 and six CoC certificates were current. Indonesia has also developed and put in place the SVLK (the Indonesian Timber Legality Assurance System), which uses a certification approach and requires all business units to obtain legality certificates.

In 2012, three-fifths of the world's certified forests were certified by the PEFC and almost two-fifths were certified by the FSC, but the FSC accounted for the biggest share of certified forests in ITTO producer member countries. The area of FSC-certified forest in the Asia-Pacific region grew by 30% in 2012 compared with 2011, and the number of CoC certificates grew by 20 percent; this increase was due mainly to growing demand for certified timber in the North American market.

The PEFC continues to be the world's largest certification scheme, although its certified forest area declined by 3.3% from 2011 to 2012. The area certified under the PEFC is expected to expand in tropical forests in the future through the endorsement of certification systems in ITTO producer member countries. The MTCC co-hosted PEFC Week in Kuala Lumpur in November 2013 with the aim of creating awareness about and promoting forest certification and its contributions to SFM. The PEFC General Assembly approved standards submitted by the China Forest Certification Council for endorsement through a postal vote and considered the submission of standards by the newly established body, Indonesian Forestry Certification, for endorsement.



A shipment of certified okoume veneer from Gabon. Photo: J. Madouma, ITTO

Analysis of the economic impact of government procurement policies on tropical timber markets

An ITTO study on government procurement policies was carried out in 2013 to assess the economic impacts of such policies on tropical timber markets; update developments on legality requirements and procurement policies; and assess market implications and opportunities for ITTO producers and consumers. The draft report was presented at the 47th Session of the ITTO Committee on Economics, Statistics and Markets and the Committee on Forest Industry in November 2013. The report will be finalized in 2014 in light of comments received from members.

A general statistical analysis conducted as part of the study found that:

- Shifts in demand reflect a range of factors, particularly general economic trends and consumer preferences.
- Declines in tropical timber imports in most major markets pre-dated the introduction of public procurement policies. In Europe, for example, such declines were largest in the countries most affected by the recent financial and economic crisis, which were also countries without public timber procurement policies.
- No statistically significant relationship was found between imports of tropical timber and the introduction of public procurement policies.
 - Suppliers can meet the requirements of public timber procurement policies (which many are doing), but such compliance involves significant inputs of time and funds, which some suppliers may decide are not worth expending due to the niche nature of some products.

The draft report recommended that ITTO could play a larger role in promoting demand for legal and sustainably produced tropical timber in emerging markets, and that these growing markets should be the focus of ITTO's efforts to develop and showcase sustainably and legally produced timber in the future.

Workers stack finger-joint panels manufactured in a community-owned timber factory in Mexico. Photo: T. Yanuariadi, ITTO

ITTO Market Information Service and the Tropical Timber Market Report

The ITTO Market Information Service (MIS) serves to broaden awareness and disseminate information on the state of the tropical timber market. It's main output, the Tropical Timber Market Report (TTMR), has been providing price data since 1990 on up to 500 tropical timber products as well as relevant market news from around the world. The TTMR is disseminated online, by email and in hardcopy to over 12 000 subscribers.

In 2012, the TTMR was suspended due to a lack of funding, but publishing resumed in January 2013. Twenty-two issues of the TTMR were issued in 2013.

Current and previous TTMRs can be downloaded at: www.itto.int/mis_detail

Enhancing cooperation between ITTO and CITES

The ITTO-CITES Programme continued its collaborative capacity-building activities in 2013, with the EU awarding a second grant to support the work in light of strong demand from participating countries. Additional funding pledges for the Programme were received in 2011-2013 from Germany, the Netherlands, Norway, the USA and the private sector. Twenty-one country-specific activities in eight countries have been approved and are underway; the table indicates the tree species involved and the focus of activities.

Country	Tree species listed in CITES Appendix II	Focus of activities	
Brazil Peru	<i>Cedrela odorata</i> (red cedar) and <i>Swietenia</i> <i>macrophylla</i> (bigleaf mahogany)		
Cameroon Congo Democratic Republic of the Congo	<i>Pericopsis elata</i> (afrormosia) and <i>Prunus</i> <i>africana</i> (African cherry)	Capacity building for non-detriment findings required for CITES Appendix II-listed species and on-tracking systems	
Madagascar	<i>Dalbergia</i> (rosewood) and <i>Diospyros</i> (ebony) species		
Indonesia Malaysia	Aquileria/Gyrinops spp. (agarwood) and <i>Gonystylus</i> spp. (ramin)		

An additional nine activities submitted by countries in 2013 are being evaluated. Programme advisory committee meetings were convened in conjunction with the 16th Conference of the Parties (COP) to CITES, held in Bangkok, Thailand, in March 2013 and during the 49th Session of the International Tropical Timber Council in November.

An international workshop was convened in January 2013 in Bali, Indonesia, to share the experiences gained to date under the ITTO-CITES Programme. The workshop brought together more than 60 participants from target countries, donors and other international organizations to help guide work in Phase 2 of the Programme. A regional workshop for Central America and Mexico was convened in July 2013 to introduce the ITTO-CITES Programme to relevant countries there following the listing at CITES COP 16 of several species of *Dalbergia* that occur in the subregion.

A strategic partnership

The partnership fostered by the ITTO-CITES Programme can benefit many tree species in trade beyond those listed in the CITES appendices. Both CITES and ITTO have been promoting the sustainable management of tropical forests for many years, which is why the partnership is so successful. The governing bodies of both organizations have recognized the strategic value of the partnership through relevant decisions and resolutions calling for this cooperation to continue.

ITTO has developed a website for the ITTO-CITES Programme (www.itto.int/cites_programme), which includes:

Natural regeneration of red cedar in Peru. Photo: C. Garnic

- Information on the Programme
- Activity completion reports
- The Programme newsletter
- Various outreach materials on Programme outputs, such as videos highlighting work in each of the tropical regions, brochures, posters, banners and other materials.

A toolkit containing, among other things, Programme outputs and guidance on non-detriment findings for tree species is under development and will be uploaded to the website when completed.

Consultations with the CITES Secretariat continued in 2013 to guide and focus the Programme's activities. The ITTO and CITES secretariats continued to consult with each other on the Programme, and they organized and attended regular meetings with key donors and stakeholders. The ITTO Secretariat was represented at CITES COP 16, where participants were informed of progress in the ITTO-CITES Programme, and a side-event was convened jointly with the CITES Secretariat. Representatives of the CITES Secretariat, including Secretary-General John Scanlon, attended a planning meeting at ITTO headquarters in August 2013 on the future direction of the Programme. A member of the CITES Secretariat attended the 49th Session of the International Tropical Timber Council and briefed delegates there on relevant CITES developments. Following the session, both secretariats attended a meeting (in Brussels) of the EU's Scientific Review Group, which deals with CITES matters.



Videos on the work of the ITTO-CITES Programme are available on the ITTO YouTube channel at: www.youtube.com/user/ittosfm

Annual Market Discussion



The 2013 Annual Market Discussion was held during the 49th Session of the International Tropical Timber Council on the theme of "trade approaches to meeting market demand for legality". The aim of the event was to share experiences on:

- The development of legality verification
- Negotiations on voluntary partnership agreements (VPAs) with the EU
- The impact of the EUTR on the structure of the timber sector in importing countries
- The impact of the new regulations on tropical timber trade flows

Barney Chan (fourth from right) opens the 2013 ITTO Annual Market Discussion. Photo: R. Carrillo, ITTO





Declining imports of tropical timber by the EU

Rupert Oliver, Managing Director of Forest Industries Intelligence Ltd (United Kingdom), said that while it is too early to assess the direct trade impacts of the EUTR, the managerial and financial burden of meeting its due-diligence requirements may be driving small EU companies away from importing directly towards relying on larger importers to look after EUTR-related paperwork. This consolidation could cause rises in tropical timber prices as importers pass on the extra transaction costs to end-users, thus undermining the competitiveness of tropical wood products in the market.

Rupert Oliver talks about the EUTR at the Annual Market Discussion. Photo: R. Carrillo, ITTO

Dr Ivan Tomaselli, President of STCP Engenharia de Projetos Ltda (Brazil), noted an overall decline in Brazil's tropical timber exports (including to the EU) and an increase in domestic consumption. In the absence of EU FLEGT [Forest Law Enforcement, Governance and Trade]-licensed timber, the EUTR requires EU operators placing timber products on the EU market to exercise "due diligence" to minimize the risk of illegal timber entering the supply chain.

Ivan Tomaselli speaks during the Annual Market Discussion. Photo: R. Carrillo, ITTO

Highlights of the Discussion

In an introduction to the Annual Market Discussion, it was noted that illegal logging and the associated trade undermines economic, social and environmental structures and has heightened concerns about over-exploitation and poor forest management. These concerns have resulted in policy measures to address trade in illegally sourced wood products—including market-based incentives (certification) and more recent legal regulatory and enforcement measures. Initiatives such as the EUTR and other import regulations could, however, have unintended direct and indirect impacts on trade flows.

Convergence of domestic policy developments and the VPA—the formula for progress

Mr. Alhassan Attah, a marketing consultant from Ghana, noted that Ghana's VPA is viewed in the country as a supportive tool for achieving the government's aspiration of "creating an environment that promotes SFM, improves rural livelihoods and equity as well as enabling industrial efficiency in a good governance environment".

Maidiward, Forestry Attaché at the Indonesian Embassy in Japan, emphasized the strong synergy between the VPA and the Indonesian Government's commitment to sustainable development, tackling climate change and alleviating poverty while also delivering benefits to industry.



