



ITTO

Sustaining Tropical Forests

Annual Report 2011



INTERNATIONAL TROPICAL TIMBER ORGANIZATION

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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 about 80% of the world's tropical forests and 90% 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 analyses and disseminates data on the production and trade of tropical timber and funds projects and other actions aimed at developing industries at both community and industrial scales. All projects are funded by voluntary contributions, mostly from consumer member countries. Since it became operational in 1987, ITTO has funded more than 1000 projects, pre-projects and activities valued at more than US\$400 million. The major donors are the governments of Japan, Switzerland, United States, Norway, the Netherlands and the European Union.

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Table of Contents

Message from the Executive Director	iii
Acronyms.....	v
ITTO in Brief.....	1
International Tropical Timber Council and Associated Committees.....	2
Forty-seventh Session of the International Tropical Timber Council	2
Entry into Force of the International Tropical Timber Agreement, 2006.....	5
Officers of the International Tropical Timber Council and Associated Committees in 2011.....	6
Policy Work	8
ITTO/CBD Collaborative Initiative to Conserve Tropical Forests.....	8
Development in the UNFCCC regarding Forests and their Potential Implications for Tropical Forests and the World Tropical Timber Economy	11
Enhancing Cooperation between ITTO and CITES.....	13
Enhancing Collaboration between ITTO and Japan International Cooperation Agency (JICA)	15
Partnership with Private Companies to Promote REDD+ Projects.	16
ITTO Facilitation to the implementation of REDD+ Feasibility Studies under the bilateral offset crediting mechanism initiative of Japan (Ministry of Economy, Trade and Industry/Ministry of Environment)	16
ITTO/UNCCD Collaboration on the Sustainable Management of Dry Tropical Forests.	17
Strengthening the Capacity to Promote Efficient Wood Processing Technologies in Tropical Timber Producing Countries	18
Promoting Trade in Tropical Timber and Timber Products from Sustainably Managed and Legally Harvested Sources.....	19
Continue to Promote Improvement in Forest Law Enforcement	19
Web-based Information System on Sustainable Tropical Timber Trade	19
Maintaining ITTO's Active Involvement in International Cooperation and Collaboration.....	19
Market Access.....	20
Forest and Timber Certification	21
ITTO Sponsored/Co-Organized Events in 2011.....	23
ITTO Celebrates 25 th Anniversary during the International Year of Forests	23
International Conference on Forest Tenure, Governance and Small and Medium Forest Enterprises with focus on the Asia-Pacific 11-15 July 2011, Lombok, Indonesia.....	24
ITTO Support to the Fifth Latin America Forestry Congress (CONFLAT V)	24
A Discussion Forum at Forest Day 5 and ITTO Side event at COP 17 of the UNFCCC, Durban, South Africa, December 2011	24
Revising the ITTO Guidelines for the Sustainable Management of Natural Tropical Forests (1992), 23-25 August 2011, Rio Branco, Brazil.....	25



Prevention and management of fire in relation to tropical timber-producing forests, 9-13 May 2011, Sun City, South Africa	26
International Seminar on Challenges of Sustainable Forest Management: Integrating environmental, social, and economic values of forests, 8-9 March, 2011, Tokyo, Japan.....	26
National Statistics Training workshop, 27-30 September, 2011, Chiang Mai, Thailand.....	27
Collaboration between ITTO, FAO and IFIA Towards a Strategy to Promote the Forest Industry Development in the Congo Basin (29-30 September 2011, Pointe Noire, Republic of Congo; 14-15 June 2011 Libreville, Gabon; 19-20 May 2011, Kinshasa, DRC; 22-23 Brazzaville 2011, Republic of Congo; 21-22 September 2010, Yaounde, Cameroon)	27
Seventh National Wood Convention of Peru, 1 September 2011, Lima, Peru	28
International Seminar on Evaluation of Forest Public Policies, 4-5 August 2011, Mexico City, Mexico	29
Project Work.....	31
ITTO Thematic Programmes	35
Fellowships	41
Trade and Civil Society Advisory Groups.....	46
Side-event at the Forty-seventh Session of ITTC.....	46
ITTO Annual Market Discussion 2011.....	47
Annual Review and Assessment of the World Timber Situation	
2011 Highlights	50
Financial Highlights	53
Consolidated Balance Sheet as of 31 December 2011.....	53
Statements of Revenues and Expenditures for the Years Ended December 31	54
Appendix 1 Member States and Votes as at 31 December 2011	55
Appendix 2 2011 ITTO Publications	57
Appendix 3 Summaries of Projects Financed in 2011	62

Message from the Executive Director



The Year 2011 was proclaimed by the United Nations as the International Year of Forests, with a year-long programme for its commemoration coordinated by the UNFF Secretariat. It also marked the 25th Anniversary of the establishment of ITTO. The year began with the launching of the International Year of Forests during the Ninth Session of the UNFF in February 2011. ITTO marked the event by organizing a side-event on “Community-based Approaches to Sustainable Forest Management” in collaboration with the Forestry Agency of Japan, Japan International Cooperation Agency (JICA) and the National Land Afforestation Promotion Organization (NLAPO) of Japan.

Commemoration of the 25th Anniversary of the establishment of ITTO was jointly organized in Yokohama, Japan, on 28 October 2011 by ITTO, the City of Yokohama and the Ministry of Foreign Affairs of Japan, in collaboration with the Japan Organizing Committee in charge of the United Nations “International Year of Forests.” The event included a symposium on “Celebrating a Quarter Century of Sustaining Tropical Forests.” In addition to the commemorative symposium, the Organization actively participated in the Yokohama International Fiesta organized on 22-23 October 2011. Activities included the display of (and awarding of prizes to)

posters submitted to a contest for local school children organized by ITTO and the City of Yokohama.

The Year 2011 also marked the entry into force of the International Tropical Timber Agreement 2006. The Agreement entered into force on 7 December 2011 with Sixty-two (62) members, comprising Twenty-five (25) Producers and Thirty-seven (37) Consumers. We were particularly pleased to note that the Agreement came into force during the International Year of Forests 2011, and we are confident that the new Agreement will make our Organization even stronger in the international arena and more relevant to its members.

On 7 June 2011, ITTO launched its second report on “The Status of Tropical Forests Management, SFM Tropics 2011” which was hosted by the Government of Switzerland in Bern. The report noted that there was a 50 percent increase in the area of tropical forest under sustainable management in just five years, but cautioned that key drivers of that increase—growing demand for certified timber and funding for climate change initiatives—could have only a marginal impact in the long-term. The report also warned that more than 90 percent of the global tropical forest estate continued to be managed poorly or not at all. And, looking ahead, the

report suggested that forces favouring forest destruction, such as higher food and fuel prices, could easily overwhelm those that favour forest conservation. Specifically, the report indicated that between 2005 and 2010, the area of natural tropical forest under sustainable management across Africa, Asia, the Pacific, Latin America and the Caribbean increased from 36 million hectares to 53 million hectares. Moreover, the area of timber production forests subject to at least some type of management plan—a critical first step towards achieving sustainability—increased by about one-third since 2005 and now totals 131 million hectares.

In 2011, ITTO continued its collaboration with other international organizations and institutions associated with the promotion of tropical forests, in particular with members of the Collaborative Partnership on Forests (CPF). There was strong cooperation with the UNFF for the celebration of the International Year of Forest and with FAO on an initiative for the promotion of further processing of tropical timber in the Congo Basin as well as on strengthening synergies between the Forest Resources Assessment (FRA) undertaken by FAO and SFM Tropics published by ITTO. Relationships had also been strengthened with the Japan International Cooperation Agency (JICA) further to the signing of an MOU between JICA and ITTO on 3 September 2010.

From 30 June to 7 July 2011, ITTO, in collaboration with the Government of Indonesia and the Rights and Resources Initiatives (RRI) and with the support of 20 other regional and international organizations and institutions, organized an international conference on

“Forest Tenure, Governance and Enterprise: Experiences and Opportunities for Asia in a Changing Context” in Lombok, Indonesia. Attended by about 250 participants from Indonesia and other countries in Asia and worldwide, the conference brought together community representatives, civil-society organizations and governments to discuss ways of resolving disputes over forest tenure in Asia, seen as essential for social justice and sustainable forest management.

In September 2011, the Government of China organized the first APEC Meeting of Ministers Responsible for Forestry in the Asia-Pacific region, under the auspices of the International Year of Forests. ITTO participated in that meeting and made a statement on “Strengthening forest Governance and Management to Promote Multiple Functions for Green Economy.” The meeting was opened by H. E. Mr. Hu Jintao, the President of the People’s Republic of China.

We are highly indebted to the many international, regional and national organizations and institutions which have collaborated with ITTO in 2011 and look forward to strengthening such collaboration in the future. I commend this Annual Report to readers as a summary of ITTO’s efforts during 2011 in support of its member countries through policy work and field activities in promoting the conservation and sustainable management, use and trade of tropical forest resources.

