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**PROGRESS REPORT ON THE IMPLEMENTATION OF
THE ITTO THEMATIC PROGRAMMES**

(Item 17(b) of the Provisional Agenda)

1. Introduction

This document is prepared pursuant to Decisions 8 (XLIV) on the Thematic Programmes (TP) subaccount under the Special Account, 9 (XLIV) on the Operational Procedures and Guidelines of the Thematic Programmes on a Pilot Basis and 10 (XLIV) on the Thematic Programme Profiles (TPP), requesting the Executive Director to prepare annual progress reports on the implementation of the ITTO Thematic Programmes for Council's review.

In keeping with the above Decisions, this document reports on the progress related to the implementation of the ITTO Thematic Programmes since the end of the Forty-fourth Session of the ITTC.

2. Thematic Programme Development

Pursuant to Decision 10(XLIV) 2a and based on the approved TPP, draft Thematic Programme Documents (TPDs) consistent with the procedures and guidelines set forth in Decision 9(XLIV) Annex 2 have been developed for the Thematic Programme on Forest Law Enforcement, Governance and Trade (TFLET) and on Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests (REDDES).

The Executive Director invited Member Countries to nominate Members for the Thematic Programme Advisory Committee (TPAC), to assist him with the implementation of the thematic programme, viz., to (i) select activities/pre-projects/projects for financing under the Thematic Programme; (ii) monitor and evaluate progress in implementing the Thematic Programme; and (iii) identify potential additional sources of voluntary financial contributions to the Thematic Programme. Members for each TPAC include three producer member representatives with recognized expertise on the thematic programme; at least one non-donor consumer member representative with recognized expertise on the thematic programme; and expert representatives of interested donors and collaborating institutions and the Executive Director or his designated representative. Members for each TPAC were selected.

First meetings of the TFLET and REDDES TPAC were held in Yokohama, Japan on 30-31 March 2009 and 2-3 April 2009, respectively. Draft Thematic Programme Documents (TPD) were reviewed in detail, revised and adopted. Both Committees noted the need for mid-term evaluation, assessment of TP impacts, regular monitoring and evaluation of each project and for ensuring the regular flow of funds for the TP implementation. The adopted TPDs, together with guidance for submission of proposals were circulated to all ITTO Member Countries in April 2009. TP sections were created for each TP on the ITTO homepage including a section for members only and a general section in the public domain and launched in April 2009.

Pursuant to Decision 8(XLIV) a Thematic Programmes Sub-account has been established in the Special Account of the ITTO for the development, management, implementation and evaluation of the Thematic Programmes.

A 'Monitoring Protocol' document to guide programme monitoring and evaluation is being developed for TFLET and REDDES with the assistance of a Dutch consultant with the purpose to establish a clear planning, monitoring and evaluation framework for the TPs, which will serve as a main reference for measuring performance and success.

3. The TP Spring 2009 Cycle (REDDES, TFLET)

The Spring 2009 Cycle (Deadline 30 June 2009) for REDDES and TFLET attracted sixteen proposals from 9 member countries. Twelve proposals seeking a total of USD 4,709,938 were received under REDDES. Four proposals seeking a total of USD 588,348 were received under TFLET. Following the established TP review procedure, a pre-appraisal of the proposals was conducted by the ITTO Secretariat followed by a review through the respective Thematic Programme Advisory Committee (TPAC).

- i) **REDDES**
Under REDDES one proposal was ranked Category 1, eight proposals were ranked Category 2 and three proposals were ranked Category 3. Based on the appraisals the Executive Director allocated funds to the following proposal ranked Category 1: RED-A 004/09 Rev.1 (F), Activity "Building a voluntary carbon marketing scheme to promote sustainable forest management" submitted by ITTO, US\$ 97,180.
- ii) **TFLET**
Under TFLET one proposal was ranked Category 1 and three proposals were ranked Category 2. Based on the appraisals the Executive Director allocated funds to the following proposal ranked Category 1: TFL-PPD 005/09 Rev.1 (F), Pre-project "Strengthening the capacity of local communities of Chaiyaphum Province to manage community forests", submitted by Thailand, US\$ 56,970.

Reviewer comments and recommendations for unsuccessful proposals were compiled and forwarded to the proponents, with copies to the respective ITTO Official Contact Point. All proposals ranked Category 2 were encouraged to revise based on the reviewer comments and re-submit under the Autumn 2009 Cycle.

The review of proposals revealed several issues to be addressed by the TPAC including timing of calls for proposal/translation/review, synthesis of reviewer comments or number of proposals to be reviewed by each TPAC member

4. The TP Autumn 2009 Cycle (REDDES, TFLET)

The Autumn 2009 Cycle (Deadline 30 September 2009) for REDDES and TFLET attracted thirty-five proposals from 18 member countries. Twenty-two proposals seeking a total of USD 9,735,760 were received under REDDES. Thirteen proposals seeking a total of USD 6,045,988 were received under TFLET. The proposals are being reviewed.

5. Status of activities implemented under the TFLET precursor

In 2007 the ITTO began implementing activities under a precursor of the TFLET Thematic Programme. The objectives of the precursor programme, as well as activities under implementation, are integrated into the TFLET Thematic Programme, which also takes into account the administrative arrangements put in place for the existing activities. Nine activities, pre-projects and projects receive funding under the TFLET precursor

- i) Activity PP-A/43-202 (ITTC(XLV)/8 15c) - 'Global assessment of the status of tropical forest tenure with identification of trends and implications for investment and management, and for convening an expert workshop on Tropical Forest Tenure and Business Models, including formulation of a project to assist Civil Society Organization(s) to set up and operate on a pilot basis a remote sensing system to detect illegal logging activities in areas known to be critically affected by such activities'

Budget: US\$ 200,000

The international Conference on Forest Tenure, Governance and Enterprise: New Opportunities for Central and West Africa was held in Yaoundé, Cameroon, 25 - 29 May 2009, under patronage of the Government of Cameroon. The conference agreed on a time-bound set of activities, termed "Objective 2015". A proposal to "Enhance the capacity of civil society organizations in West Africa to collaborate with Governments in forest law compliance with the use of remote sensing" is under development.