Ralph Ridder said that marketing certified wood is becoming more difficult. Photo: R. Carrillo, ITTO



Marketing campaign needed

Despite economic recovery in traditional tropical timber markets, it is unlikely that tropical hardwood consumption will increase significantly in the short to medium term. Speakers at the 2013 Annual Market Discussion spoke of the compelling need for a coordinated tropical timber marketing campaign to boost demand.

Tropical hardwoods have a powerful positive narrative that needs to be articulated to improve the competitiveness of tropical timber products, they said.

Participants in the Annual Market Discussion, tropical wood decking for export. Photos: R. Carrillo, ITTO



Civil Society Advisory Group special event

This side-event was held during the 49th Session of the International Tropical Timber Council with the aim of exploring challenges in, and opportunities for, supporting legal smallholder and community forest enterprises, with a focus on Africa and Asia. Specifically, the event examined:

- Opportunities for smallholders and community forest enterprises within the framework of EU FLEGT and VPAs
- Lessons learned in the development of regulatory models based on secure land tenure and stakeholder involvement in decision-making
- The impacts of Liberia's pitsawing regulation on small-scale enterprises and the legality of domestic wood supply
- Gabon's vision on community forestry
- Promoting gendered, legal forest enterprises: lessons learned from the Women's Network for the Community Management of Forests
- Promising models for community forestry in Indonesia
- Evolving FSC approaches to small-scale and community forest certification.

Participants in the event agreed that issues in need of urgent attention included achieving gender balance in community forest enterprises and building the capacity of smallholders and community forest enterprises to understand national laws.



Panelists participate in the Civil Society Advisory Group side-event. Photo: R. Carrillo, ITTO

Promoting efficient wood-processing technologies in producer countries

In 2013, ITTO-funded training to increase capacity in efficient wood-processing technologies was conducted in Guatemala and Mexico in installations ranging from sawmills to furniture and veneer factories. The scope of this in-house training included a physical review of mill facilities and a technical audit focusing on the following areas:

- Log-handling at the log yard
- Sawmilling
- Plymilling
- Saw-doctoring
- Conditioning and air-drying
- Kiln-drying and boiling
- Wood processing, including crosscutting, grading and sorting, laminating,
- moulding, planing, rip-sawing, sanding, coating and painting, repairing and finishing
 Packaging
- Waste control
- Maintenance
- Factory layout
- Safety.

The technical audit helped:

- Identify deviating procedures and techniques
- Propose and demonstrate appropriate approaches
- Examine standard operating procedures at each point in the process chain to identify weaknesses and propose technical solutions.

Workers improve their saw-doctoring skills in an ITTO training exercise at a mill in Mexico. Photo: T. Yanuariadi, ITTO



"The training provided by ITTO experts organized in the states of Quintana Roo and Oaxaca in Mexico was very enriching for sawmill industries. Important suggestions for improving the processing of wood were provided, which have helped increase the efficiency of participating companies as well as to improve the quality of processed products. We hope that these improvements will be reflected soon in generating more jobs and income in the forestry industry. This activity confirms ITTO's support for the development of the forest industry in Mexico. We hope to continue receiving support from ITTO to expand these practices for in-house training, starting this year."

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J. Armando Alanis, Director of International Cooperation, National Forestry Agency of Mexico, 2014

> A mill worker in Mexico learns an improved saw-doctoring technique during ITTO training. Photo: T. Yanuariadi, ITTO

Survey on know-how and technology needs in the forest industry

As part of its 2013-2014 Biennial Work Programme, ITTO conducted a survey to identify gaps in know-how and technology that, if filled by ITTO-funded projects, could improve the efficiency of tropical timber industries. The specific objectives of the survey were to:

- Identify the topics of highest regional priority for the timber industries in producer and consumer countries and among other stakeholders
- Identify candidate countries and topics for the demonstration phase of an activity to be undertaken in 2014
- Strengthen ITTO's outreach to the tropical timber industry.

The responses to the survey indicated that, at a global level, the topics of major importance for the transfer of technology and know-how are the need to:

- Support the development and marketing of value-added products
- Make more information available on lesser-used timber species.

The next steps for the implementation of the activity, to be taken in 2014, will be to define dissemination instruments and demonstration activities on these topics.

Reforestation and forest management

ITTO voluntary guidelines for the sustainable management of natural tropical forests

At its 49th session, the International Tropical Timber Council decided to adopt, by 31 July 2014 through an electronic no-objection procedure, the final draft of the ITTO voluntary guidelines for the sustainable management of natural tropical forests [Decision 4(XLIX)], taking into account the voluntary nature of the document and the flexibility in its application.

A local man contemplates a stand of "Neram tree" (Dipterocarpus oblongifolius) in the Lanjak-Entimau Wildlife Sanctuary, Sarawak, Malaysia. Photo: P. Chai



3

Quantifying the carbon benefits of ITTO projects

A study was carried out to quantify the carbon benefits generated by ITTO projects. Three projects were selected as case studies:

- Alternative financing model for SFM in San Nicolas (Colombia)
- Women and tropical forestry development program, Phase 1 (Ghana)
- Development of the Lanjak-Entimau Wildlife Sanctuary as a totally protected area (Malaysia).

Based on the outcome of the study, a draft report was presented for consideration at the Committee on Reforestation and Forest Management at its 47th session. In view of the living nature of the study and the need for further assessment of the applicability of the guidance provided in the draft report, ITTO member countries were invited to provide comments.

Other ongoing policy work

In 2013, ITTO reported on the progress of other policy work, the outcomes of which would be seen in 2014, including:

- Promoting understanding of the contribution of environmental services to the sustainable management of tropical forests
- Promoting the implementation of guidelines for the management of secondary tropical forests, the restoration of degraded tropical forests and the rehabilitation of degraded forest land
- Contributing to United Nations International Strategy for Disaster Reduction and supporting regional fire networks
- Strengthening cooperation and collaboration between ITTO and ACTO countries on criteria and indicators for SFM and related topics, including the outcomes of a regional workshop to harmonize the ITTO criteria and indicators and the Tarapoto Process.

ITTO thematic programmes

Implementation of ITTO's thematic programmes

The thematic programmes are an innovation of the ITTA, 2006. Five have been established to date:

- Forest Law Enforcement, Governance and Trade (TFLET)
- Reducing Deforestation and Forest Degradation and Enhancing
- Environmental Services in Tropical Forests (REDDES)
- Community Forest Management and Enterprises (CFME)
- Trade and Market Transparency (TMT)
 Industry Development and Efficiency (IDE).
- With the entry into force of the ITTA, 2006, the thematic programmes are now fully incorporated in the Organization's work.

Members of a forest community in Veracruz, Mexico, are trained in best silvicultural practice under Project RED-PD 045/11 Rev.2 (M). Photo: G. Sanchez Vigil, INECOL





Thematic programme cycles, 2013

Three thematic programme proposal cycles were launched in 2013—the 5th and 6th cycles for TFLET and the 4th cycle for TMT. Of the ten proposals received under the 5th TFLET cycle, one was approved and financed for immediate implementation (see Appendix 4).

Sixteen proposals from eleven member countries were received under the 6th TFLET cycle and three proposals were received from three member countries under the 4th TMT cycle (the funding decisions under these cycles were expected in early 2014). Table 1 shows the amounts pledged to the thematic programmes since their full inception under the Strategic Action Plan 2013–2018.

Table 1

Thematic programme funding pledged and received under the Strategic Action Plan 2013–2018, as of 31 December 2013

	US\$							
Source	TFLET	REDDES	CFME	тмт	IDE	Total		
Australia	1 941 098	-	-	-	-	1 941 098		
EU/CITES	-	-	-	307 130	-	307 130		
Switzerland	-	300 000	-	-	-	300 000		
Japan	200 000	-	-	-	-	200 000		
USA	50 000	-	-	-	-	50 000		
Total	2 191 098	300 000	-	307 130	-	2 798 228		

Status of thematic programmes

A total of 64 projects, pre-projects and activities have been approved for funding under the thematic programmes (Figure 1), at a total value of US\$17 859 335. Figure 2 shows the distribution of active thematic programme projects, by country. Twenty-one projects funded under the thematic programmes have been completed (see Appendix 2 for a list of projects completed in 2013).

Note: No projects have been approved for funding for the IDE.

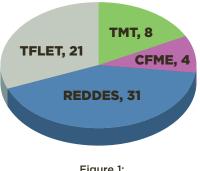
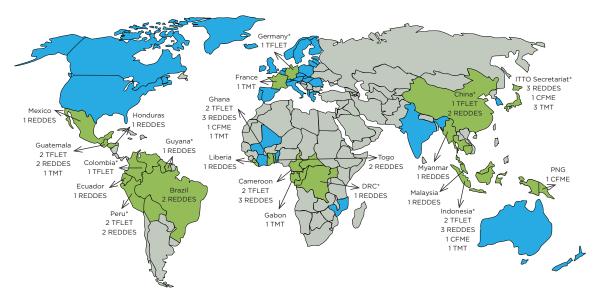


Figure 1: Approved and funded projects, by thematic programme





Note: DRC = Democratic Republic of the Congo;

- = member countries with operational thematic programme projects;
- = member countries without operational thematic programme projects;
- * = at least one project has been completed in the member country.

Fellowships

The aim of the ITTO Fellowship Programme is to promote human resource development in member countries and strengthen professional expertise in tropical forestry and related disciplines.

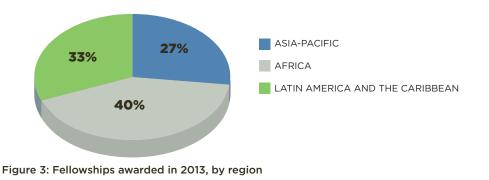
Since its establishment in 1989, the ITTO Fellowship Programme has enabled 1250 young and mid-career professionals from over 45 countries to pursue professional development opportunities and improve their career prospects. The total value of Fellowship awards is about US\$7.2 million, of which Japan has provided 74%, the USA 16%, the Netherlands 6% and Australia 4%, with the remainder provided by various sources, including the private sector.

