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**REPORT OF THE INFORMAL ADVISORY GROUP (IAG)  
AT ITS TWENTY-FOURTH MEETING**

**12 December 2010  
Yokohama, Japan**



**Twenty-fourth Meeting of the Informal Advisory Group (IAG)  
Yokohama, Japan, 12 December 2010**

**Report of the Chairperson**

**Introduction**

1. The Twenty-fourth Meeting of the IAG was convened on Sunday, 12 December 2010 at the Meeting Room of the ITTO Secretariat at 10:00 a.m., chaired by Mr. Daniel Birchmeier (Switzerland), Chairperson of the Council. The meeting was attended by Mr. Joachim Bile Allogho (Gabon), Vice-Chairperson of the Council, Ms. Carla Boonstra (Netherlands), Chairperson of the Committee on Economic Information and Market Intelligence (CEM), Dr. Kug-Bo Shim (Republic of Korea), Chairperson of the Committee on Forest Industry (CFI), Dr. David Brooks (U.S.A.), Chairperson of the Committee on Finance and Administration (CFA), Mr. Patrick Hardcastle (UK), Vice-Chairperson of the Committee on Reforestation and Forest Management, Ms. Jennifer Conje (U.S.A.), Consumer Spokesperson, Dr. Atsushi Suginaka (Japan), Representative of the Host Government of the Headquarters and Mr. Emmanuel Ze Meka, the Executive Director. Mr. Josue Ivan Morales Dardon (Guatemala), Mr. Jose Trinidad Suazo Bulnes (Honduras) and Mr. Takuo Sato (Japan) were in attendance at the invitation of the Chairperson.

The IAG was informed of the absence of Mr. Martial Me Kouame (Côte d'Ivoire), the Producer Spokesperson, and Mr. Tabi Agyarko (Ghana), Chairperson of the Committee on Reforestation and Forest Management (CRF). The Chairperson requested the Vice-Chairperson to advise the Producer Caucus on the immediate need to select a replacement for Mr. Kouame as the Producer Spokesperson for the current session of the Council.

2. The IAG considered and adopted the following agenda for discussion:
  - i. Brief background of the IAG:
    - Decision 5(XXVI);
    - Report of the IAG at its Twenty-third Meeting, 8 November 2009;
    - General observation by IAG Members;
  - ii. Briefing on the outcomes of the informal teleconference held on 4 June 2010:
    - Entry into force of the ITTA, 2006
    - Follow-up on the proposal to establish a more structured Donors' Coordination Group to secure funds
    - Options for ITTO's budget in 2011
    - Current status on the implementation of Thematic Programmes
    - Forty-seventh Session of the ITTC in Guatemala
    - Any other issues
  - iii. Financing of the Forty-seventh Session of the ITTC.
  - iv. Coordination of funding for ITTO's Spring 2011 Project Cycle.
  - v. Consideration of draft decisions/elements of decisions, if any, submitted pursuant to ITTC Decision 7(XXXIII) – "Measures to Reduce Costs and Improve the Efficiency and Effectiveness of the Organization";
    - Projects, Pre-Projects and Activities [Decision 1(XLVI)]
    - Appointment of Auditor for the Financial Years 2010-2012
    - Cooperation between ITTO and Non-ITTO Member Donors, and Responding to Calls for Proposals
    - CBD/ITTO Collaborative Initiative to Conserve Tropical Forest Biodiversity
    - Multi-donor Trust Fund to Facilitate Enhanced Cooperation between ITTO and CITES
    - International Year of the Forests and Silver Anniversary of ITTO in 2011
    - Matters Related to Article 16 of ITTA, 1994
    - Entry into Force of the ITTA, 2006
    - Financial Arrangements Related to Hosting Council Sessions Outside the Headquarters of the Organization
    - Functions of the Committees
    - Summit of the Tropical Forest Basins of the World (Amazon, Congo and Borneo-Mekong Basins)
  - vi. List of possible decisions for the Forty-sixth Session of the ITTC and report to the Council; and
  - vii. Other matters.