Emmanuel Ze Meka
Executive Director

ACRONYMS

ACTO	Amazon Cooperation Treaty Organization
AIT	Asian Institute of Technology
ANCON	National Association of Nature Conservation
APAFRI	Asia Pacific Association of Forestry Research Institutions
APEC	Asia Pacific Economic Cooperation
APROCOM	Molinopampa Association of Conservationist Producers
AR-CDM	Afforestation and Reforestation component of the Clean Development Mechanism of the Kyoto Protocol
ASEAN	Association of South-East Asian Nations
BANP	Bantang Anai National Park
BKNP	Betung Kerihun National Park
BWP	Biennial Work Programme
CBD	Convention on Biological Diversity
CCBA	Climate, Community and Biodiversity Alliance
CDM	Clean Development Mechanism of the Kyoto Protocol
CEEAC	Economic Community of Central African States
CFC	Common Fund for Commodities
CFE	Community Forest Enterprise
CFME	ITTO Thematic Programme on Community Forest Management and Enterprises
CIFOR	Centre for International Forestry Research
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
C&I	Criteria and indicators for sustainable forest management
CLI	Country-Led Initiative
COFO	FAO Committee on Forestry
COMIFAC	Forestry Commission of Central Africa
CONFLAT V	Fifth Latin America Forestry Congress
COP	Conference of Parties
CPF	Collaborative Partnership on Forests
CRIWI	Research Institute of Wood Industry, Chinese Academy of Forestry
CSAG	Civil Society Advisory Group of ITTO
CTO	Certification of Timber Origin
EC	European Commission
ECOWAS	Economic Community of West African States
EUTR	European Union Timber Regulation
FAO	Food and Agriculture Organization of the United Nations
FCPF	Forest Carbon Partnership Facility
FORDA	Forestry Research and Development Agency, Ministry of Forestry, Indonesia
FRA	Forest Resources Assessment of FAO
FRIM	Forest Research Institute Malaysia
FSC	Forest Stewardship Council
FSMS	Forest Stock Monitoring System
FUNTAC	State of Acre Technology Foundation
GLOMIS	Global Mangrove Information System
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HoB	Heart of Borneo
IDE	ITTO Thematic Programme on Industrial Development and Efficiency



IFIA	Inter-African Forest Industries Association
IISD	International Institute for Sustainable Development
ILC	International Liaison Committee
INAB	National Institute of Forestry of Guatemala (Instituto Nacional de Bosques)
INRENA	Peru National Institute for Natural Resources (Instituto Nacional de Recursos Naturales)
ISME	International Society for the Mangrove Ecosystems
ITTA	International Tropical Timber Agreement
ITTC	International Tropical Timber Council
ITTO	International Tropical Timber Organization
IUFRO	International Union of Forestry Research Organizations
IUCN	International Union for the Conservation of Nature- World Conservation Union
IYF	International Year of Forests
JBCL	John Bitar & Company Ltd.
JICA	Japan International Cooperation Agency
LEWS	Lanjak Entimau Wildlife Sanctuary
LULUCF	Land Use, Land Use Change and Forestry
MBNP	Meru Betiri National Park
MDGs	Millennium Development Goals
MEA	Multilateral Environmental Agreement
MINEEF	Ministry of Environment, Waters and Forests of Côte d'Ivoire
MOU	Memorandum of Understanding
MP	Monitoring Protocol
MRV	Monitoring, Reporting and Verification
NAP	National Action Plan
NGO	Non-Governmental Organization
NLAPO	National Land Afforestation Promotion Organization
NTFP	Non-Timber Forest Products
ODEF	Office de Développement et D'exploitation Des Forêts
OLMS	ITTO Online Monitoring System
PES	Payment for Environmental Services
REDD	Reducing Emissions from Deforestation and Forest Degradation
REDDES	ITTO Thematic Programme on Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests
RIFFEAC	Central African Forestry and Environmental Training Institutions
SECO	State Secretariat for Economic Affairs of Switzerland
SFM	Sustainable Forest Management
SMEs	Small and Medium Enterprises
SPWP	Secondary Processed Wood Products
TAG	Trade Advisory Group of ITTO
TBCA	Transboundary Conservation Area
TFD	The Forest Dialogue
TFLET	ITTO Thematic Programme on Tropical Forest Law Enforcement, Governance and Trade
TLAS	Timber Legality Assurance System
TMT	ITTO Thematic Programme on Trade and Market Transparency
TP	Thematic Programme
TPAC	Thematic Programme Advisory Committee of ITTO
TPD	Thematic Programme Document
TPP	Thematic Programme Profile

TWNA	The World News Agency
UNCTAD	United Nations Conference on Trade and Development
UNFCCC	United Nations Framework Convention on Climate Change
UNFF	United Nations Forum on Forests
VCS	Verified Carbon Standards
VPA	Voluntary Partnership Agreement
VLO	Verification of Legal Origin



ITTO Project PD 528/08(F) – Towards sustainable indigenous mahogany timber production in Ghana aims at developing an integrated management strategy for mahogany plantation establishment incorporating a number of pest management measures based on sound experimental evaluation.

ITTO Project PD 349/05 aims at contributing to the conservation and sustainable use of mangrove forests in the Central Coastal Plains of Veracruz, Mexico



ITTO IN BRIEF

Our Mission

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.

Brief History

The International Tropical Timber Organization (ITTO) was established under the auspices of the United Nations in 1986 amid increasing worldwide concern about the fate of tropical forests. While almost everyone was alarmed at the rate of deforestation occurring in many tropical countries, there was also considerable agreement that the tropical timber trade was one of the keys to economic development in those same countries. The reconciliation of these two seemingly disparate phenomena is ITTO's story.

ITTO's origins can be traced back to 1976 when the long series of negotiations began at the fourth session of the United Nations Conference on Trade and Development (UNCTAD) as part of that organization's Programme for Commodities led to the first International Tropical Timber Agreement (ITTA).

As the first ITTA was being negotiated in the early 1980s, concern over the fate of tropical forests was increasing and the international community was being asked to take action. By then, conservation had become at least as important a consideration in the negotiations as trade. This was reflected in the preamble to the Agreement, in which conservation and trade were accorded equal importance. The founding fathers of the Agreement believed that a flourishing trade in tropical timber,

if based on a well-managed forest resource, could be a key to sustainable development, providing valuable foreign exchange and employment while protecting natural forests from destruction, degradation and excision. The eventual outcome of these negotiations was the ITTA, 1983, which was no conventional commodity agreement. It was, in reality, as much an agreement for forest conservation and development as for trade. In effect, it preceded the concerns which featured in the 1987 Brundtland Report and at the Earth Summit in 1992 and its trade components were as much instruments for tropical forest conservation as ends in themselves. The ITTA, 1983 governed the Organization's work until 31 December 1996, when it was succeeded by the ITTA, 1994. Negotiations for a successor to this agreement were concluded in 2006, again under the auspices of UNCTAD. The ITTA, 2006 entered into force on 7 December 2011.

The ITTA, 2006 builds on the foundations of the previous agreements, focusing on the world tropical timber economy and the sustainable management of the resource base, simultaneously encouraging the timber trade and the improved management of the forests. In addition, it contains provisions for information sharing, including non-tropical timber trade data, and allows for the consideration of non-tropical timber issues as they relate to tropical timber.

Headquarters

The Headquarters of ITTO is located in Yokohama, Japan. There are two (2) regional officers based in Libreville, Gabon for the African Region and Brasilia, Brazil for the Latin American and Caribbean Regions.

INTERNATIONAL TROPICAL TIMBER COUNCIL AND ASSOCIATED COMMITTEES

FORTY-SEVENTH SESSION

14-19 NOVEMBER 2011, LA ANTIGUA GUATEMALA, GUATEMALA.

The Forty-seventh Session of the International Tropical Timber Council and the Associated Sessions of the Committees was convened in La Antigua Guatemala, Guatemala, from 14 to 19 November 2011. The Session was attended by delegates from thirty-six (36) ITTO Member Countries and the European Union. Also in attendance were thirty-six (36) Observers from Potential Member Countries, U. N. bodies and Specialized Agencies, Inter-governmental organizations, Non-governmental organizations and the Private Sector. The Session was opened by the Chairperson of the Council, Mr. Bilé Joachim Allogho (Gabon) and was honoured with the attendance of H. E. Christian Magnagna, Minister of Forests and Water of Gabon, H.E. Señor Juan Alfonso De León Garcia, Minister of Agriculture, Livestock and Food of Guatemala, who represented the Government of Guatemala at the Opening and Madam Jan McAlpine, Director of the United Nations Forum on Forests.



The Chairperson referred to the report on the Status of Tropical Forest Management 2011 which stated inter alia, that forest policies in the tropics were evolving in line with ITTO's policy work and that forest management was improving, with the area of forest under SFM increasing from almost zero in 1988 to 53 million hectares in 2010. He also noted that the Organization had assisted its member countries to implement over one thousand projects in the three tropical regions of Africa, Asia-Pacific, and Latin America and expressed his sincere thanks to the donor community for their assistance. He, however, called for more assistance to Producer countries, noting the fact that the problems of deforestation and forest degradation were still persisting in many tropical countries and that Latin America and Africa had the highest net annual loss of forests between 2000-2010. The Chairperson urged all Member Countries to re-double their efforts in curbing forest destruction and degradation.



In his keynote address, H. E. Mr. Juan Alfonso De León Garcia, Minister of Agriculture, Livestock and Food of Guatemala expressed his gratitude to the Council for honouring the invitation from the Government of Guatemala to host the Forty-seventh Session of the Council. He underscored the importance of the occasion and indicated that the name "Guatemala" means "the land of trees." He noted, however, that with the rapid increase in population the forest resources of Guatemala had decreased considerably, in spite of the fact that 33% of the national territory of the country had been designated as protected areas. The Honourable Minister stated that Guatemala was the birth place of the Mayan civilization and underlined the fact that the strength of Guatemala's forest resources was in its diversity and must be utilized in a sustainable manner in accordance with the objectives of ITTO.



In his welcome address Mr. Josué Ivan Morales Dardón, Director of INAB, indicated that the establishment of INAB had led to the recovery of over 100,000 ha of land which previously had no forest cover. He stated that since joining ITTO, Guatemala had received support for the implementation of 8 projects at a total cost of approximately USD 2 million contributing to the sustainable management and conservation of Guatemala's forests and thanked donors for the financial support. He also indicated that the current forestry sector of Guatemala was much more organized with many stakeholders, including the private sector, environmental NGOs, and land owners.



In his statement to the Council, H. E. Mr. Christian Magnagna, Minister of Forests and Water of Gabon informed the Council that substantial progress had been made by Gabon in the sustainable management of its forest resources, with over 2.0 million ha of forests certified by the FSC. In terms of conservation, the Government of Gabon had established a network of thirteen (13) national parks representing 11% of the national territory in compliance with its commitment made at the CBD COP 10 held in Nagoya, Japan in 2010. The goal of the government is to put 17% or 4.0 million ha of its national territory under protected areas and called for the support of development partners. The Honourable Minister stated that with a deforestation rate of less than one percent, the forest cover of Gabon was one of the highest in the world.

The Forty-seventh Session of the International Tropical Timber Council reviewed the status of ratification of the new International Tropical Timber Agreement, 2006 (ITTA, 2006) by member countries, and agreed on transitional measures until its entry into force. However, the ITTA, 2006 definitively entered into force on 7 December 2011, in accordance with Article 39(1) of the Agreement.