Two selection panels were convened in 2013 and a total of 48 Fellowships were awarded to professionals in 17 member countries at a total value of US\$300 475. Figures 3-6 show how these Fellowships are distributed by region, type and gender.

Grace Gyabaah receives her Master's degree at the University of Science and Technology, Kumasi, Ghana. Photo: G. Gyabaah



5



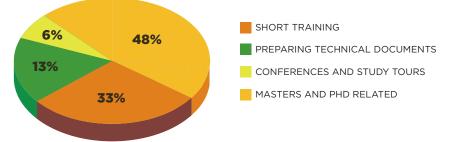


Figure 4: Proportion of Fellowships awarded in 2013, by purpose

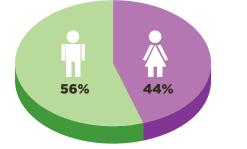


Figure 5: Proportion of Fellowships awarded in 2013, by gender



Fellowship network

A web-based ITTO Fellowship network has been created to promote the sharing of information and knowledge among ITTO Fellows and alumni on the sustainable management and use of tropical forests and other related issues, facilitate collaborative work among ITTO Fellows and alumni, and help the career development of ITTO Fellows and alumni. The website became operational in June 2014.

ITTO Fellows from Colombia, Ecuador and Guatemala were among participants in the "diversified management of tropical forest" study course at the Centro Agronómico Tropical de Investigación y Enseñanza (CATIE), Costa Rica. *Photo: J. Guevara*

ITTO's involvement in international cooperation and collaboration

6



Intersecretariat Working Group on Forest Statistics and the Joint Forest Sector Questionnaire process Rome, Italy

ITTO continued its involvement in the Intersecretariat Working Group on Forest Statistics, participating in a meeting to consider proposed revisions to the harmonized system of customs classification and preparations for the distribution of the Joint Forest Sector Questionnaire.



ITTO joined global celebrations of the first International Day of Forests, sharing 21 stories (listed below) of its work to illustrate the deep connection between people and tropical forests.

Africa

- The conservation and use of medicinal plants from the forest in Ghana
- Criteria and indicators for African forests
- Enforcing forest legality in Cameroon

Asia

- Developing monitoring, reporting and verification methodologies for carbon offsets in Indonesia
- Greening Myanmar
- Participatory forest management for the use of non-timber forest products (NTFPs) in Indonesia
- Promoting legal timber procurement by small and medium-sized enterprises (SMEs) in China
- Sandalwood—green gold in Indonesia
- The Emerald Triangle transboundary biodiversity conservation project in Cambodia and Thailand

Latin America

- Better information systems for improving legality in the forest sector in Guatemala
- The commercialization of seeds of timber species in the Peruvian Amazon
- Forest management by rural communities in Guatemala
- The economic valuation of environmental services of the coastal forest of Mexico
- Ecotourism in forest concessions in Peru
- Enhancing market intelligence in the forest sector in Guyana
- Environmental services for Ucayali forest, Peru
- Participatory fire management in Panama
- Permanent forest monitoring plots in Guatemala
- The rehabilitation, use and sustainable management of bamboo forest in Peru
- The restoration of sub-humid ecosystems through reforestation in Peru
- The use of timber species from secondary forest in Peru.

25-30 March 2013

World Teak Conference: Sharing Our Planet—Teak Model Development Towards the Improvement of Mankind Bangkok, Thailand

This conference was attended by teak-growers, timber traders, researchers and regional and international organizations from more than 35 countries. ITTO participated as a co-organizer in partnership with Teaknet, The Plant Genetic Conservation Project under the Royal Initiative of Her Royal Highness Princess Maha Chakri of Thailand, FAO and the International Union of Forest Research Organizations (IUFRO).

ITTO, which has been collecting data on teak prices since 1997 through its MIS, shared its assessment of market trends. The conference covered four other topics of interest to the teak timber sector:

- Genetics, silviculture and use
- Environment, climate change and carbon trading
- Economics and investment
- Rural development.

The Teaknet Steering Committee, of which ITTO is a member, convened during the conference.



The World Teak Conference 2013. Photo: R. Carrillo, ITTO



UNFF 10 Istanbul, Turkey

ITTO participated in the 10th Session of the United Nations Forum on Forests (UNFF 10), which was held in Istanbul, Turkey. UNFF 10 featured, among other things, a ministerial segment (on 8–9 April) and a multistakeholder dialogue.



(From left to right) Niels Elers Koch, President of IUFRO; Stewart Maginnis, Global Director, Nature-based Solutions Group, International Union for Conservation of Nature; and Emmanuel Ze Meka, ITTO Executive Director. Photo: F. Dejon, ENB

31 May -3 June 2013

5th Tokyo International Conference on Africa Development: Hand in Hand with a More Dynamic Africa Yokohama, Japan

The 5th Tokyo International Conference on Africa Development (TICAD V) was attended by over 2000 people, comprising delegates of 51 African countries as well as representatives of countries outside Africa, international organizations, civil society and the private sector. The participants' list featured about 40 heads of state, ministers and ambassadors, as well as Ban Ki-moon, Secretary-General of the United Nations.

ITTO's Executive Director, Emmanuel Ze Meka, was a speaker at TICAD V in a thematic session titled "Toward the post-2015 development agenda", which was chaired by Ban Ki-moon. Mr Ze Meka's speech highlighted the role of African forests in meeting the challenges of the post-2015 development agenda.

In collaboration with the Japan International Cooperation Agency (JICA), ITTO convened a side-event on efforts to advance the sustainable management of African forests. During this side-event, which was attended by over 100 people, ITTO introduced, and called for support for, project proposals designed to assist African member countries in enhancing the sustainable management of their tropical forests.

ITTO and the Kanagawa Prefecture Government co-hosted a lunch attended by over 600 TICAD V participants. Guests witnessed the signing of an agreement between ITTO, the Government of Japan and the Government of Côte d'Ivoire to enable the implementation of a new ITTO project to rehabilitate forestlands degraded by civil war in Côte d'Ivoire.



United Nations Secretary-General Ban Ki-moon chairs Thematic Session 3 at TICAD V. Photo K. Sato, ITTO



ITTO continued its collaboration with APFNet in 2013, participating in meetings of the APFNet Steering Committee and APFNet's expert panel for project appraisal. ITTO also collaborated with APFNet and FAO in convening a national statistics training workshop in Hainan, China (see page 7).

20-22 June 2013

BirdLife International World Congress Ottawa, Canada

ITTO delivered a keynote presentation on the status of tropical forest management at a workshop titled "Forests of hope: conserving tropical forests and combating climate change" held during the BirdLife International World Congress.

ITTO and BirdLife International have been collaborating under a memorandum of understanding (MOU) signed between the two organizations in January 2012. For example, ITTO is working with BirdLife International and Pronatura to apply the ITTO Guidelines for the Restoration, Management and Rehabilitation of Degraded and Secondary Tropical Forests to forests at a project site in Mexico.

A heron in Chiapas, Mexico. Photo: R. Carrillo, ITTO





ITTO and AFoCO sign MOU Seoul, Korea

Recognizing the common interest of ASEAN-Republic of Korea Forest Cooperation (AFoCo) and ITTO in supporting sustainable development through policy and project work on SFM, the secretariats of the two organizations signed an MOU on 27 June 2013 at AFoCo headquarters in Seoul, Korea.

The MOU will facilitate the implementation of joint activities to strengthen SFM in Southeast Asia. In particular, joint work will focus on the restoration of degraded forestlands to support sustainable livelihoods, biodiversity conservation, soil and water protection, and the mitigation of, and adaptation to, climate change. Joint work under the MOU will also promote the provision of forest environmental services, including the development of payments for such services.



Dr Hadisusanto Pasaribu (left) and Emmanuel Ze Meka sign an MOU between AFoCo and ITTO. Photo: H.O. Ma, ITTO

14-16 August 2013

2nd APEC Meeting of Ministers Responsible for Forestry Cuzco, Peru

ITTO participated in this meeting, which aimed to strengthen cooperation among Asia-Pacific Economic Cooperation (APEC) members, the private sector and civil society in achieving SFM. An ITTO representative was a speaker in the panel discussion on threats and challenges for SFM in the APEC region and a panellist in a dialogue hosted by APFNet between ministers and the private sector on the outlook for forest products supply and demand in the APEC region. In both its interventions, ITTO stressed the need for the forest sector to take advantage of the latest digital technologies to promote SFM and to increase the trade of legally and sustainable timber, timber products and NTFPs.



Opening ceremony of the 2nd APEC Meeting of Ministers Responsible for Forestry. Photo: F. Pastore, ITTO



4th Global Conference on the International Partnership for the Satoyama Initiative: Implementing the IPSI Strategy for the Benefit of Biodiversity and Human Well-being Fukui, Japan

One hundred and twenty-four representatives from 68 member organizations attended this conference of the International Partnership for the Satoyama Initiative (IPSI). Kazunori Tanaka, Senior Vice Minister of the Environment of the Government of Japan, and Issei Nishikawa, Governor of Fukui Prefecture, delivered opening remarks. During the conference, the Assembly endorsed the five-year IPSI Plan of Action, which provides a supportive framework to guide the implementation of activities in line with the four strategic objectives described in the IPSI Plan of Action Strategy.