3. In its deliberations, the IAG noted and made reference to Decision 5(XXVI) and the Report of the Informal Advisory Group (IAG) at its Twenty-third Meeting held on 8 November 2009 in Yokohama, Japan as contained in document ITTC(XLV)/2 dated 8 November 2009. The IAG also recalled the consensus regarding the extension of its mandate and the continuation of its existence and role reached by the Council at its Thirtieth Session.

#### **Briefing on the outcomes of the informal teleconference held on 4 June 2010**

4. The Executive Director briefed the IAG on the deliberation and outcomes of the informal teleconference held on 4 June 2010. Following this briefing, the IAG discussed and considered the outcomes, focussing on the following issues.

#### Entry into Force of the ITTA, 2006

5. The IAG noted that the teleconference was concerned over the slow progress in the process of signature, ratification, acceptance and approval of ITTA, 2006 particularly among the potential producer members. The IAG further noted the options on follow-up actions considered during the teleconference including (i) providing an update of the progress in the process which was circulated by the Secretariat to members in September 2010, (b) deferring the entry into force of the Agreement in order to enable more producer countries to become parties to the Agreement, (c) proceeding with the process of entry into force under the provisions of Article 39 (3) of the Agreement and considering a transitional administrative budget to address the concern over higher assessed contributions to be shouldered by those ITTO producer members who had already become parties to ITTA, 2006 and (d) conducting an informal meeting among those ITTO members who had already become parties to the Agreement during the course of the current Session of the Council. The IAG recommended that further consideration of these matters be undertaken during the course of the current Session of the Council under item 12 of its Agenda based on the update as contained in document ITTC(XLVI)/6.

#### Follow-up on the proposal to establish a more structured Donors' Coordination Group to secure funds

6. The IAG noted and concurred with the view expressed at the teleconference that the issue was a matter concerning the donors and it should be left to the donors to consult and decide on the mechanism they might wish to put in place.

#### Options for ITTO's budget in 2011

7. The IAG was informed that as a result of the concern expressed by producer members who had become parties to ITTA, 2006 over the implications of the slow progress in the process of signature, ratification, acceptance and approval of ITTA, 2006 on their assessed contributions to the ITTO administrative budget for 2011, the proposed expenditures for the financial year 2011 as contained in document CFA(XXV)/2 had been prepared on the assumption that ITTO would continue to operate under ITTA, 1994 in 2011. The IAG also noted the concern expressed during the teleconference that the utilization of the Programme Support Fund was not sustainable. The IAG recommended that the utilization of the Programme Support Fund and other budgetary issues contained in the document in reference be given due consideration by the CFA under item 5 of its Agenda.

#### Current status of the implementation of Thematic Programmes

8. The IAG noted the concern expressed by the Executive Director during the teleconference that the total funding received for the four thematic programmes being implemented on a pilot basis amounted to only about 20% of the total budget approved by the Council for the pilot phase of the programmes. Since the period of the pilot implementation of these programmes was three years, the low level of funding thus far might affect the ability of the Council to assess the efficiency and effectiveness of the thematic programmes after the initial pilot phase of implementation. The IAG noted that the report on the current status of the implementation of the ITTO Thematic Programmes would be considered by the Council under item 15(b) of its Agenda.

#### Forty-seventh Session of the ITTC in Guatemala

9. The Executive Director informed the IAG of the outcome of his visit to Guatemala in July 2010 during which the keenness and readiness of the Government of Guatemala to host the Forty-seventh Session of the ITTC in 2011 were confirmed. A letter from the Government of

Guatemala affirming its position to host the session had recently been received by the Secretariat. The IAG recommended that this information be given due consideration by the Council in its deliberation of item 25 of its Agenda at its current Session.