Additional funding for projects, pre-projects, and activities totaling US\$12.4 million was pledged during the Forty-seventh Session of the ITTC. The bulk of funding announced at the Session (over \$10 million) would support the implementation of 12 projects and 1 pre-project (including additional funding for one on-going project). The new projects funded include one to develop a forest productivity information system in Guatemala where the Council Session was hosted and another to further develop a trans-boundary conservation area between Indonesia and the Malaysian state of Sarawak. Two large projects were funded under a new collaborative initiative with the Convention on Biodiversity to develop forestry training institutions in central African member countries and to support biodiversity conservation in Amazon countries. Funds were also provided for a large project to develop and implement

a timber tracking system in Africa based on DNA fingerprinting and stable isotopes.

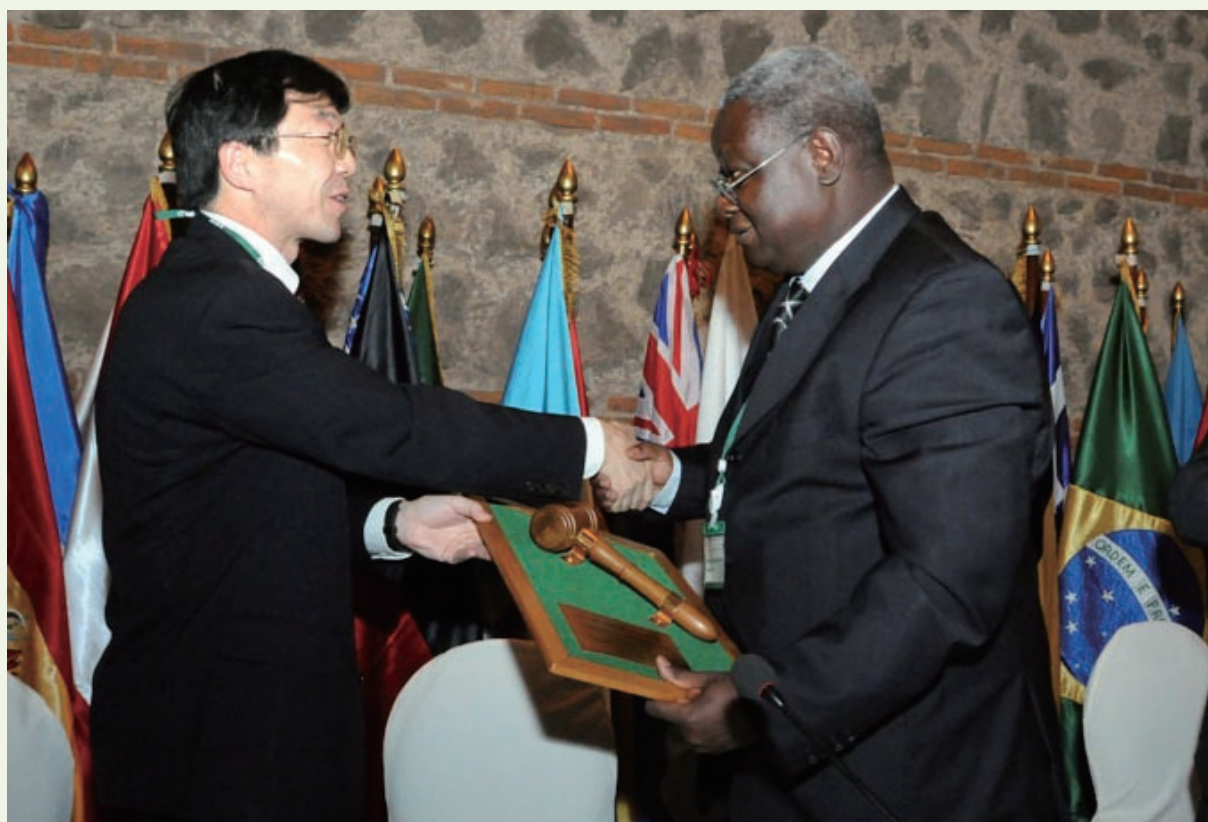
Other projects would promote community rehabilitation of degraded forests in Ghana, the sustainable use of bamboo in Indonesia, improved forest governance in the Philippines and value-added wood processing in Peru.

Pledges announced at the Session also included additional funding for the implementation of ITTO's thematic programme on tropical forest law enforcement (US\$ 220,000) and an on-going program to enhance members' ability to implement CITES listings of tropical timber species (US\$230,000). Additional activities would be implemented under these programs starting in 2012.

The funding made available for activities under ITTO's 2012-2013 Biennial Work Program would facilitate ITTO's work related to climate change, enable ITTO's participation in the Rio+20 conference in 2012, promote efficient wood processing by small and medium-sized enterprises and allow for establishment of a learning network for forest landscape restoration. Funding was also pledged to develop a new Action Plan (2013-2018) for the Organization and for



47th ITTC Session in La Antigua Guatemala



Incoming Chair Makoto Ozawa (Japan) (L), presented a framed gavel to outgoing Chair Bilé Joachim Allogho (Gabon) (middle) for his service as Chair in 2011, in keeping with ITTO tradition.

continued work on revising guidelines for sustainable tropical forest management. The Freezailah Fellowship Fund was also topped up by Council, adding \$400,000 to its resources to allow this valuable program to continue offering awards to deserving candidates.

Donors at the session were the governments of Japan, Switzerland, Germany, the USA, Australia, and Korea. Funds were also provided by some private sector donors. Descriptions of all newly funded projects and pre-projects are contained in Appendix 3.

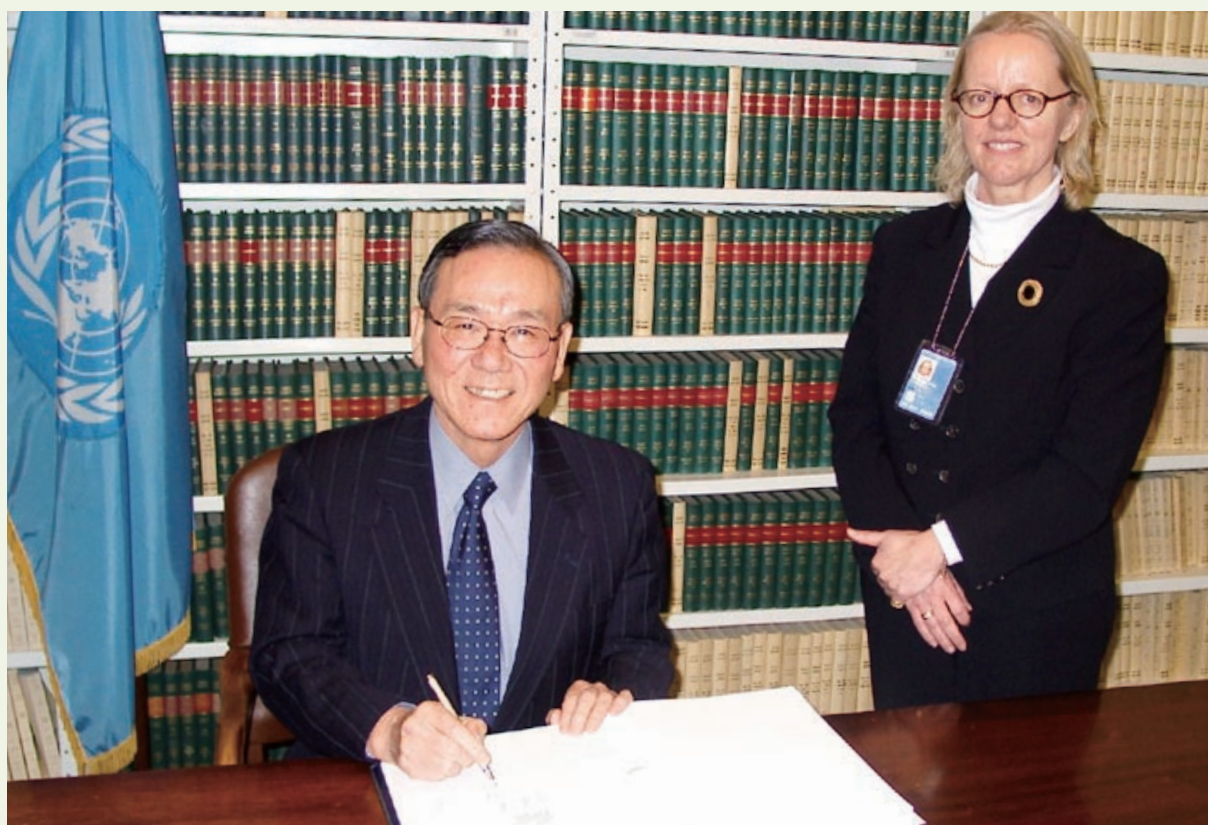
ENTRY INTO FORCE OF THE INTERNATIONAL TROPICAL TIMBER AGREEMENT, 2006

The International Tropical Timber Agreement, 2006 was adopted on 27 January 2006 in Geneva by the United Nations Conference for the Negotiations of a Successor Agreement to the International Tropical Timber Agreement, 1994. In accordance with its Article 36, the Agreement was open for signature at the United Nations Headquarters in New York from 3

April 2006 to 7 January 2012, by Governments invited to the United Nations Conference for the Negotiations of the Successor Agreement to the International Tropical Timber Agreement, 1994.

The ITTA, 2006 entered into force definitively on 7 December 2011 in accordance with the provisions of paragraph (1) of Article 39 of the Agreement. In accordance with the provisions of ITTC Decision 3(XLI), the period of extension of the ITTA, 1994 was thus terminated. The ratification of the Agreement by the Government of Benin on 7 December 2011 triggered the entry into force of the ITTA, 2006.

As at 7 December 2011, six (6) Producer Member countries and one (1) Consumer member country had signed the Agreement, and Thirty-seven (37) Consumer Member Countries, including the European Union and Twenty-five (25) Producer Member countries had either ratified, accepted, or approved the Agreement or deposited notifications of provisional application.