Representatives of ITTO and the Government of Benin presented their joint activity on the conservation of sacred forests and RAMSAR sites in Benin. It was noted that this was one of the first IPSI activities to begin implementation on the ground.



ITTO's representative facilitated Group 1, which focused on the integrated management of socioecological production landscapes, and he also presented three posters on ITTO's work on biodiversity conservation and mangroves.

Participants in the 4th IPSI Global Conference. Photo: J. Leigh, ITTO

Emmanuel Ze Meka (left) and Sergio Zelaya (UNCCD) open the side-event at UNCCD COP 11. Photo: T. Goto, ITTO





UNCCD COP 11 Windhoek, Namibia

In collaboration with the Secretariat of the United Nations Convention to Combat Desertification (UNCCD) and JICA, ITTO convened an official side-event at UNCCD COP 11 titled "Forest conservation and restoration in Africa—integrated approaches to sustainable dryland management".

Speaking at the event, ITTO Executive Director Emmanuel Ze Meka stressed the important role that tropical forests can play in combating desertification and land degradation. He noted some of ITTO's contributions to the restoration of degraded tropical forests and degraded drylands, such as the ITTO Guidelines for the Restoration, Management and Rehabilitation of Degraded and Secondary Tropical Forests and the implementation of these guidelines in collaboration with the Global Partnership on Forest Landscape Restoration.

Dominic Blay, Principal Research Scientist at the Forest Research Institute of Ghana (FORIG), led several presentations by experts working in the field in Africa. Dr Blay, who is assisting in the implementation of ITTO-funded forest rehabilitation projects in Ghana, listed the following factors as necessary for ensuring successful restoration activities by local communities: clarification of the roles and responsibilities of stakeholders (including local communities); continuous technical support from local authorities; and the collection of baseline data on local communities for future assessment of project impacts.

The presentations were followed by an interactive panel discussion, which identified the following key factors in the successful scaling-up of forest and land restoration activities: the use of simple and low-cost restoration methods that are easy for local people to use; the involvement of the private sector to add value to the products produced by local farmers through agroforestry practices; and the establishment of institutional frameworks to support continuous restoration work by local communities.





ITTO and Asian Development Bank dialogue Manila, Philippines

The ITTO-ADB dialogue. Photo: H.O. Ma, ITTO

In this dialogue, ITTO and the Asian Development Bank (ADB) discussed ways to enhance their cooperation in the context of the ADB's Environment Operational Directions 2013–2020 and ITTO's Strategic Action Plan 2013–2018. The following priority areas were identified for future cooperation: the conservation and sustainable use of biodiversity; REDD+; green timber; NTFP supply chains; environmental education; and knowledge-sharing and information database enhancement on biodiversity, climate change and payments for environmental services.

8-11 October 2013

REDD+ Partnership Workshop and Meeting Palangkaraya, Indonesia

At this event, ITTO shared lessons learned in the implementation of the ITTO REDD+ Public-Private Partnership in the Meru Betiri National Park, Java, Indonesia. ITTO provided information on REDD+ financing, actions and results under the REDD+ Partnership as inputs to the Voluntary REDD+ Database.

Meru Betiri National Park, Indonesia. Photo: H.O. Ma, ITTO





Yokohama Kokusai Festa Yokohama, Japan

ITTO participated in this event organized by the Yokohama Association for International Communications and Exchanges, known as YOKE, which aims to promote awareness of environmental and global issues among the citizens of Yokohama. In disseminating its work and raising awareness of the importance of tropical forests for current and future generations, ITTO enlisted the assistance of the Yokohama Science Frontier High School. Nearly 56 000 people attended the Festa.



ITTO staff and students from the Yokohama Science Frontier High School pose in the ITTO booth at the Yokohama Kokusai Festa. Photo: S. Kato, ITTO



International Forum on the Sustainable Development of the Wood Industry in the Congo Basin Brazzaville, Republic of the Congo

ITTO participated in this event co-organized by ATIBT, FAO, Pro-Invest, the African, Caribbean and Pacific Group of States and the EU, which was attended by more than 400 participants. Among other things, the Forum launched an unprecedented "white paper" on the development of a strategy for the wood-processing industry in the Congo Basin, which was published jointly by ITTO, FAO and ATIBT (see page 39).

The opening ceremony of the International Forum on the Sustainable Development of the Wood Industry in the Congo Basin. Photo: ATIBT





UNFCCC COP 19 Warsaw, Poland

ITTO co-organized two well-attended side-events, both in the Japan Pavilion, at UNFCCC COP 19.

The first side-event, hosted jointly with JICA, was titled "REDD+: study safeguards from field experiences NOW!"; the aim was to contribute to the development of a practical REDD+ mechanism by sharing the lessons learned from field experiences. In his presentation, Emmanuel Opuni-Frimpong (Ghana), the manager of an ITTO project aimed at building capacity for Clean Development Mechanism forestry projects, spoke of the need to address land ownership and ensure a range of social, economic and environmental benefits from forests if REDD+ is to succeed.

The second side-event, titled "Facilitating private-sector participation in REDD+ activities", was organized in collaboration with the Forestry and Forest Products Research Institute of Japan and JICA. Carmenza Robledo, an ITTO consultant, made important contributions to the discussion based on her experiences in carrying out various studies related to REDD+.



Emmanuel Opuni-Frimpong, a research scientist at FORIG, presents at the ITTO-JICA side-event at UNFCCC COP 19. Photo: A. Okada, JICA



13th Meeting of Partners of the Congo Basin Forest Partnership: Forest Livelihoods and Economic Opportunities Libreville, Gabon

ITTO participated in this meeting, which was attended by about 230 people, and provided financial support.

ITTO is an active partner of the Congo Basin Forest Partnership and a long-time supporter of SFM in the region, including through the implementation of ITTO project PD 124/01: *Promotion of sustainable management of African forests*. Among other things, this project has harmonized the ITTO/African Timber Organization (ATO) principles, criteria and indicators (PCI) and trained more than 300 people in the use of a manual for auditing SFM in African forests.

During the meeting, ITTO announced the start of a capacity-building project [ITTO project PD 456/07 Rev.4 (F)], implemented by the Network of Central African Forestry and Environmental Training Institutions, to promote inter-institutional collaboration between training institutions at the subregional level, with the aims of improving training standards and addressing the need for SFM in the Congo Basin.

ITTO stressed to participants that the Congo Basin's forests can play an important role in economic development in the region and that challenges can be overcome by participatory management with the involvement of all stakeholders, including governments, the private sector, local communities, non-governmental organizations, research institutions and other development partners.

The following topics (among others) were reviewed at the meeting:

- Developing conservation-based economic opportunities
- Congo Basin REDD+ platform
- Enabling environments for civil-society engagement
- Capacity building for regional conservation and development
- Combating wildlife trafficking in Central Africa
- Strengthening the Convergence Plan of the Central African Forest Commission (COMIFAC)
- Forest governance and land management.



Field testing the ATO/ITTO PCI. Photo: O. Ahimin, ITTO

Joint ITTO-CBD Collaborative Initiative for Tropical Biodiversity

The overall objective of the Joint ITTO-CBD Collaborative Initiative for Tropical Forest Biodiversity is to enhance biodiversity conservation in tropical forests with the direct participation of local stakeholders, addressing the main drivers of biodiversity loss in tropical forests—deforestation and forest degradation. More specifically, the Initiative provides support to ITTO producer member countries to reduce losses of biodiversity through the implementation of the CBD Programme of Work on Forest Biodiversity, focusing on the common objectives of the Strategic Plan for Biodiversity 2011–2020 and the ITTO Action Plan.

This Initiative aims to achieve four key outputs, with the assistance of donors and the close collaboration of partners in producer member countries:

- 1) Enhanced local capacity for biodiversity conservation in production forests and for the rehabilitation of degraded and secondary forests
- 2) Improved conservation and management of protected areas, especially in association with buffering protected areas, and transboundary conservation
- Safeguarding tropical forest biodiversity in forestry interventions, including in REDD+-related projects
- 4) Improved welfare of local communities and indigenous groups through biodiversity conservation and sustainable use of natural resources.

These outputs are to be achieved through the promotion of SFM, with a particular emphasis on biodiversity protection; forest monitoring and adaptive management to generate multiple benefits on a sustainable basis; protection against invasive species; and enhancing the value of natural tropical forests to avoid land-use change. ITTO leads the implementation of the Initiative in close consultation with the CBD Secretariat, donors, other partners and especially the beneficiary countries. The initial period of the Collaborative Initiative was designed to span four years with a program worth US\$15 million. To date, ten projects have been funded under the Initiative (see next page), with donors of the total budget of US\$12.5 million mainly comprising the governments of Japan, Switzerland and the USA.

Funded projects under the Joint ITTO-CBD Collaborative Initiative for Tropical Biodiversity

A scarlet macaw in Amazonian forest. Photo: H. Castro

- Capacity building for sustainable management of tropical rainforests and biodiversity conservation in the ITTO Congo Basin countries [PD 456/07 Rev.4 (F)]
- Management of the Emerald Triangle Protected Forests Complex to promote cooperation for transboundary biodiversity conservation among Thailand, Cambodia and Laos [PD 577/10 Rev.1 (F)]
- Building capacities of Amazon Cooperation Treaty Organization member countries in ecologically responsible forest management and biodiversity conservation in managed forests of the Amazon [PP-A/47-266]
- Study for the rehabilitation and sustainable management of sacred forests on RAMSAR sites 1017 and 1018 in Benin [PPD 165/12 Rev.1 (F)]
- Promoting biodiversity conservation in the Betung Kerihun National Park as the transboundary ecosystem between Indonesia and State of Sarawak Malaysia—Phase III [PD 617/11 Rev.4 (F)]
- Buffer zone management for Pulong Tau National Park with involvement of local communities in management, Sarawak, Malaysia [PD 635/12 Rev.2 (F)]
- Integrated management of natural resources and biodiversity in the Tacaná volcano and its range of influence in Mexico and Guatemala [PD 668/12 Rev.1 (F)]
- Strengthening mangrove ecosystem conservation in the biosphere reserve of northwestern Peru [PD 601/11 Rev.3 (F)]
- Community-based restoration and sustainable management of vulnerable forests of the Rewa Delta, Viti Levu, Fiji [PD 696/13 Rev.2 (F)]
- Promoting conservation of selected high-value indigenous species of Sumatra, Indonesia [PD 710/13 Rev.1 (F)]

These projects are working in areas of high biodiversity in 26 countries and are directly contributing to the achievement of the CBD Strategic Plan for Biodiversity 2011-2020 and, in particular, the forest-related Aichi biodiversity targets 5, 7, 11 and 15.