#### Any other issues

10. The IAG noted that the issue of whether the teleconferences thus far conducted had been satisfactory in facilitating the inter-sessional work of ITTO was raised in the teleconference held on 4 June 2010. While many participants were supportive of the idea of teleconferences, concerns were expressed in respect of the legal status of the teleconferences and the need to ensure adequate transparency and representative participation of ITTO member countries in these meetings. The Executive Director indicated that the teleconferences had been extremely useful to the Secretariat in facilitating the inter-sessional work of the Organization and these should be viewed as an extension of the functioning of the IAG which could work through electronic means. In light of the concerns expressed, the IAG agreed to recommend that the matter be addressed within the broader context of other ITTO inter-sessional work including the ITTO Fellowship Programme and the time-bound electronic no objection procedures to accept Expert Panel ratings by the Caucuses with a view to providing feedback to the Council under item 9 of its Agenda.
11. The IAG noted that arising from the appeal made by the Executive Director during the teleconference for the funding of the extension of the secondment of a senior ITTO staff to the Secretariat of the United Nations Forum on Forests (UNFF) with effect from October 2010 under the ITTO Biennial Work Programme 2010-2011, a voluntary contribution of US\$100,000 was received from a donor only after the officer had returned to his country and was no longer available to continue with the secondment.

#### **Financing of the Forty-seventh Session of the ITTC**

12. The IAG noted that the Secretariat had informed the Government of Guatemala that the Council had approved an amount of US\$400,000 to meet the direct cost of hosting the Session and that since the previous Session of the Council, an amount of some US\$700,000.00 in arrears had been received and put into the Working Capital Account that could be used to meet the direct cost of hosting the session. The IAG was informed by Mr. Morales Dardon (Guatemala) that the Government of Guatemala had reaffirmed its readiness to host the Forty-seventh Session of the Council. Mr. Morales Dardon added that the Government of Guatemala welcomed the decision by the Council to meet the direct cost of hosting the Session and that it had set up a country budget to meet the domestic costs of hosting the event. Mr. Sato (Japan) enquired whether the Government of Guatemala had ratified ITTA, 2006 as there was a possibility that the session might be held after the entering into force of the Agreement. Mr. Morales Dardon clarified that the Parliament of Guatemala had ratified the Agreement in August 2010 and action was being taken to deposit the instrument of ratification to the Depository of the Agreement. The Executive Director confirmed what had been said by Mr. Morales Dardon and indicated that a memorandum of understanding would be signed between the Government of Guatemala and ITTO governing the preparations and organization of the Forty-seventh Session of the Council after the dates and venues for the Forty-seventh Session of the Council had been decided by Council at its current Session. The IAG recommended that the matter be considered by the Council under item 25 of its Agenda in light of the developments that had been reported to the IAG.

#### **Coordination of funding for ITTO's Spring 2011 Project Cycle**

13. Dr. Atsushi Suginaka (Japan) informed the IAG that based on her experience in coordinating the funding for ITTO's Spring 2010 Project Cycle, Japan felt that the coordination would be better undertaken in conjunction with the convening of the annual session of the Council. Accordingly, Japan wished to propose that the coordination of funding for ITTO's Project Cycle in 2011 be undertaken in conjunction with the convening of the Forty-seventh Session of the Council. The IAG noted the remark made by Mr. Patrick Hardcastle (UK) that the proposal might be linked to some concern that the Thematic Programmes would replace the traditional ITTO project cycle and the keenness of the producer members to maintain the traditional two project cycles in a year. Dr. David Brooks felt that the issues of coordination of funding and the two project cycles a year were separate. The IAG agreed to recommend to the Council, the proposal made by the Vice-Chairperson, Mr. Bile Allogho (Gabon) that an informal working group composing representatives from the producer and consumer members be established to consider the issue of coordination of funding for ITTO's spring 2011 Project Cycle. The IAG further recommended that the Informal Working Group be also tasked to consider the organization of ITTO inter-sessional work including the teleconferences as

mentioned in paragraph 10 above, the organization of the ITTO Project Cycle and the continuation of the Expert Panel for Technical Appraisal of Project Proposals. The issues would also be ventilated through the caucuses, the meeting of the Bureau and the Council under item 9 of its Agenda.