H.E. Mr. Kenzo Oshima, Ambassador Extraordinary and Plenipotentiary, Permanent Representative of Japan (ITTO Host Country) to the United Nations signing the ITTA, 2006 on 16 February 2007, at the United Nations Headquarters, New York



H.E. Mr. Leslie Kojo Christian, Ambassador Extraordinary and Plenipotentiary, Permanent Representative of the Permanent Mission of Ghana to the United Nations signing the ITTA, 2006 at the United Nations Headquarters in New York on 7 October 2008

OFFICERS OF THE INTERNATIONAL TROPICAL TIMBER COUNCIL AND ASSOCIATED COMMITTEES IN 2011

Council

Chairperson	Mr. Joachim Bilé Allogho (Gabon)
Vice-Chairperson	Mr. Makoto Ozawa (Japan)

Economic Information and Market Intelligence

Chairperson	Mr. Josue Ivan Morales (Guatemala)
Vice-Chairperson	Mr. Rob Busink (The Netherlands)

Reforestation and Forest Management

Chairperson	Mr. Patrick Hardcastle (United Kingdom)
Vice-Chairperson	Dr. Abdul Rahman Abbul Rahim (Malaysia)

Forestry Industry

Chairperson	Dr. Samuel Ebia Ndongo (Cameroon)
Vice-Chairperson	Dr. James Gasana (Switzerland)

Finance and Administration

Chairperson	Dr. Agus Sarsito (Indonesia)
Vice-Chairperson	Dr. Atsushi Suginaka (Japan)

Spokespersons

Producers	Ms. Carolina Costellini (Brazil)
Consumers	Ms. Ellen Shaw (U.S.A.)



ITTO Project PD386/05(F) developed appropriate technology for the planting of indigenous species of Bali, Indonesia and established 2,500 ha of plantation with the involvement of local communities



ITTO Project RED-PPD 006/09 Rev.2 (F) is seeking to develop sustainable forest management and establish financial mechanisms derived from the management and conservation of resources and environmental services in 16 municipalities of the Departments of Huehuetenago and Quiché, in Guatemala while at the same time providing a climate change adaptation mechanism.

POLICY WORK

ITTO/CBD Collaborative Initiative to Conserve Tropical Forests

In the framework of the International Year of Biodiversity 2010 and the International Year of Forests 2011, the International Tropical Timber Organization (ITTO) and the Convention on Biodiversity (CBD) signed a Memorandum of Understanding to strengthen collaboration in the pursuit of their common objectives of conserving and sustainably managing tropical forest resources. In October and December 2010, respectively, the governing bodies of CBD and ITTC adopted Decisions welcoming the ITTO/CBD collaboration (CBD Decision X/36 and ITTC Decision 6 (XLVI)).

The overall objective of this Initiative 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.

The initiative aims at achieving four key outputs, with the assistance of donors and with the close collaboration of partners in producer member countries:

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

The expected outputs of the Initiative would be achieved through the promotion of sustainable forest management (SFM), with a particular emphasis on biodiversity protection; forest monitoring and adaptive management to generate multiple benefits on a sustainable basis; protec-

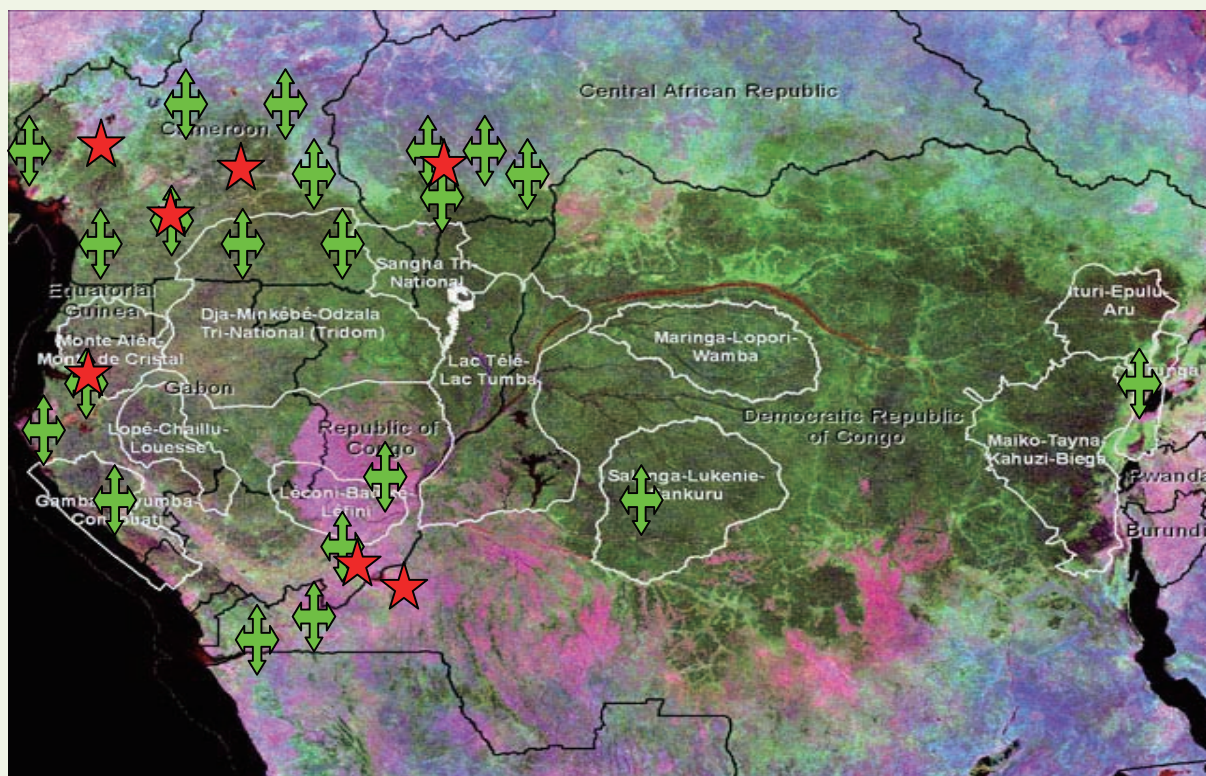
tion against invasive species; and enhancing the value of natural tropical forests to avoid land use change.

ITTO would lead the implementation of the proposed Initiative in close consultation with the CBD Secretariat, donors, other partners and especially the beneficiary countries. Interested countries would have to submit concept note to the ITTO Secretariat indicating their intention to develop a project or specific activity in the framework of this Initiative. The CBD and ITTO Secretariats would assess the pertinence of the request together with the relevant stakeholders of the proposing country and would support the formulation of a full project proposal, and fund raising. Donors would be invited to allocate funds to a specific project of the Initiative, or as an Unearmarked contribution to the Initiative.

An Advisory Committee would be established to oversee and guide the overall development of the Initiative towards its objective and expected outputs, comprising representatives of ITTO and CBD Secretariats, a balanced representation of donors and recipient countries.

On the basis of the MOU and ITTC and COP Decisions, an ambitious Collaborative Initiative was established, under the ITTO programming framework, with the aim of identifying and implementing projects over an initial timeframe of 4 years (2011-2014), with an indicative budget of 15 Million USD (approximately 5 Million per region: Africa, Latin America and Caribbean, Asia/Pacific).

ITTO has consequently developed a 5-year sub-regional project to support ITTO Member Countries of the Congo Basin (Cameroon, Central African Republic, Gabon, Republic of Congo and Democratic Republic of Congo), regarding the sustainable forest management (SFM) while ensuring the biodiversity conservation in the Congo Basin sub-region. This project (Building the Capacities of Forestry Training Institutions Members of the network of Central African Forestry and Environ-



Congo Basin vegetation and main protected areas landscape map (source : WRI/GFW, 2008)



Location of seven RIFFEAC training institutions



Location of forest sites for field practical work used by the RIFFEAC training institutions

mental Training Institutions (RIFFEAC for providing Sustainable forest management training for forest concessions) was approved at the 47th Session of the ITTC in Guatemala in November 2011. The amount of US\$4.4 million of the ITTO budget was financed with the support of the governments of Japan, Switzerland and Belgium. Specifically, it intends to build the capacities of an environmental and forestry training institutions in Central Africa to ensure they are capable to train personnel qualified to implement sustainable forest management, while ensuring the biodiversity conservation in the Congo Basin.

Under the ITTO/CBD collaborative Initiative to Conserve Tropical Forests, the government of Japan also pledged in 2011 an amount of US\$ 1,320,224.00 to finance a capacity building project on ecologically responsible forest management and biodiversity conservation in managed forests of the Amazon for Amazon countries which are members of the Amazon Cooperation Treaty Organization (ACTO).

The government of Japan, under the same programme

had pledged in 2010 an amount of US\$ 2,051,039.00 to finance the “Management of the Emerald Triangle Protected Forests Complex to Promote Cooperation for trans-boundary biodiversity conservation between Thailand, Cambodia and Laos (Phase III)”.

Many ITTO member countries commended the ITTO/CBD initiative. Some of the comments are shown below:



Atsushi Suginaka (Japan)

“As the host country of the ITTO Headquarters and the co-Presidency of the CBD, Japan believes that collaborative initiative between ITTO and CBD is a meaningful and an effective tool from the perspective of sustainable forest management as well as biodiversity conservation. Japan will provide financial support to Activity PP-A/47-266 “Building Capacities for ACTO Member Countries in Ecologically Responsible Forest Management and Biodiversity Conservation in Managed Forests of the Amazon” and hopes that the financing of this activity would serve as an incentive to speed up the ratification of the ITTA, 2006 in the Latin American region.”



Abdul Rahman Hj. Abdul Rahim (Malaysia)

“Malaysia recognizes the importance of biological diversity conservation as well as protecting and enhancing the quality of the environment. In order to ensure the protection and conservation of biological resources for the benefit of the present and future generations, Malaysia has signed more than two hundred Multilateral Environmental Agreements (MEAs) and Legally-Binding Instruments including, the Convention of Biological Diversity (CBD), World Heritage Convention (WHC), the Convention on International Trade of Endangered Species of Flora and Fauna (CITES), Ramsar Convention, UNFCCC, the Kyoto Protocol, and the Heart of Borneo (HoB) Initiatives.”

“Thailand is grateful to the government of Japan for the financing of project PD 577/10 Rev 1(F) “Management of the Emerald Triangle Protected Forests Complex to Promote Cooperation for Transboundary Biodiversity Conservation between Thailand, Cambodia and Laos (Phase III)” as part of the ITTO/CBD collaborative initiative. Thailand is also grateful to the governments of Switzerland and U.S.A for supporting the earlier phases of the project and regrets the delay in the signing of the project Agreement which is due to the long internal bureaucratic processes, the flooding in Thailand, including Bangkok as well as the political situation in the country.”