Knowledge management, publications and outreach

Knowledge management strategy

A report recommending the development of a knowledge management strategy for ITTO was presented at the 49th Session of the International Tropical Timber Council, with a focus on three pillars:

- Enhancing knowledge-sharing and dissemination
- Leveraging knowledge through partnerships
- Enabling knowledge use.

The Council welcomed the report and provided funding for its implementation through the 2013-2014 Biennial Work Programme. Implementation of the strategy began in 2014.



Tropical Forest Update

Three editions of the *Tropical Forest Update*, an ITTO newsletter promoting the conservation and sustainable use of tropical forest resources, were published in 2013. Topics covered in these edition included a meta-evaluation of ITTO's project work, timber tracking and sustainable forest industries.

Electronic versions of the *Tropical Forest Update* can be downloaded at: www.itto.int/tfu

Technical reports

ITTO published or copublished three technical reports in 2013.



Riding out the storm. This report is designed to help increase the resilience of the tropical timber sector in the face of regional and global economic crises.



Towards a development strategy for the woodprocessing industry in the Congo Basin. This joint report of FAO, ITTO and ATIBT will assist in the preparation of strategies for the further development of the forest industry in the Congo Basin.



Governing the forests: an institutional analysis of REDD+ and community forest management in Asia. This joint report of the United Nations University Institute for the Advanced Study of Sustainability and ITTO will serve as a reference for policymakers, professionals and practitioners as they work to promote REDD+ in ways that tackle climate change and biodiversity loss while respecting the views and concerns of local stakeholders.

Tropical Timber Market Report

Twenty-five editions of the TTMR were published in 2013, providing information on market trends and trade news on tropical timber from around the world. All editions in 2013 can be downloaded at: **www.itto.int/mis_back_issues**

ITTO website

The ITTO website (**www.itto.int**), which is available in English, French, Japanese and Spanish, was updated regularly throughout 2013. The website contains a wide range of information on ITTO's work, such as top stories, news, calls for proposals, vacancy announcements, information for the International Tropical Timber Council and its committees, publications, a statistical database, the MIS, ITTO Fellowships, the thematic programmes, collaboration with the CBD and CITES, and events.

The website had a total of 188 705 sessions in 2013. The sections most viewed were:

- Top page (English)
- MIS
- Fellowships
- Top page (Spanish).

Publicity materials

In 2013, the following publicity materials were released:

- A brochure on the ITTO Strategic Action Plan 2013–2018
- An updated version of a general brochure on ITTO
- A poster on SFM.





Screen shots of project videos (from left to right): PD 406/06 Rev.1 (M); PD 433/06 Rev.3 (I); and PD 512/08 Rev.2 (I)

YouTube channel

ITTO has a channel on YouTube for sharing videos on its projects and activities (www.youtube.com/user/ittosfm). Videos from the following projects were added to the channel in 2013:

- PD 406/06 Rev.1 (M): Establishment of a national forest and timber marketing statistics system (Ecuador)
- PD 433/06 Rev.3 (I): Residue management in the wood-flooring industry (Brazil)
- PD 512/08 Rev.2 (I): Utilization of lesser-used timber species in Peru.

Financial highlights

Balance sheets

	31.12.2013	31.12.2012
Assets	U	5\$
Cash and time deposits	19 861 922	23 536 955
Held to maturity securities	-	15 061 660
Investments in securities	12 902 060	-
Arrears in voluntary contributions	5 151 401	5 965 379
Accounts receivable from Japan	-	381 028
Prepaid expenses	1 038	1 325
Advances to and receivable from staff members and others	185 622	86 538
Accrued revenue	224 214	132 120
	38 326 258	45 165 005
Liabilities and contributions		
Accounts payable to staff members and others	53 330	1 290
Accounts payable to Japan	105 153	-
Accrued liabilities	255 828	893 487
Membership contributions received in advance	132 194	348 869
Unappropriated funds	4 059 886	1 079 419
Reserve for programme support	1 194 324	1 105 425
	5 800 715	3 428 490
Members' funds		
Administrative account:		
Special reserve	1 500 000	1 500 000
Reserve provided by interest income	2 072 728	2 063 797
Surplus of revenue over expenditure	9 180 770	7 545 803
Project accounts:		
Appropriated for specified projects	35 422 222	39 103 581
Unappropriated funds	(5 508 905)	(5 272 905)
Surplus from completed projects	2 258 772	2 244 750
Impairment of investments in securities	(6 000 000)	-
Subtotal	38 925 588	47 185 027
Arrears in assessed contributions	(6 424 765)	(5 448 512)
Allowance for arrears	24 720	-
Subtotal	32 525 542	41 736 515
Total	38 326 258	45 165 005

Statements of revenue and expenditure

	31.12.2013	31.12.2012
Revenue	US\$	
Contributions from member countries	7 924 735	6 406 455
Reimbursement by Japan	307 493	967 569
Voluntary contributions	9 372 718	11 113 312
Correction to prior year's budget	(429 706)	-
Interest income	67 763	211 635
Dividends	430 977	-
Other income	2 223	3 523
Total (revenue)	17 676 203	18 702 494
Expenditure		
Administrative account:		
Salaries and benefits	4 222 748	4 950 476
Installation costs	-	32 722
Official travel	138 027	132 080
Social security	807 938	777 065
Special activities	24 597	21 166
Data processing	129 613	161 678
Other costs	189 316	329 135
Council meetings	197 319	935 427
Communication and outreach	241 361	-
Statistics, studies and information	259 900	-
Annual report and biennial review	7 698	-
Write-off of arrears in contributions	125 907	75 988
Unsettlement cost for advances	-	(4 375)
Exchange loss	64 054	95 922
Gain on securities	(91 819)	-
Allowance expense for arrears	24 720	-
Time delay (reversal of time delay) in settling advance payments	109 652	(69 321)
Impairment of investments in securities	6 000 000	-
Subtotal	12 451 031	7 437 963
Project accounts:		
Project cost	12 550 791	14 320 984
Total (expenditure)	25 001 823	21 758 946
Excess of revenue over expenditure	(7 325 620)	(3 056 452)

Part of ITTO's uniqueness is its strength in the field through the implementation of projects in member countries. The total amount allocated for financing projects, pre-projects and activities in 2013 was US\$11 537 237.48, including US\$1 941 097 for the ITTO thematic programmes. Allocations of funds were made by the governments of Japan (\$5 574 159.86), Australia (\$1 941 097.49), USA (\$900 000), the Netherlands (US\$737 882), Germany (US\$727 308.49), the Republic of Korea (\$40 000) and Sweden (\$10 000), as well as by the European Commission (\$1 535 652.92) and private organizations (US\$71 136.72).

		Newly funded				Additional funding for ongoing			
		Projects	Pre	e-projects	4	Activities	Proj./Activities		US\$
Economic Information	NO.	ITTO funding	NO.	ITTO funding	NO.	ITTO funding	ITTO funding	NO.	ITTO funding
and Market Intelligence		290 541		88 794			600 000	2	979 335
Reforestation and Forest Management	5	3 586 988						5	3 586 988
Forest Industry	2	476 109					603 961	2	1 080 070
Thematic programmes*							1 941 097		1 941 097
Council**					6	363 950	2 426 451	6	2 790 401
Total	8	4 353 638	1	88 794	6	363 950	5 571 509	15	10 377 891

Summary of projects, pre-projects and approved activities funding pledged in year 2013

Thematic programmes

Forest Law Enforcement, Governance and Trade (TFLET)*	1 941 097
Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests (REDDES)	nil
Community Forest Management and Enterprises (CFME)	nil
Trade and Market Transparency (TMT)	nil
Industry Development and Efficiency (IDE)	nil
Total (included above)	1 941 097

US\$

* AUD2 000 000 pledged by Australia in December 2012 to the TFLET Programme was received in 2013 in the amount of US\$1 941 097.49. ** In addition, the European Commission pledged €4 000 000 to PP-A/49-291: "Study on independent timber market monitoring" in November 2013, of which US\$13 800 will be allocated to finance PP-A/49-294: "Implementation of ITTO Fundraising Action Plan".