- ii) Activity PP-A/43-193 (ITTC(XLV)/8 12) - 'Assist countries in developing initiatives that will enhance capacity of small and medium-sized enterprises to produce and trade timber from legal and sustainable sources with the aim of promoting progress towards sustainable forest management, verifiable legality and certification',

Budget: US\$ 300,000

Three partnership proposals are under implementation:

- Tropical Forest Foundation (TFF)/PT Suka Jaya Makmur (Indonesia)
- The Forest Trust (TFT)/Manejo Florestal Prestacao de Servicos Ltda (MAFLOPS) [Brazil]
- The Foundation for People and Community Development (FPCD)/Innovation (PNG) Ltd. (IPNGL)

- iii) Project PD 124/01 Rev.2 (M) Phase II Stage 2 - 'Promotion of Sustainable Management of African Forests (ITTO/ATO)', Budget: US\$ 544,070

The project is designed to assist ten ITTO African member countries (all of which are also members of the African Timber Organization - ATO) to implement the harmonized ITTO/ATO Principles, Criteria and Indicators (PCI) for the Sustainable Management of African Tropical Forests. It involves extensive capacity building in ten member countries and within ATO itself. Due to the different national situations, ATO member countries have been divided into four groups for the purpose of planning and implementing project activities. Phase II activities have occurred in all four country groupings. National C&I working groups have been established in all 10 countries. Workshops were held and reports on forest management were prepared for Nigeria and DRC for the first time in 2009.

- iv) Activity PP-A/43-194 (ITTC(XLV)/8 13a) – 'Support development of innovative timber tracking systems and dissemination of information on timber produced under timber tracking systems. The activity is divided into two sub-sections.

- a) Support relevant NGOs to establish/operate a web-based information system designed and operated to make available data and information that can assist consumers to identify and purchase legally and sustainably produced timber

Budget: US\$ 300,000

The Tropical Forest Trust (TFT), an international non-governmental organization has been engaged to design, develop and implement a web-based system to support the development of a sustainable timber trade. The implementation of the system is underway

- b) Support development of timber tracking systems and dissemination of information on timber produced under timber tracking systems (will also involve establishment of a website in conjunction with above on marketing tool), Budget: US\$ 300,000

Three proposals are under implementation in Peru (Green Gold Forestry Limited, GGF), Indonesia (P.T. Seng Fong Moulding Perkasa, PTSFMP) and Central African Republic (Industries Forestiere de Batalime, IFB)

- v) Pre-project PPD 138/07 Rev.1 (M) - 'Verifying the Legality of Timber Forest Products in Peru', Budget: US\$ 79,844

Pre-project activities commenced in July 2009 and are expected to be completed in May 2010

- vi) Project PD 449/07 Rev.2 (M,I) – 'Enhancing Forest Law Enforcement in Papua New Guinea', Budget: US\$ 473,040

A yearly plan of operation has been received by the ITTO Secretariat. The project has been subject to delays due to changes in the personnel of the implementing agency.

- vii) Project PD 493/07 Rev.1 (F) (US\$ 561,195) - 'Strengthening Capacity of Forest Law Enforcement and Governance in Cambodia', Budget: US\$ 561,195

The project is under implementation. First outcomes include a report on "Evaluation of Existing Human Resources of Local Forest Administrators for the Training Needs". Also a four module training program including practical fieldwork on fundamental laws and other regulations for forest law enforcement was prepared and adopted. The Cambodia Forest Crime Monitoring Case Tracking System developed as a database software under project UNTS/CMB/001/DFI in year 2000 was reviewed and improved. The System is also being converted to Khmer language.

- viii) Project PD 487/07 Rev.1 (M), - 'Independent Validation of Legal Timber in Ghana', Budget: US\$ 473,040

The project has been withdrawn by the Government of Ghana

- ix) Activity PP-A/43-200 (ITTC(XLV)/8 15a) - 'Provide technical assistance for selected poor local/indigenous communities to formulate project proposals', Budget: US\$ 100,000

Proposals for communities in Guatemala, Cote d'Ivoire and Peru have been submitted under the TP Autumn 2009 Cycle.

6. Programme Funding

TFLET:

Pledges	US\$	4,897,004
Allocations	US\$	331,189 (as of Dec. 2008)
	US\$	56,970 (Spring 2009 Cycle)
Remaining to be allocated	US\$	1,508,845

A funding pledge has been received from the Government of the United Kingdom through DFID to contribute GBP 600.000 (approx. USD 1 million)

REDDES:

Pledges	US\$	3,863,957
Allocations	US\$	97,180 (Spring 2009 Cycle)
Remaining to be allocated	US\$	3,766,777

No funding has been received for the remaining three Thematic Programmes. Expressions of Interest have been received, but not substantiated for the Thematic Programmes on 'Community Forest Management and Enterprises' and on 'Trade and Market Transparency'.

Recalling Decision 9(XLIV) to urge members to contribute to the Thematic Programmes Sub-Account to initiate implementation of the thematic programmes, the Council may wish to re-emphasize the urgent need for additional financial pledges to initiate and implement ALL thematic programmes.

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