Suchat Kalyawongsa (Thailand)

“The political situation in Côte d’Ivoire has affected the country’s full participation in activities organized by the Organization and we are hopeful that the situation would soon return to normal to enable the country’s full participation in activities financed by ITTO. Côte d’Ivoire welcomes the ITTO/CBD collaborative initiative. The country has already carried out a feasibility study in the biosphere reserve lying between the borders of Côte d’Ivoire and Liberia which was financed by Wildlife Chimpanzee. The feasibility study recommended the establishment of a transboundary conservation reserve to protect the biodiversity in the area and we hope that the ITTO/CBD initiative would support this project.”



Roger Yao Kuadio (Côte d’Ivoire)

Development in the UNFCCC regarding Forests and their Potential Implications for Tropical Forests and the World Tropical Timber Economy

In 2011, the Council continued to monitor developments in the UNFCCC regarding forests and their potential implications for tropical forests and the world tropical timber economy.

At its Forty-seventh Session in La Antigua Guatemala, Guatemala, a report on discussions in the UNFCCC regarding reducing emissions from deforestation and forest degradation and implications for tropical forests and tropical timber producers was presented by **Dr. Carmenza Robledo (Consultant)**.

It was noted that two discussions were on-going in the UNFCCC regarding forests:

- Use of forest activities in a Second commitment period of the Kyoto Protocol through the A/R CDM flexible mechanism; and
- REDD+: Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries.

The UNFCCC COP16 at Cancun, Mexico adopted the following decisions on REDD+:

- Recognition of the importance of REDD+ for mitigating climate change;
- Activities included in REDD+ were clarified, but no definitions were provided;
- Presented the three phases of REDD+ :
 - Phase I “Readiness“;
 - Phase II “Investments“ and
 - Phase III “Performance-based payments“

Developing country parties were requested by UNFCCC COP 16 to undertake the following activities:

- (a) Design a national strategy or action plan;
- (b) Establish a national forest reference emission level and/or forest reference level (national or sub-national);
- (c) Design a robust and transparent national forest monitoring system;
- (d) Design a system for providing information on progress on social and environmental safeguards.

The report noted that REDD+ was an emergent area where ITTO Producing members were gaining experience and that relevant aspects in the current discussions were focused on:

- Methods for quantifying and monitoring changes in Carbon stocks in REDD+
- Implementing, monitoring and reporting safeguards, including governance
- Financing mechanism(s) for all three phases of REDD+
- The operationalization of the REDD+ mechanism.

ITTO producer members were getting very relevant experience in REDD+ through the ITTO Thematic Programme on REDDES and that such have enhanced the capacity of ITTO member countries in identifying opportunities, methods and barriers for future implementation of REDD+ mechanism.



Carmenza Robledo (Consultant)



Datuk Aziyah Mohammed
(Malaysia)

“Malaysia recognizes the opportunities in exploring a comprehensive approach to mitigate climate change through Reducing Emissions from Deforestation and Forest Degradation in developing countries including conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries, through REDD plus policies and mechanisms, that envisage payment of compensation in developing economies for conserving forests. Malaysia hopes that aggressive steps would be taken by relevant partners to ensure that REDD plus becomes a reality and allowing wider participation from developing countries.”

“Brazil is not against the exercise of reporting on the negotiations in the UNFCCC and in fact Brazil had previously agreed to the inclusion of some activities related to climate change in previous Biennial Work Programmes of the Organization. However, the exercise of reporting on the negotiations in the UNFCCC should be completely neutral and that in case of any controversial issues all positions should be presented in an unbiased manner without making any prescriptions or recommendations.”



Carolina Costellini (Brazil)



Delegates of Indonesia; Sri Murniningtyas, Riva Rovani,
Maidiward

“Indonesia is at the conclusion stage of the REDD+ readiness phase through bilateral cooperation with Australia, Germany, and Japan as well as multilateral cooperation with ITTO. REDD+ is still under preparation and countries are exploring various mechanisms for the implementation of REDD+ and it is on that basis that Indonesia is undertaken REDD+ demonstration activities and studies, including studies in collaboration with Marubeni Corporation and other collaboration organizations.”

“It is important for ITTO member countries to be aware of developments in the UNFCCC regarding forests since financial mechanisms are being established that would be important for the financing of sustainable forest management. Norway is glad to note that the ITTO REDDES Thematic Programme has provided valuable experience to member countries and has proved the Organization’s importance in the field of sustainable forest management.”



Jon Heikki Aas (Norway)



Neria Andin (Philippines)

“Philippines affirms its participation in the readiness phase of UN-REDD and calls on ITTO and other development partners to provide complimentary assistance to Producer member countries in the REDD readiness phase.”

Enhancing Cooperation between ITTO and CITES

In 2011, the ITTO-CITES programme continued to build capacity in Member Countries to implement CITES commitments for tropical timber. Activities had been undertaken in all range states covered by the programme (Cameroon, Congo, Democratic Republic of Congo, Indonesia, Malaysia, Bolivia, Brazil and Peru), with many activities already completed. The programme assisted countries to carry out the non-detriment findings and established export quotas for three main timber species, namely ramin (*Gonystylus* spp.), afrormosia (*Pericopsis elata*) and mahogany (*Swietenia macrophylla*) listed in CITES Appendix II.

The programme also provided training and other capacity building on wood identification, timber tracking, conversion factors, etc. in a range of countries. Recent activities had facilitated the re-commencement of trade in *Pericopsis elata* and *Prunus africana* (the latter with assistance from the private sector) following trade suspensions in several African countries due to non-compliance with CITES regulations; produced a market and supply study for *Cedrela odorata* (an Appendix III listed species); and developed an identification guide for CITES listed tree species in four languages (English, French, Spanish and Chinese). Baselines had been established for biological and trade information on all species covered by the program.

Switzerland, Germany and several private sector pharmaceutical firms became programme donors in 2010-11, adding to the funding made available by the EC, the USA and others. Norway provided funding through the programme to support CITES listing of timber species in Madagascar (which was called for by a decision at

CITES COP 15) and negotiations were underway with that country to determine how to assist it most effectively. Negotiations were also underway with Germany to jointly fund a workshop for African member countries and to consider possible additional tree species of conservation concern that could potentially benefit from CITES listing. The demand for support had substantially exceeded available resources under the program, with many eligible activities submitted by countries still pending financing. ITTO and CITES consequently, submitted a second grant application to the EC covering the 4 year period 2012-15 for a total amount of 7.5 million euro (about \$10 million) which was approved by the EC, and subsequently pledged an amount of 5.0 million Euro for the second phase of the programme leaving a balance of 2.5 million Euro to be raised from non-EC donors, primarily through ITTO's Biennial Work Programmes for 2012-13 and 2014-15.



Samuel Ebia Ndongo
(Cameroon)

“As a result of the ITTO-CITES programme a quota system had been agreed for Cameroon’s exports of *Prunus africana* since September 2010. The programme has allowed Cameroon to establish a sustainable management system for the species, which has allowed the country to negotiate with the European Union. The programme has also enabled Cameroon to establish a trading system for *Pericopsis elata* for 2010 and that the data so far collected would allow the country to provide the necessary information required at the next meeting of the Plant Committee of CITES in March 2012.”



Enzo Barattini
(European Union)

“The European Union is glad to note that the ITTO-CITES programme is proceeding successfully. I am confident that the second grant application to the EC covering the 4 year period 2012-15 would be approved by the European Union and that the European Union would continue to support the ITTO-CITES programme.”

“The integrated effort between the two multilateral entities in supporting and assisting member countries in their effort towards implementing sustainable forest management is indeed laudable and recognized. The collaboration between ITTO and CITES, in providing funding and assistance to further enhance the research and development component, has contributed towards complementing the activities of Malaysia to enforce its commitments under CITES. Malaysia has implemented a total of 8 projects for the period from 2008 to 2011 under the ITTO-CITES Programme. These projects have assisted Malaysia in developing Non-detriment findings of Ramin.”



Mohamad Sanuri Sahahid
(Malaysia)



Makoto Ozawa (Japan)

“The ITTO-CITES programme is the only mechanism supporting the implementation of tree species listed in the CITES Appendices. The programme has been effective particularly, in terms of capacity building in the range states. Japan wants to see that more stakeholders are involved in the programme especially, private sector companies.”



David Oliver (USA)

“The United States commends the Secretariats of both organizations and the Member countries involved in the programme. The United States, as one of the early contributors to the programme, would continue to provide financial support for this area of the Organization’s work since it contributes to achieving the objectives of both CITES and ITTO, regarding trade in timber and related species as well as the sustainable management of the resource base of those species.”



Agus Sarsito (Indonesia)

“Indonesia commends the Secretariats of CITES and ITTO for the successful collaboration in promoting the sustainable management of CITES-listed tropical timber species. Indonesia is grateful to the European Union and other donors for their support to the programme and hopes that they would continue to support the next phase of the programme spanning the period 2012-2015. Indonesia has been participating in the ITTO-CITES programme with satisfactory results and the programme is yielding concrete benefits especially with regard to capacity building. The programme has enabled Indonesia to effectively manage its trade through sustainable harvesting of Ramin species under CITES regulation.”

Enhancing Collaboration between ITTO and Japan International Cooperation Agency (JICA)

The report on collaboration between ITTO and JICA was presented to the Forty-seventh Session of the ITTC by Mr. Takeo Sasaki, Resident representative of JICA, in Guatemala.

Mr. Sasaki noted the common interest of the two Organizations in promoting and supporting sustainable development through the sustainable management of tropical rain forest and consequently signed a Memorandum of Understanding (MOU) for collaboration on 3 September 2010 with the following objectives:

- Identify, develop and implement targeted joint activities on the sustainable use and conservation of tropical forest in support of the overall sustainable development of ITTO developing member countries assisted by JICA and in accordance with their national development policies;

- Promote capacity building in ITTO developing member countries and facilitate information exchange between the Parties and interested countries, to advance the implementation of sustainable forest management in the tropics.