Voluntary contributions Funds received in 2013 in to the Special Account and the Bali Partnership Fund	US\$
Government of Japan	5 574 159.86
Government of USA	900 000.00
Government of Germany	727 308.49
Government of Australia	1 941 097.49
Government of Netherlands	737 882.00
Government of Republic of Korea	40 000.00
Government of Sweden	10 000.00
European Commission	1 535 652.92
Private	71 136.72
Total	11 537 237.48

Projects, pre-projects and other approved activities funded by the Organization. 1987 - 2013 [ITTC (II) - ITTC (XLIX)]

US\$

	STATUS	NO.	ITTO funding	
	Completed	480	243 357 781.10	
Duciente	Operational	56	41 155 783.86	
Projects	Pending contract	11	4 400 914.40	
	Subtotal	547	288 914 479.36	
Pre-projects	Completed	205	18 242 272.03	
	Operational	4	303 358.00	
	Pending contract	1	88 794.00	
	Subtotal	210	18 634 424.03	
	Completed	242	38 283 025.30	
Approved activities *	Operational	44	40 734 492.49	
	Subtotal	286	79 017 517.79	
Total		1 043	386 566 421.18	

* Note: The approved activities included ITTO thematic programmes, the status of which are as follows:

	Budget (US\$)	Pledges (US\$)
Forest Law Enforcement, Governance and Trade (TFLET)	15 000 000	8 642 808
Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests (REDDES)	18 000 000	9 232 742
Community Forest Management and Enterprises (CFME)	10 000 000	1 100 000
Trade and Market Transparency (TMT)	5 000 000	1 263 625
Industry Development and Efficiency (IDE)	10 000 000	nil
Total	58 000 000	20 239 175

Allocations/pledges by donors to the Special Account and the Bali Partnership Fund

(Pledges on thematic programmes are shown separately)

	project sub-account	2013	US\$ 2012	2011
Germ	any		411 442.57	
	German Federal Agency for Nature Conservation (BfN)			
Japar	1	150 000.00	197.443.00	1 773 554.85
Nethe	erlands		250 000.00	
Repu	blic of Korea	40 000.00	20 000.00	
Switz	erland	230 000.00	430 000.00	370 000.00
USA		593 944.00	550 968.00	305 000.00
Europ	bean Union	1 242 322.34	1 425 419.70	162 820.34
BPF-	³¹ , Programme Support, WCA ² and other unearmarked funds	275 793.57	155 626.00	530 000.00
	1. Abott-Solvay		80 000.00	
Private	2. INDENA SAS	40 004.33		
đ	3. EUROMED			50 000.00
Subto	otal	2 572 064.24	3 520 889.27	3 191 375.19

Project sub-account (Projects)

Subt	otal	5 557 599.41	4 287 723.53	9 757 204.00
4	3. Japan Lumber Importers' Association		50 000.00	
Private	2. Delta International		1 207.73	
ð	1. Marubeni	88 961.41	210 000.00	210 000.00
BPF-	B ¹ , Programme Support, WCA ² and other unearmarked funds			450 000.00
USA		306 056.00	349 032.00	396 000.00
Switz	rerland		224 760.00	1 153 486.00
Sweden			10 000.00	
Repu	blic of Korea		20 000.00	20 000.00
Japa	n	5 162 582.00	3 422 723.80	5 937 718.00
Germ	any			1 400 000.00
Austi	alia			190 000.00

¹BPF-B = Bali Partnership Fund, sub-account B ² WCA = Working Capital Account

Thematic programmes sub-account

sub-account				
	Cumulative pledges 2011-2013	2013	2012	2011
Australia	2 137 705.44	1 941 097.49	196 607.95	
Finland	63 625.00		63 625.00	
Japan	200 000.00		200 000.00	
Switzerland	300 000.00		300 000.00	
USA	270 000.00		50 000.00	220 000.00
EU-CITES Programme to TMT	663 485.51	307 130.58	356 354.93	
Total	3 634 815.95	2 248 228.07	1 166 587.88	220 000.00

US\$

Bali Partnership Fund unearmarked income

Interest receipts	290 356.95	104 045.77	37 470.36
Subtotal	290 356.95	104 045.77	37 470.36
Grand total	10 668 248.67	9 079 256.45	13 206 049.55

ITTO thematic programmes

	Budget	Cumulative pledges 2007-2013			
TFLET	15 000 000.00	9 089 416.44	1 941 097.49	446 607.95	220 000.00
REDDES	18 000 000.00	9 532 742.02		300 000.00	
CFME	10 000 000.00	1 100 000.00			
ТМТ	5 000 000.00	1 927 110.51	307 130.58	419 979.93	
IDE	10 000 000.00	0.00			
Total	58 000 000.00	21 649 268.97	2 248 228.07	1 166 587.88	220 000.00

NOTE: Contributions are based on pledges, except for the EU and Australia, which are paid in instalments and in non-US\$ currencies. Contributions from the EU and Australia represent the amount received during the fiscal year converted to US\$ at the prevailing rate of exchange. The same will apply to the pledge by the EU of €4 000 000 made in November 2013 for the study on independent timber market monitoring. The above figures include US\$13 800 pledged by the EU to finance PP-A/49-294: "Implementation of ITTO Fundraising Action Plan", which will be allocated through the contribution to the study on independent timber market monitoring.

APPENDIX 1: Projects and pre-projects completed in 2013 (project cycle)

Project ID	Title	Total budget (US\$)	Donors	Submitted by	Main outputs
PD 124/01 Rev.3 (M) Phase III Stage 1	Promotion of sustainable management of African forests	500 000	Japan Switzerland China	ITTO	 ITTO/ATO PCI were finalized in Nigeria and the Democratic Republic of the Congo. PCI for forest plantations were developed in Côte d'Ivoire, Ghana and Togo. Data were collected according to the reporting format for PCI Principle 1 in the Democratic Republic of the Congo, Nigeria and Togo. Forest audits based on the PCI and the related auditing framework were organized in Cameroon, Côte d'Ivoire and Gabon. 25 forest-sector stakeholders in Togo were trained in audit methodologies based on PCI. The ITTO Regional Office for Africa website www.oibt-afrique.org was developed as a communication mechanism for participating member countries.
PD 182/03 Rev.2 (M)	Enhancement of the forest statistics information and management system (STATFOR) through the integration of a computer module for processed log management (Gabon)	439 618	Bali Partnership Fund USA	Gabon	• The Government of Gabon was equipped with the capability to collect log and timber production data in the field using netbook computers and to transfer these data to the STATFOR database.
PD 347/05 Rev.2 (I)	Promoting access to forest-sector activities by Gabonese nationals through the development of the SME forest partnership	384 200	Japan USA Norway France	Gabon	 The current situation of Gabonese SMEs was assessed and the existing credit mechanism identified. Five SMEs participated in project missions to Brazil and South Africa to learn about existing financial schemes to support SMEs, identify suitable credit lines for the acquisition of technology, and establish contacts for further cooperation. The mission to South Africa resulted in business ventures for Gabonese SMEs. A financial mechanism was identified and validated in a workshop in October 2011.

Project ID	Title	Total budget (US\$)	Donors	Submitted by	Main outputs
PD 385/05 Rev.4 (I,F)	Industrialization, marketing and sustainable management of ten Mexican native species	1 965 119	Japan	Mexico	 A study on prospective programs for the sustainable silvicultural management of ten selected species was published. A silvicultural diagnosis of the species was carried out and published. Training was provided to forest producers on issues such as SFM, industrialization and the marketing of the ten selected species. A diagnostic study on primary and secondary timber industries in the region was carried out and published. A report was published on the technological characterization of the selected species (11 timber species in total). Prototypes of timber products such as furniture, decorative items, kitchen products, home accessories and jewellery using the selected species were developed and disseminated. A study of market niches and prices for the selected species was published.
PD 448/07 Rev.2 (I)	Sustainable utilization and marketing of selected NTFPs to support the handicraft industry and the development of rural communities (Philippines)	450 082	Japan USA	Philippines	 The availability, regeneration rate and extraction intensity of selected NTFPs were determined and quantified. A technical report was published. A legal policy designed to regulate NTFP harvesting was drafted in four local ordinances in Santa Catalina, Atimonan and Quezon. NTFP gatherers and handicraft workers were trained in the sustainable collection and production of high-quality handicrafts. Production processes were improved for the manufacture and marketing of handicrafts. Handicraft producer groups were organized. Training was provided on enrichment planting.
PD 523/08 Rev.1 (I)	Operational strategies for the promotion of efficient utilization of rubberwood from sustainable sources in Indonesia	907 794	Japan Japan Lumber Importers' Association Korea	Indonesia	 A feasibility study on rubberwood use by timber companies was produced and disseminated among stakeholders. Agroforestry models for rubber-replanting were established at four sites covering a total of 14 hectares. More than 80 farmers were trained on harvesting techniques. A website for rubberwood was developed: http://ittoiswa.com Three technical were manuals published on use technologies for rubberwood.

Project ID	Title	Total budget (US\$)	Donor(s)	Submitted by	Main outputs
PD 512/08 Rev.2 (I)	Industrial utilization and marketing of ten potential timber species from secondary and residual primary forests (Peru)	691 992	Japan USA Korea	Peru	 Ten lesser-used timber species were technologically characterized in accordance with international standards such as those of the International Association of Wood Anatomists and the American Society for Testing and Materials. A diagnosis of primary and secondary processing in Ucayali was carried out. Six product lines were developed, in cooperation with local industries. Six business plans were developed for five SMEs and one native community for the product lines mentioned above. A guide for the processing of timber species into value-added products was published, along with a booklet containing samples, brochures and technical specification sheets for the ten timber species; a video to disseminate the project results was developed and made available at www.youtube.com/watch?v=cBMW3C9sJBE
PD 28/00 Rev.2 (F)	Integrated management of community forests in the valley of Mefou and Afamba (Central Province of Cameroon)	825 465	Japan USA Korea	Cameroon	 Thirty-five agents were trained in the principles of, and approaches to, community forestry. An inventory of woodlots was carried out. A nursery was established for seedling production. Eight simplified management plans were developed and approved by the government. Fifteen communities were trained on apiculture techniques.
PD 54/00 Rev.4 (F)	Genetic resistance of iroko to Phytolyma lata—Phase II	472 152	USA Japan	Côte d'Ivoire	 Clones of iroko resistant to attack by <i>Phytolyma lata</i> were identified and used in the establishment of trial plots. Expert collaboration between FORIG (Ghana) and ANAFOR (Cameroon) was conducted on cutting propagation techniques. 2.01 hectares of orchards of pest-resistant iroko clones were established. 100 hectares of experimental mixed plantations were established.
PD 248/03 Rev.4 (F)	Antimary forest management regional training center	784 800	Switzerland Japan USA	Brazil	 An improved SFM policy for the state of Acre was developed. A model for forest management for the state of Acre was developed.