**Consideration of draft decisions/elements, if any, submitted pursuant to ITTC Decision 7(XXXIII) – “Measures to Reduce Costs and Improve the Efficiency and Effectiveness of the Organization”**

14. The IAG considered the draft decisions/elements of decisions submitted pursuant to ITTC Decision 7(XXXIII) as follows:
- (i) Projects, Pre-Projects and Activities
  - (ii) Appointment of Auditor for the Financial Years 2010-2012
  - (iii) Cooperation between ITTO and Non-ITTO Member Donors, and Responding to Calls for Proposals
  - (iv) CBD/ITTO Collaborative Initiative to Conserve Tropical Forest Biodiversity
  - (v) Multi-donor Trust Fund to Facilitate Enhanced Cooperation between ITTO and CITES
  - (vi) International Year of the Forests and Silver Anniversary of ITTO in 2011
  - (vii) Matters Related to Article 16 of ITTA, 1994
  - (viii) Entry into Force of the International Tropical Timber Agreement, 2006
  - (ix) Financial Arrangements Related to Hosting Council Sessions Outside the Headquarters of the Organization
  - (x) Functions of the Committees
  - (xi) Summit of the Tropical Forest Basins of the World (Amazon, Congo and Borneo-Mekong Basins)
15. The IAG recommended that the Council consider decisions on topics listed above (i), (ii), (iii), (iv), (vi), (vii), (viii), (ix) and (xi). The IAG is of the view that some of the drafts would require revision in order to be considered as draft decisions. The IAG also noted that for some topics no text was distributed to members prior to the Council. The IAG recommended that the elements of proposed decision (iii) and (ix) would be taken up by the CFA. The IAG further recommended that the consideration of draft decision (iii) should include some elements for draft decision (v) that had been excluded, that draft decision (iv) be simplified and that draft decision (vii) be formulated along the lines of Decision 5(XXXIV) adopted at the Thirty-fourth Session of the Council from 12 to 17 May 2003 in Panama City, Panama.

**List of possible decisions for the Forty-sixth Session of the ITTC and report to the Council**

16. The IAG considered the possible list of decisions to be considered and adopted by the Council at its Forty-sixth Session as follows:
- (i) Projects, Pre-projects and Activities
  - (ii) Appointment of Auditor for the Financial Years 2010-2012
  - (iii) Cooperation between ITTO and Non-ITTO Member Donors, and Responding to Calls for Proposals
  - (iv) CBD/ITTO Collaborative Initiative to Conserve Tropical Forest Biodiversity
  - (v) International Year of the Forests and Silver Anniversary of ITTO in 2011
  - (vi) Matters Related to Article 16 of ITTA, 1994
  - (vii) Entry into force of the International Tropical Timber Agreement, 2006
  - (viii) Financial Arrangements Related to Hosting Council Sessions Outside the Headquarters of the Organization
  - (ix) Summit of the Tropical Forest Basins of the World (Amazon, Congo and Borneo-Mekong Basins).

**Other Matters**

17. The Executive Director drew the attention of the IAG to the highly successful ITTO Fellowship Programme whose implementation in the previous year was affected by the problem of its full financing. The IAG was also informed that the Secretariat had received a pledge by Japan to contribute US\$300,000.00 to meet the budgeted cost of US\$400,000.00 to implement the programme in the current year and the Secretariat expressed the hope that the shortfall would be met by other donors during the course of the current Session of the Council. Dr. Suginaka (Japan) supported the call made by the Executive Director and the IAG recommended that the issue be considered by the Council under item 20 of its Agenda.

## Adjournment

18. The Twenty-fourth meeting of the IAG was adjourned at 12:30 p.m. with a vote of thanks to the Chairperson of the Council.

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