Takeo Sasaki (JICA)

Following the signing of the Memorandum of Understanding ITTO and JICA consequently undertook the following joint activities in 2010 and 2011:

- Grant Aid Projects with ITTO in Asia and Africa;
- Joint Side-events during CBD COP 10 and UNFCCC COP 16 on “Poverty Alleviation and Biodiversity Conservation” at CBD COP 10 in Nagoya, Japan and “REDD+ , Environmental Services and Private Sector participation” at UNFCCC COP 16 in Cancun, Mexico;
- Joint Publication of materials on REDD Plus and Japanese version of the ITTO Tropical Forest Update on the “Status of Tropical Forest Management 2010”;
- Information Sharing and periodic Working Group meetings in ITTO (Yokohama) or JICA (Tokyo); and
- Consultation on project formulation and management in various countries including PNG, Gabon and Brazil.

“JICA has several achievements in forestry and the forestry industry sector and Japan hopes that both JICA and ITTO would become more efficient and effective by working together and sharing experiences and lessons learnt, including on policy work. JICA’s activities in ITTO Producer countries would contribute to improving the countries’ access to JICA’s assistance. The joint activities between the two Organizations, including the organization of Side-events at international conferences of the CPE, such as meetings of the UNFCCC and CBD would facilitate discussions and improve the publicity of both organizations. The Government of Japan’s will continue to support the partnership.”



Shinichi Amada, Yoshiko Horiguchi, Koji Hattori and Shigeto Ikeda (Delegates from Japan)

Partnership with Private Companies to Promote REDD+ Projects.

ITTO and 7&i Holdings Co. Ltd. of Japan in collaboration with Jember University and the Forestry Research and Development Agency (FORDA) of Indonesia are carrying out estimation of emissions reduction and carbon enhancement of the Meru Betiri National Park (MBNP) in Indonesia using different satellite imageries and classification techniques.

Supports are underway for the development of agro-forestry and eco-tourism activities in the project site (Sarongan-Sukamade). These include the identification of six types of agroforestry in Curahnongko village; support to legal basis for community in utilization of land in the rehabilitation zone of MBNP; and the establishment of MOU with six villages. In addition, REDD+ Project Design Document (PDD) is being developed with the assistance of international/national experts in accordance with existing examples in Verified Carbon Standards (VCS) and Climate, Community and Biodiversity Alliance (CCBA).

ITTO Facilitation to the implementation of REDD+ Feasibility Studies under the bilateral offset crediting mechanism initiative of Japan (Ministry of Economy, Trade and Industry/Ministry of Environment)

For speedy development of REDD+ projects in ITTO member countries which requires analyzing carbon benefits as well as an array of social and economic issues, ITTO has facilitated the implementation of REDD+ feasibility studies in Indonesia and Brazil. These projects are being carried out by the Marubeni Corporation under the bilateral offset crediting mechanism of Japan (Ministry of Economy, Trade and Industry/Ministry of



Environment). The main objective of these feasibility studies is to assess the opportunities and challenges of developing a REDD+ project.

In Indonesia, after the completion of a pre-feasibility study in collaboration with the Ministry of Forestry, a full feasibility study is now under way to develop a complete REDD+ MRV methodology for the bilateral offset scheme on Katingan Peat Restoration and Conservation Project, Central Kalimantan. This is focusing on scientific carbon measurement and monitoring of peat, water level and forest biomass through improvement in presently available VCS methodologies in collaboration with private businesses.

In addition to the MRV methodology development, the feasibility studies in Indonesia also aim at: developing safeguards to address environmental and social issues; establishing a benefit sharing mechanism in line with the government's guidelines.

In Brazil, a pre-feasibility study to assess the initial opportunities for REDD+ projects in the state of Acre, is being conducted by the Brazilian Biodiversity Fund (Fundo Brasileiro para a Biodiversidade-FUNBIO) in collaboration with relevant institutions of the Government of Acre. This pre-feasibility study has been approved by the Ministry of Environment of Japan and the Marubeni Corporation is implementing this study with the support of ITTO. The study seeks to explore and support the creation of a REDD+ project, allowing measurable, verifiable and reportable carbon credits for market purpose.



ITTO's Executive Director, Emmanuel Ze Meka and General Manager of Marubeni's Global Environmental Projects Department, Makoto Sato (L-R) signed the agreement for REDD+ feasibility study in Brazil
Photo: ITTO

ITTO/UNCCD Collaboration on the Sustainable Management of Dry Tropical Forests.

Considering the importance of sustainable management of tropical dry forests for the conservation of biodiversity, soil and water resources as well as for the achievement of the Millennium Development Goals in these critical areas, including for the provision of goods and services to support livelihoods at local, national, and international levels and recognizing the common interest of both ITTO and UNCCD in reducing poverty and supporting sustainable development through initiatives related to sustainable forest management and sustainable land use management in the tropics, ITTO and UNCCD signed a Memorandum of Understanding aimed at facilitating the implementation of joint activities based on the restoration and sustainable management of dry tropical forest resources in ITTO developing member countries.

The key purpose of the MoU over the next three years would be to:

- Identify, develop and implement targeted joint activities for the restoration and sustainable management of dry tropical forests in support of the overall sustainable development of ITTO developing member countries, in accordance with their national development policies and strategies, including the National Action Programmes to Combat Desertification (NAPs);
- Promote capacity building in ITTO and UNCCD developing member countries and facilitate information exchange between the Parties and interested countries, to advance the implementation of sustainable forest management and sustainable land use management in dry tropical areas.

The areas of cooperation would include:

- Promotion of forest landscape restoration in dry tropical areas to support sustainable livelihoods, biodiversity, soil and water conservation, as well as mitigation and adaptation to climate change;
- Exploration of collaborative activities with other initiatives directed to support sustainable management of natural resources and land use planning in dry tropical landscapes, in harmony with nature where both biodiversity and human well-being are maintained harmoniously, such as the Satoyama Initiative;
- Development of economic incentives and provision of



Luc Gnacadja, Executive Secretary of UNCCD (left) and Emmanuel Ze Meka, Executive Director of ITTO signing the MoU at the UNFCCC COP 17 Side Event, in Durban, South Africa

alternative livelihoods for reducing deforestation and degradation of dry tropical forests;

- Improvement of forest governance to support sustainable management of dry tropical forest lands;
- Assessment and monitoring of degradation, deforestation, biodiversity loss and carbon emissions in the dry areas of the tropics;
- Support of regional collaboration and North-South, South-South and Triangular Cooperation;
- Joint activities for dissemination of information and sharing of experiences in the field of sustainable forest management and land use in the dry tropical forests.

Strengthening the Capacity to Promote Efficient Wood Processing Technologies in Tropical Timber Producing Countries

In 2011, in house training aimed at strengthening the capacity to promote efficient wood processing technologies was carried out by ITTO in Malaysia (Sarawak, Sabah and Peninsular) Malaysia from 22-30 May, covering five factories (3 wood working/molding, 1 plywood mill, and 1 furniture industry).

The scope of the in-house training included strengthening capacity in common problem areas in the wood-based industries, namely:

- a. Log handling at logyard;
- b. Sawmilling: log crane, log carriage, breakdown and pony sawing;
- c. Plymilling: veneer/wood/slicing;
- d. Saw-doctoring: bandsaw blade and circular saw, knives (molder, planer, roatry and woodslice);
- e. Conditioning and air drying;
- f. Kiln-drying and boiling: kiln dry and boiler;
- g. Wood processing: cross cutting, grading and sorting, laminating, molding, planing, rip sawing, sanding, coating and painting, repairing and finishing;
- h. Packaging;



In house training to strengthen the forest industry sector in Malaysia

- i. Waste control;
- j. Maintenance and arrangement;
- k. Safety and mentality.

Promoting Trade in Tropical Timber and Timber Products from Sustainably Managed and Legally Harvested Sources

In the context of promoting trade in tropical timber and timber products from sustainably managed and legally harvested sources, an innovative timber tracking system was developed by John Bitar and Company Limited (JBCL) with the assistance of ITTO.

The wood products tracking and assurance of legality under the system can be demonstrated through internationally recognized third party CoC certification system such as the FSC.

Consequently, JBCL is now recognized as a FSC certified company supplying FSC controlled wood products to its major markets and is listed on FSC's official website. The wood products, including approved species, are also listed on the FSC website as part of JBCL's approved product schedule. This will enable JBCL to expand the reach of its current markets, as it is now able to offer legal wood to markets such as the USA and the EU which require wood merchants to demonstrate the legal status of the wood products they import.

Continue to Promote Improvement in Forest Law Enforcement

In cooperation with FAO, ITTO continued to disseminate and promote the use of "Best Practices for Improving Law Enforcement in the Forest Sector", developed jointly by ITTO and FAO. Through this cooperation a compendium of the current state of national technologies for monitoring illegal logging and related trade is being developed and will be appraised and refined by a panel of experts at a workshop to be convened in Malaysia in 2012. The compendium focuses primarily on tracking and monitoring/control technologies and contains several case studies from each tropical region.

Web-based Information System on Sustainable Tropical Timber Trade

Under its continuing work of promoting trade in tropical timber and timber products from sustainably managed and legally harvested sources, ITTO provided assistance



to the The Forest Trust (TFT), an international non-government organization in developing The Wood News Agency (TWNA), a web-based information system to support the development of a sustainable tropical timber trade. The Wood News Agency had undergone its consultation, design and test phases and its launching, roll out and maintenance will be subject to financing under the ITTO Biennial Work Programme for 2012-2013.

Maintaining ITTO's Active Involvement in International Cooperation and Collaboration

ITTO participated actively in the Ninth Session of the United Nations Forum on Forests (UNFF 9) which was held at the UN Headquarters, New York from 24 January to 4 February 2011 on the theme "Forests for People, Livelihoods, and Poverty Eradication". The Executive Director attended the official meetings of UNFF 9, particularly the high level segment (HLS) and the launching of the International Year of Forests (IYF) 2011, as well as other meetings and events convened in conjunction with the UNFF 9 including the side event on community-based approaches to sustainable forest management jointly organised by the governments of Japan, Indonesia and ITTO.

The Executive Director made an official visit to China on 16-20 May 2011 to promote relations between ITTO and China, the largest ITTO consumer member country. Highlights of the visit included the signing a memorandum of understanding (MOU) with the Asia-Pacific



ITTO ED Ze Meka meets China's Assistant Minister of Commerce Yu Jianhua.
Photo: The Ministry of Commerce of China



Network for Sustainable Forest Management and Rehabilitation (APFNet) as well as field visits to ITTO project sites and Chinese timber markets and enterprises.