Project ID	Title	Total budget (US\$)	Donor(s)	Submitted by	Main outputs
PD 66/01 Rev.1 (F)	Establishment of the Mengamé-Minkébé Transboundary Gorilla Sanctuary at the Cameroon-Gabon Border	968 091	Japan Switzerland USA	Cameroon	 The boundaries of the Mengame Gorilla Sanctuary and Kom National Park complex were demarcated with the cooperation of local communities in 34 villages surrounding the protected area. This led to the mapping of a protected area of 95 800 hectares. The management plan of the Mengame Gorilla Sanctuary and Kom National Park complex was approved. Technical collaboration was initiated with COMIFAC to include this protected area in the TRIDOM Programme. Decrees were drafted and submitted to the authorities for the creation of the Mengame Gorilla Sanctuary and Kom National Park complex.
PD 142/02 Rev.2 (F)	Sustainable production of national forests under the "regime of forest concessions"	1 325 394	Japan USA	Brazil	 Forest inventories were carried out in the regions of Altamira, Caxiuană and Itaituba, covering 1.7 million hectares. Socioeconomic surveys were carried out in the same regions. The data allowed the establishment of standards of living for the communities in national forests and a mapping of their locations. Management plans were completed for the forests in Caxiuană and Altamira. Rules and procedures for the concessions were established under Presidential Decree No. 6.063/2007, regulating forest concessions.
PD 459/07 Rev.1 (F)	Improving the enabling conditions for sustainable management of sandalwood forest resources in East Nusa Tenggara Province, Indonesia	718 163	Japan Korea	Indonesia	 Studies were carried out to enhance the policy framework for sandalwood. Sandalwood tissue cultures were developed at the Jogyakarta Forest Research and Development Center. Training modules on the silviculture of sandalwood were developed. A master plan for sandalwood development in East Nusa Tenggara Province was produced and is being used by stakeholders.
PD 460/07 Rev.2 (F)	Achieving sustainable management of mangrove forests in China through local capacity building and community development—Phase I	393 399	Japan	China	 A study estimating the environmental benefits generated by the Fujian Zhangjiangkou mangrove natural reserve was carried out. An ecotourism plan was developed for the mangrove reserve. A mangrove management plan was prepared. The Fujian Zhangjiangkou Mangrove Nature Reserve was chosen as a demonstration site for mangrove forests in wetland planning.

Project ID	Title	Budget (US\$)	Donor	Submitted by	Main outputs
PD 428/06 Rev.2 (F)	Promoting the rehabilitation, management and sustainable use of tropical bamboo forests in the north-western region of Peru	789 378	Japan	Peru	 246.41 hectares of forest were rehabilitated with bamboo. 76 hectares of native bamboo forests were subject to management and harvested for commercial purposes. Five demonstration areas were established for bamboo forest management. One community bamboo-products enterprise was legally constituted (Asociacion de productores de bambú del río Marañón). A prototype bamboo house was produced. The physical and mechanical properties of the bamboo species Guadua angustifolia were identified. Taxonomic identification of bamboos in the northern region of Peru was carried out. Booklets on bamboo furniture manufacturing were published. Income was increased for local people because of the better-quality bamboo canes produced (prices were up from US\$0.80/unit at the beginning of the project to US\$4.80/unit at project completion).
PD 482/07 Rev.2 (F)	Sustainable forest production and conservation with community participation in the Chepigana Forest Reserve of Darien, Panama	707 424	Japan USA	Panama	 An integrated management plan and a forest inventory were developed for the Chepigana forest reserve. Training was provided on forest management, nursery establishment and maintenance, agroforestry and wildlife ranching. A community forest enterprise ("Fepacheda") was established.
PD 492/07 Rev.3 (F)	Participatory rehabilitation and management project for mangroves and watersheds in the coastal area of the Douala-Edéa Wildlife Reserve	830 252	Japan USA	Cameroon	 A master plan was developed for the management of mangroves and watersheds in the coastal area of the Douala-Edéa Wildlife Reserve. Twenty-one local communities were reinforced with income-generating activities, such as gardening, nurseries, honey production and fish-breeding. Mangrove areas were assessed. Two community forests were created.

Project ID	Title	Budget (US\$)	Donor(s)	Submitted by	Main outputs	
PD 564/09 Rev.1 (F)	Production of an educational book series on mangroves for sustainable management and utilization of mangrove ecosystems	226 072	Japan	Japan	 The following three educational books were published focusing on the environmental, ecological and socioeconomic importance of mangrove ecosystems: Continuing the journey among mangroves Structure, function and management of mangrove ecosystems Useful products from mangrove and other coastal plants. (These books are available at www.glomis.com and www.mangrove. or.jp/isme/english/index.htm) 	
PD 583/10 Rev.1 (F)	Restoring sub-humid ecosystems in southern Peru through reforestation with <i>Caesalpinea spinosa</i>	308 711	Japan	Peru	 A total of 75 hectares were planted with tara and olive trees, and an additional 6.5 linear km of windbreaks were planted with tamarugo, casuarina and tamarix. Technical assistance was provided on fertilization, pest control, pruning and irrigation. Technical reports were produced on the establishment and socioeconomic benefits of tara plantations. 	
PPD 139/07 Rev.1 (M)	Strengthening of the national forest information system (Thailand)	116 005	USA Japan	Thailand	 A feasibility study on data collection was carried out. An action plan was developed for the implementation of the architecture of the national information system. A full project proposal was developed. 	

APPENDIX 2: Projects and pre-projects completed in 2013 (thematic programmes)

Project ID	Title	Budget (US\$)	Donors	Submitted by	Main outputs
TFL-SPD 007/09 Rev.1 (M)	Strengthening the capacity of small-to- medium enterprises in Ghana to produce and trade in timber products from legal and sustainable sources	180 704	TFLET	Ghana	 Standard guides and brochures were developed for implementing internal wood control systems in SMEs. A timber-tracking manual for SMEs, brochures and implementation guides on timber tracking, and brochures on CoC schemes and timber-tracking systems were published. Kumasi Wood Cluster staff members were trained in timber-tracking systems, CoC and information and communication technologies. The Kumasi Wood Cluster website was improved.
TFL-PD 010/09 Rev.1 (M)	Strengthening the capacity of related stakeholders in Java on implementing new Indonesian Timber Legality Assurance Scheme	555 163	TFLET	Indonesia	 The capacity of relevant stakeholders in implementing the Indonesian Timber Legality Assurance Scheme was improved, particularly with respect to community forests and community plantation forests. Forest law compliance and governance were strengthened through improved national policy and legal frameworks. Institutions were strengthened through improved data and knowledge. Partnerships and cooperation were improved among relevant stakeholders. The capacity of community enterprises and SMEs to demonstrate that the timber they produce comes from legal sources and to contribute to sustainable livelihoods was improved.
RED-PPD 006/09 Rev.2 (F)	Local REDDES program for development and addressing climate change in Guatemala: building social processes for sustainability	177 660	REDDES	Guatemala	 Analyses were conducted on forest cover in 16 municipalities in Huehuetenango and Quiché and on the risks and vulnerabilities to climate change in the poorest five of those municipalities. A strategy and an action plan were developed for the prevention and reduction of illegal logging in Huehuetenango and Quiché. A local REDD+ project proposal ("Building a participatory and inclusive SFM process for the reduction of deforestation and forest degradation in the lxil forest areas of the Municipality of Nebaj, Quiché, Guatemala") was developed and submitted to ITTO.

Project ID	Title	Total budget (US\$)	Donor(s)	Submitted by	Main outputs
RED-PPD 051/11 Rev.1 (F)	Contribution to the implementation of REDD mechanisms by enhancing the participation of stakeholders in SFM in Cameroon	100 864	REDDES	Cameroon	• A proposal for the implementation of REDD+ mechanisms by enhancing the participation of key relevant stakeholders in SFM in Cameroon was developed and submitted to ITTO.
CFM-SPD 007/10 Rev.1 (F)	Enrichment of young forest plantations with selected NTFPs for livelihood improvement and support of forest- fringe communities in the Atwima Mponua District of Ghana, in order to secure and protect the resources on an SFM basis	290 079	CFME	Ghana	 Three key NTFPs ("grains of paradise", black pepper and honey) were integrated into the forest plantations of 150 farmers who use the modified taungya system. 100 beehives, groves and smokers were supplied to 50 beekeepers to assist in start-up logistics for honey enterprises. A nursery centre was established at Kramokrom to raise more than 12 500 seedlings of grains of paradise for distribution to 60 modified-taungya-system farmers for planting in four communities (Akwaboraso, Kramokrom/Sreso, Kwadwo Tire and Akentansu). The Ghana Forestry Commission and the Resource Management Support Centre expressed interest in scaling up the project to other areas under the management of farmers using the modified taungya system.