The Executive Director attended the First Meeting of APEC Ministers Responsible for Forestry held in Beijing, China on 6-8 September 2011. Several ministers from Asia and Pacific region and representatives of relevant international organizations attended the conference which was officiated by the President of China. The Executive Director made a keynote presentation on "strengthening forest governance and management to promote multiple function of forest for green growth". ITTO continued to maintain involvement in the Inter-

secretariat Working Group on Forest Statistics and Joint Forest Sector Questionnaire Process, and participated in the meeting of the Inter-secretariat Working Group on Forest Statistics held in March 2011.

Market Access

A preliminary review of an on-going ITTO study on "Improving the resilience of the tropical timber sector to the impacts of global and regional economic and financial crises" was undertaken. This study was initiated following the speed and severity of the global financial and economic crisis in 2008 and 2009 which impacted the construction sectors and consumer spending in most parts of the globe and had marked impacts on the

competitiveness of the tropical forestry sector. The crisis exposed the vulnerability of the tropical timber sector which had a relatively limited knowledge base and capacity at country level to manage severe market shocks.

Three producer country case studies in Ghana, Brazil and Malaysia were carried out to assess the impacts of the crisis across the supply chain; policy responses and other remedial measures employed at regional, government and private sector levels and their effectiveness; the risk factors that would expose the case study country to market volatility; and actions that could minimize the risk to the tropical forest industries.

The forestry sectors in all three case study countries had been impacted by the global downturn, and although their risk profiles were somewhat different, there were some common elements in terms of how tropical timber industries could minimize impacts and become more competitive during severe economic downturns. The study is expected to be completed in 2012.

Forest and Timber Certification

On the status of forest certification in ITTO producer member countries, the total area of certified forests in ITTO producer member countries was 22.2 million hectares in 2010. This accounted for 6.1% of the world's total area of certified forests of around 365 million hectares. The number of Chain of Custody (CoC) certificates in ITTO producer member countries was 1321, which accounted for 4.9% of the total number of CoC in the world. Compared to figures in 2007 contained in the ITTO Report on "Developing Forest Certification", the area of certified forests in ITTO producer member countries had expanded 53%, while CoC certificates had increased over three-fold.

Forest certification in ITTO producer member countries comprises two international certification systems, Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC):

- FSC: The total certified area in ITTO producer member countries was 15.7 million hectares, accounting for about 12% of the total FSC certified forests in the world; and 1085 CoC certificates, which accounted for about 5.62% of the total FSC-CoC certificates in the world. Among ITTO producer member countries, Brazil was in the lead with 6.39 million hectares of

certified forest areas and 533 CoC certificates.

- PEFC: The total certified area in ITTO producer member countries was 5.5 million hectares, which accounted for about 2.4% of the total PEFC certified forest areas in the world, and 230 CoC certificates which accounted for about 2.7% of the total PEFC-CoC certificates in the world. Among ITTO producers, Malaysia is in the lead with 4.22 million hectares of PEFC certified forest areas and 171 PEFC-CoC certificates.

In addition, there are 4 national certification systems in ITTO producing member countries as follows:

- Brazil: Brazilian Forest Certification Programme (CERFLOR);
- Malaysia: Malaysian Timber Certification Scheme (MTCS);
- Gabon: PEFC Gabon
- Indonesia: Indonesian Ecolabelling Institute (LEI)

The three certification systems, namely CERFLOR of Brazil, MTCS of Malaysia and PEFC Gabon had been endorsed by PEFC, and their certification statistics had also been covered by PEFC. In Indonesia, certification under the LEI covered 1.07 million hectares of certified forest area and 6 CoC certificates in 2010.

Two-thirds of the world's certified forests had been certified under the PEFC and around one-third under FSC. However, FSC held the largest share of 74% of certified forests in ITTO producer member countries. In 2010, PEFC continued to be the largest certification scheme in the world, and the area of PEFC-certified forest increased by 2.7% due to the significant progress achieved in Europe, Australia and Malaysia. PEFC-certification was expected to expand in tropical forests through the endorsement of certification systems in ITTO producer member countries. In 2010, FSC and LEI in Indonesia launched a collaboration to explore potential areas of cooperation in forest management and certification in Indonesia.



RED-PPD006/09 Rev.2 (F) is seeking to develop sustainable forest management and establish financial mechanisms derived from the management and conservation of resources and environmental services in 16 municipalities of the Departments of Huehuetenago and Quiché in Guatemala while at the same time providing a climate change adaptation mechanism.



ITTO Project PD049/98 Rev.1(F) on "Participatory Tropical Forest Development by Women in Indigenous Communities" aimed at supporting the 31st December Women's Movement, a Ghanaian NGO, and indigenous communities in the Worobong District of the East Region of Ghana, for the rehabilitation of degraded forest lands.

ITTO SPONSORED/ CO-ORGANIZED EVENTS IN 2011

ITTO Celebrates 25th Anniversary during the International Year of Forests, 28 October 2011

ITTO celebrated the 25th anniversary of its establishment in Yokohama, Japan on 28 October 2011 with a commemorative symposium that brought together high level officials from Japan and other ITTO member countries, past and present friends of ITTO, and members of the general public.

The symposium, “Celebrating a Quarter Century of ITTO and Japan Sustaining Tropical Forests”, was planned and implemented together with the City of

Yokohama, the Japan Forestry Agency, Japan’s Ministry of Foreign Affairs and the Japanese Committee for the International Year of Forests. It attracted nearly 200 participants who heard details of member country perspectives on the Organization, its successes in promoting sustainable forest management in the tropics, its history and evolution, examples of its current work program and prospects for its future development. The Mayor of the City of Yokohama, Madam Fumiko Hayashi noted the many positive accomplishments of ITTO in opening the symposium, stating that she was proud of her City’s role in hosting “the only UN treaty-based organization with its headquarters in Japan.”



Mr. Toshiyuki Kato, Parliamentary Vice-minister Of Foreign Affairs of Japan addressing the 25th Anniversary symposium



ITTC Chairperson, Mr. Bilé Joachim Allogho and the Executive Director, Mr. Emmanuel Ze Meka, cutting the Anniversary cake



At the 25th Anniversary reception



At the 25th Anniversary reception

International Conference on Forest Tenure, Governance and Small and Medium Forest Enterprises with focus on the Asia-Pacific

11-15 July 2011, Lombok, Indonesia

In July 2011 in Lombok, Indonesia, ITTO, the Rights and Resources Initiative (RRI) and the Indonesian Ministry of Forestry jointly organized the “International Conference on Forest Tenure, Governance and Enterprise: Experiences and Opportunities for Asia in a Changing Context”. It is the third of a series of such conferences: the first was held in Brazil in 2007 and the second in Yaoundé, Cameroon, in 2009.

The offer made by the Government of Indonesia during the 46th session of the International Tropical Timber Council in November 2010 to host the Lombok conference was a signal that Indonesia is ready and willing to tackle forest-tenure reform. A further sign was the presence at the conference of the Indonesian Minister of Forestry, Zulkifli Hasan, and the country’s Vice President, Boediono.

The Lombok conference was attended by about 300 participants from Indonesia and other countries in the Asia-Pacific region, Europe, Africa and the Americas.

Conference participants agreed that the time has come in Asia to move community forestry to a new level in order to unlock the full potential of forests to make a significant, consistent and sustainable contribution to community and national development. They formed a consensus on the steps in Asia to promote, initiate and continue forest-tenure reform and invited donors and international organizations to advance a new generation of tenure reform and community forestry initiatives.



H.E. Boediono, Vice-President, Indonesia delivering a statement at the opening ceremony of the International Conference on Forest Tenure, Governance and Enterprise

ITTO Support to the Fifth Latin America Forestry Congress (CONFLAT V)

The Fifth Latin America Forestry Congress (CONFLAT V) was held in Lima, Peru from October 18th to 21st, 2011. The aim of the Congress was to help strengthen the forestry sector in Latin America by promoting a discussion forum to assess the current status of knowledge on forestry issues, as well as achievements in sustainable forest management in the region.

To further advance of SFM in the region, the Congress made recommendations in the area of Forests and climate change; Degraded areas and reforestation; Progress made in the area of tropical forest management; International market, value-added processing and forest environmental services; and Forest governance in the region. The contribution of ITTO to the CONFLAT V was in form of financial support provided to Camara Nacional Forestal (CNF), as the main congress organizer body, in order to partially cover a good part of the costs related to the organization of this Congress.



First Minister of Environment – Peru, Dr. Antonio Brack Egg, giving his keynote speech at the Fifth Latin America Forestry Congress

A Discussion Forum at Forest Day 5 and ITTO Side event at COP 17 of the UNFCCC, Durban, South Africa, December 2011

In collaboration with IUCN and UNFF, ITTO organized a discussion forum on CPF’s Forest Day 5 regarding opportunities and challenges for investments and financial mechanisms to promote mitigation and adaptation by the private sector. It reiterated the importance of the private sector’s role in scaling up REDD+ investment in tropical countries. Clear REDD+ mechanism and



A presentation at the ITTO Side Event on “REDD Readiness - Ready for What?” during COP 17 of the UNFCCC



Senator Jorge Viana of the Brazilian Parliament opening ITTO's Second International Experts Meeting on Sustainable Forest Management in Rio Branco, Brazil



Participants in the ITTO Side Event on “REDD Readiness - Ready for What?” during COP 17 of the UNFCCC

enabling investment environments in tropical countries are essential for unlocking the full potential of private sector participation in REDD+

ITTO also organized a side event under theme “REDD Readiness - Ready for What?” on 7 December 2011 in partnership with IUCN, The Forest Dialogue (TFD) and JICA. The aim of the side event was to review the progress of selected field projects that are supporting tropical countries getting ready for REDD+ implementation.

Revising the ITTO Guidelines for the Sustainable Management of Natural Tropical Forests (1992), 23-25 August 2011, Rio Branco, Brazil

Follow-up to the First Experts Meeting held in Thun, Switzerland in June 2010 in collaboration with the State Secretariat for Economic Affairs (SECO) of Switzerland, the second Experts Meeting was organized in collaboration with the State of Acre Technology Foundation (FUNTAC), from 23 to 25 August 2011 in

the Antimary Forest Training Centre near Rio Branco, Acre State, Brazil.