APPENDIX 3: Projects and pre-projects funded in 2013 (project cycle)

Project ID	Title	Budget (US\$)	Donors	Submitted by	Project aim
PD 419/06 Rev.3 (F)	Forest seeds management and conservation: project for rehabilitation and restoration of degraded forests in Côte d'Ivoire with the involvement of local communities (refugees, internally displaced people and local populations)	Total 2 318 280 ITTO 1 800 000 Counterpart 518 280	Japan	Côte d'Ivoire	To recover lost forest assets in the western part of Côte d'Ivoire through the involvement of local communities (displaced people and/or refugees), who will see an improvement in their living conditions through the rehabilitation of 2000 hectares of forest, the production of seedlings and rehabilitation works
PD 601/11 Rev.3 (F)	Strengthening mangrove ecosystem conservation in the biosphere reserve of northwestern Peru	Total 958 219 ITTO 496 289 Counterpart 461 930	Japan USA	Peru	To improve the standard of living of people living around the mangrove areas in the regions of Tumbes and Piura though participatory mechanisms for mangrove forest protection, such as empowering regional and local governments, improving forest management practices, and creating financial strategies for mangrove protection
PD 602/11 Rev.3 (F)	Tropical forest governance in the region of Darien, Panama	Total 616 163 ITTO 350 402 Counterpart 265 761	Japan USA	Panama	To support the strategy for illegal logging prevention and control in the Darien Region by incorporating an efficient timber-flow monitoring and control mechanism, including traceability and CoC; and by exploring incentives for the responsible purchasing of timber
PD 682/13 Rev.1 (F)	Development of quality-of-governance standards for reducing emissions from deforestation and forest degradation (REDD) in Papua New Guinea	Total 179 744 ITTO 149 744 Counterpart 30 000	Japan	Papua New Guinea	To contribute to the good governance of REDD+ and to facilitate the achievement of climate-change mitigation and national development goals through the sustainable management and enhancement of forest resources, specifically by developing a voluntary standard for REDD+ quality of governance through multistakeholder participation
PD 696/13 Rev.2 (F)	Community-based restoration and sustainable management of vulnerable forest of the Rewa Delta, Viti Levu, Fiji	Total 387 511 ITTO 310 576 Counterpart 76 935	Japan	Fiji	To restore and manage 3381 hectares of mangroves and wetlands and develop alternative livelihood options to reduce overdependence and exploitation of these ecosystems

Project ID	Title	Budget (US\$)	Donors	Submitted by	Project aim
PD 710/13 Rev.1 (F)	Promoting conservation of selected high-value indigenous species of Sumatra, Indonesia	Total 620 209 ITTO 479 976 Counterpart 140 233	Japan	Indonesia	To enhance the conservation, regeneration and harvest-control systems for species such as Sumatran merbau, kulim, andalas and giam, as well as NTFPs
PD 124/01 Rev.4 (M) Phase III Stage 2	Promotion of sustainable management of African forests	Total 600 000 ITTO 600 000	Japan	ΙΤΤΟ	To develop national ITTO/ATO PCI, including auditing frameworks, and provide training for their implementation in all ITTO African member countries
PD 692/13 Rev.1 (M)	Implementation and operationalization of a national information system for the sustainable management of forest resources (Côte d'Ivoire)	Total 670 998 ITTO 290 541 Counterpart 380 457	Japan USA	Côte d'Ivoire	To support the implementation of the Integrated Forestry Activities Management System designed by the Ministry of Water and Forest Resources
PPD 167/13 Rev.1 (M)	Feasibility study on the certification of ONAB's national plantation estates (Benin)	Total 113 294 ITTO 88 794 Counterpart 24 500	USA Korea	Benin	To gather the information required to formulate a forest certification project proposal in Benin
PD 687/13 Rev.1 (I)	Strengthening the performance of the wood-processing sector in Guyana through building local capacity and enhancing national systems that promote forest products trade and sustainable utilization of forest resources	Total 348 693 ITTO 250 068 Counterpart 98 625	Japan USA	Guyana	To strengthen the performance of the wood-processing sector by building local capacity and enhancing national systems to promote and facilitate the efficient use and trade of lumber for local and export markets
PD 722/13 Rev.1 (I)	Capacity building on reduced-impact logging in dry inland forest in the permanent forest of Peninsular Malaysia	Total 504 308 ITTO 226 041 Counterpart 278 267	Japan	Malaysia	To build local capacity on reduced- impact logging by creating greater awareness of it and providing training on all its aspects, both in the classroom and at field stations

APPENDIX 4: Projects and pre-projects funded in 2013 (thematic programmes)

Project ID	Title	Budget (US\$)	Donors	Submitted by	Project aim	
TFL-PPD 040/13 Rev.2 (M)	Development of a program to strengthen the traceability of legally sourced forest products in Guatemala	Total 94 350 ITTO 74 586 Counterpart 19 764	TFLET	Guatemala	To analyze the traceability and legality conditions of forest products, including the flow of timber in domestic market, in order to prepare a full project proposal to establish effective monitoring mechanisms	

APPENDIX 5: Member states and votes

(as of 31 December 2013, under the ITTA, 2006)

Prod	ducer members	No. of votes		Consumer members	No. of votes	
Afr	rica		-	Albania	10	
🖿 Beni	in	25	***	Australia	16	
Cam	neroon	26		China	253	
🗾 Repu	ublic of the Congo	25				
Côte	e d'Ivoire	25	0	European Union		
🞽 Dem	nocratic Republic of the Congo	26		🚍 Austria	11	
Gabo	on	26		Belgium	15	
🗾 Ghar	na	25		📕 Bulgaria	11	
🛄 Libe	eria	25		Cyprus	10	
Mali		25		Czech Republic	12	
💻 Moza	ambique	26		Denmark	12	
😐 Togo	0	25		Estonia	10	
				+ Finland	10	
Asi	ia and the Pacific			France	32	
💻 Cam	nbodia	21		Germany	19	
🎫 Fiji		18		🔚 Greece	11	
🗕 India	a	32		Hungary	10	
- Indo	onesia	83		Ireland	14	
💷 Mala	aysia	126		Italy	28	
🐱 Myai	nmar	53		📕 Latvia	10	
Napu	ua New Guinea	41		💻 Lithuania	10	
🗲 Phili	ippines	18		Luxembourg	10	
				Malta	11	
Lat	tin America			Netherlands	32	
and	d the Caribbean			- Poland	11	
💿 Braz	zil	143		Portugal	15	
🗕 Colo	ombia	26		Romania	10	
Cost	ta Rica	13		📟 Slovakia	11	
📥 Ecua	ador	19		🚍 Slovenia	10	
Guat	temala	13		Spain	23	
► Guya	ana	17		Sweden	11	
Hone	duras	13		🗱 United Kingdom of Great Britain		
Mexi	ico	27		and Northern Ireland	26	
📑 Pana	ama	14				
Peru	L	32	•	Japan	157	
📉 Trini	idad and Tobago	12	***	New Zealand	11	
				Norway	10	
				Republic of Korea	66	
				Switzerland	12	
				United States of America	70	
Tot	tal:	1 000		Total:	1000	

Acronyms and abbreviations

ADB	Asian Development Bank
AFoCo	ASEAN-Republic of Korea Forest Cooperation
APEC	Asia-Pacific Economic Cooperation
APFNet	Asia-Pacific Network for Sustainable Forest Management and Rehabilitation
ATIBT	Association Technique Internationale des Bois Tropicaux
ATO	African Timber Organization
CBD	Convention on Biological Diversity
CERFLOR	Brazilian Forest Certification Programme
CFME	(ITTO Thematic Programme on) Community Forest Management and Enterprise
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CoC	chain of custody
COMIFAC	Central African Forest Commission
CONAFOR	National Forestry Commission (Mexico)
COP	Conference of the Parties
EU	European Union
EUTR	European Union Timber Regulation
FAO	Food and Agriculture Organization of the United Nations
FLEGT	forest law enforcement, governance and trade
FORIG	Forest Research Institute of Ghana
FSC	Forest Stewardship Council
IDE	(ITTO Thematic Programme on) Industry Development and Efficiency
IMM	independent market monitoring system for FLEGT-licensed timber entering the EU market
IPSI	International Partnership for the Satoyama Initiative
ITTA	International Tropical Timber Agreement
IUFRO	International Union of Forest Research Organizations
JICA	Japan International Cooperation Agency
LEI	Indonesian Ecolabelling Institute

MIS	ITTO Market Information Service
MOU	memorandum of understanding
MTCC	Malaysian Timber Certification Council
NTFP	non-timber forest product
PCI	principles, criteria and indicators for sustainable forest management
PEFC	Programme for the Endorsement of Forest Certification
RAMSAR	Convention on Wetlands of International Importance, especially as Waterfowl Habitat
REDD+	reducing emissions from deforestation and forest degradation, including the role of conservation, sustainable management of forests and enhancement of forest carbon stocks
REDDES	(ITTO Thematic Programme on) Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests
SFM	sustainable forest management
SMEs	small and medium-sized enterprises
SVLK	Indonesian Timber Legality Assurance System
TFLET	(ITTO Thematic Programme on) Tropical Forest Law Enforcement Governance and Trade
TICAD	Tokyo International Conference on African Development
TMT	(ITTO Thematic Programme on) Trade and Market Transparency
TTMR	Tropical Timber Market Report
UNCCD	United Nations Convention to Combat Desertification
UNFCCC	United Nations Framework Convention on Climate Change
UNFF	United Nations Forum on Forests
USA	United States of America
US\$	United States dollar(s)
VPA	voluntary partnership agreement

Sustaining tropical forests







International Organizations Center, 5th Floor, Pacifico-Yokohama, 1-1-1, Minato-Mirai, Nishi-Ku, Yokohama, 220-0012, Japan Tel 81-45-223-1110 - Fax 81-45-223-1111 - Email itto@itto.int - URL www.itto.int