The revised guidelines are designed to encourage multi-purpose forest management practices that, if applied over the long term, will sustain the yields of multiple products from, maintain the provision of services by, and safeguard the values of, tropical forests for the benefit of multiple stakeholders.

While conceptualizing SFM at a broad policy level, the guidelines would also be useful to a wide diversity of forest managers managing forests under a variety of management and tenure arrangements. The guidelines present an adaptive and collaborative forest management concept that can be applied at multiple scales. They particularly provide guidance on tradeoffs in forest management decision-making and cross-cutting issues such as forest governance, land-use planning, institutional issues and inter-sectoral linkages. It is intended that these guidelines form a basis for the development of specific guidelines at the national or subnational levels.

It is expected that revising the ITTO Guidelines for the Sustainable Management of Natural Tropical Forests (1992) will be finalized in 2012 to take into account recent developments in tropical forestry.

Senator Jorge Viana of the Brazilian Parliament opened ITTO's Second International Expert Meeting on Sustainable Forest Management on August 22 in Rio Branco, Brazil. It was part of ITTO's and the Brazilian government's celebrations of the International Year of Forests and the 25th Anniversary of ITTO. Senator Viana extended his thanks to ITTO for support in promoting

the sustainable use and conservation of forest resources in the Amazon, as well as ITTO's partnerships with Acre's local institutions since 1987. Photo: K. Araujo.

Prevention and management of fire in relation to tropical timber-producing forests, 9-13 May 2011, Sun City, South Africa

In 2011, ITTO provided support to the 5th International Wildland Fire Conference held in Sun City, South Africa, 9-13 May 2011. ITTO's contributions to the Conference included the following:

- As a member of the International Liaison Committee (ILC) of the International Wildland Fire Conferences - Fire Management Actions Alliance Advisory Group, the ITTO Secretariat was fully involved in the preparation and organization of this conference;
- Sponsorship was provided for thirteen (13) selected participants from ITTO member countries where fire-related projects have been implemented; and
- The ITTO Side Event focused on the achievements of the Organization on the ground as regards forest fire management practices in the tropics through the implementation of country-oriented fire projects.

ITTO also provided assistance to the Government of Togo for the development of policies, strategies and building capacities in local and national forest fire management.

International Seminar on Challenges of Sustainable Forest Management: Integrating environmental, social, and economic values of forests, 8-9 March, 2011, Tokyo, Japan

As a country-led initiative (CLI) in support of the United Nations Forum on Forests (UNFF), the international seminar was co-hosted by the Governments of Japan and Republic of Indonesia, and was co-organized with the International Tropical Timber Organization (ITTO), Forests Europe and the Montreal Process.

The Seminar was attended by around 170 participants from 30 countries, including international experts from governments, multilateral and non-governmental organizations and the private sector. It was officially opened by Ms. Masayo Tanabu, Parliamentary Secretary for Agriculture, Forestry and Fisheries, Japan and Mr. Uman Santoso, Director General of Forest Utilization, Ministry of Forestry, the Republic of Indonesia.



The International Liaison Committee at one of its evening sessions

The Seminar recognized that challenges for SFM still remain, and are closely associated with the underlying causes of continuing deforestation and forest degradation, such as poverty, weak forest governance, low visibility of forests in national development strategies, inadequate land tenure, insufficient stakeholder participation and the lack of necessary information, capacity and institutions, which are related to and often exacerbated by issues of global concern such as poverty, climate change, biodiversity loss, desertification and land degradation. The Seminar also acknowledged that insufficient funding is a serious challenge for SFM and noted that the ongoing work under UNFF on forest financing and emerging REDD+ mechanisms show great promise in finding a lasting solution to meet this challenge.

National Statistics Training workshop, 27-30 September, 2011, Chiang Mai, Thailand

ITTO continued to provide assistance to member countries to strengthen their statistics collection and enhance reporting. A national statistics training workshop was conducted in Thailand from 27 to 30 September 2011 in collaboration with the Royal Forestry Department of Thailand and FAO. More than 40 participants attended this training workshop.

Collaboration between ITTO, FAO and IFIA Towards a Strategy to Promote the Forest Industry Development in the Congo Basin (29-30 September 2011, Pointe Noire, Republic of Congo; 14-15 June 2011 Libreville, Gabon; 19-20 May 2011, Kinshasa, DRC; 22-23 Brazzaville 2011, Republic of Congo; 21-22 September 2010, Yaounde, Cameroon)

Four meetings were organized in Cameroon, Republic of Congo, Democratic Republic of Congo and Gabon with the objectives of developing both national and regional strategies for the development of the wood processing industry in the Congo Basin countries. This was followed by the Racewood meeting in Pointe Noir, Republic of Congo in September 2011. 50% of the participants of these meetings were from the private sector. Other participants were from governments, NGOs, and various local institutions.

The outcome of the work carried out would be a white paper on the strategy to promote the forest industry development in the Congo Basin, including the challenges related to the development of the forestry industry.



ITTO Statistical Training Workshop in Chiang Mai, Thailand



His Excellency Mr. Henri Djombo, Minister of Environment, Sustainable Development and Forest Economy of the Republic of Congo, along with ITTO Executive Director, Emmanuel Ze Meka, visiting ITTO's booth at the Forest Industry trade show at RACEWOOD



ITTO Executive Director signing the Project Agreement for PD 457/07 Rev.5(I) "Operational Supportive System to Promote further processing of timber in the Congo Basin". This project was supported by the Common Fund for Commodities(CFC) (US\$ 1,253,345.00) and the Economic Community of Central African States (ECCAS) (US\$ 634,369.00).

The four countries involved showed great interest in the meetings organized, as Ministers in charge of forests as well as other cabinet Ministers of these countries participated.

Seventh National Wood Convention of Peru, 1 September 2011, Lima, Peru

The aim of the convention, co-sponsored by ITTO was to disseminate the latest trends and opportunities in the international timber markets, and promote technological improvements for Peruvian timber products.

Main topics of the Convention included:

- Forestry and wildlife law: challenges and opportunities,
- International experience in the efficiency of productive management in the forestry industry,
- Commercial trends and opportunities in the international market for timber and timber products.

The meeting was attended by 200 participants in particular from the private sector, forest concessionaires and national authorities.



Participants at the Seventh National Wood Convention of Peru

International Seminar on Evaluation of Forest Public Policies, 4-5 August 2011, Mexico City, Mexico

As part of the activities of the International Year of Forest, the National Forestry Agency of Mexico (CONAFOR) held an International Seminar, partially funded by ITTO, on Evaluation of Forest Public Policies, with the objective to analyze the main strategies and best practices in the application of public policies within the sector, through the share of lessons learned from experiences of different countries. The exchange of experiences was would provide inputs for up-dating Mexico's Strategic Forest Plan 2025.

ITTO APPEAL TO ASSIST JAPAN AFTER THE EARTHQUAKE AND TSUNAMI

Following the Great Tohoku Earthquake and Tsunami which hit Japan on 11 March 2011, ITTO launched an urgent appeal to assist Japan in securing building materials on 14 April 2011, requesting its member countries to play a meaningful role in assisting the Government of Japan to secure the much needed building materials, including consignments of wood products as aid or donation.

Many ITTO member countries had contributed in one way or another in responding to Japan in her hour of need. In the context of the ITTO Appeal, the Government of Togo responded affirmatively with the shipment of thirty-seven cubic meters of teak logs to a recipient in Nagoya in December 2011.



Thirty-seven cubic meters of teak logs donated by the Government of Togo towards the rehabilitation of the Tohoku region following the devastation caused by the Great Tohoku Earthquake and Tsunami which hit the region on 11 March 2011



A small holder rattan industry in the feasibility study area of Katingan Forest, Central Kalimantan, under the bilateral offset-carbon mechanism initiative of Japan

PROJECT WORK

ITTO's uniqueness is its strength in the field through project works in member countries. The total amount allocated for financing projects, pre-projects and activities during the year 2011, amount to US\$13,322,750.85 including US\$283,625.00 for the ITTO Thematic Programmes. Allocations of funds were made by Japan (\$8,028,264.85), Switzerland (\$1,523,486.00),

Germany (US\$1,400,000.00), the United States of America (\$921,000.00), Australia (US\$190,000.00), Republic of Korea (\$20,000.00) and the Private sector (US\$260,000.00). A total amount of US\$980,000.00 was also allocated from the Bali Partnership Fund (Sub-Account B) and the Programme Support Fund in the Special Account.

Table 1. Summary of Projects, Pre-projects and Approved Activities Funding pledged in year 2011

	Newly Funded						Additional Funding for Ongoing Proj./ Activities	Total	
	Projects		Pre-Projects		Activities				
	No.	ITTO Funding US\$	No.	ITTO Funding US\$	No.	ITTO Funding US\$	ITTO Funding US\$	No.	ITTO Funding US\$
Economic Information and Market Intelligence	2	2,027,930					50,000	2	2,077,930
Reforestation and Forest Management	7	5,683,817	1	99,576				8	5,783,393
Forest Industry	3	985,457					1,060,000	3	2,045,457
Thematic Programmes Council					12	2,538,979	283,625 340,000	12	283,625 2,878,979
TOTAL	12	\$8,697,204	1	\$99,576	12	\$2,538,979	\$1,733,625	25	\$13,069,384

Thematic Programmes (additional funding)

Forest Law Enforcement, Governance and Trade (TFLET)	220,000
Reducing Deforestation and Forest Degradation and Enhancing Environmentment Services in Tropical Forests (REDDES)	nil
Community Forest Mnagement and Enterprises (CFME)	nil
Trade and market Tranperancies (TMT)	63,625
Industry Development and Efficiency (IDE)	nil
Total (included above):	\$283,625

**Table 2. Projects, Pre-Projects and other Approved Activities Funded by the Organization.
1987 - 2011 [ITTC (II) - ITTC (XLVII)]**

WORK	STATUS	No.	ITTO Funding (US\$)
Projects	Completed	425	217,078,605.10
	Operational	94	52,598,695.86
	Pending Contract	10	10,287,385.00
	Sub-total:	529	279,964,685.96
Pre-Projects	Completed	199	17,784,379.03
	Operational	9	493,370.00
	Pending Contract	1	99,576.00
	Sub-total:	209	18,377,325.03
Approved Activities (Note)	Completed	214	36,106,446.50
	Operational	50	34,602,572.41
	Sub-total:	264	70,709,018.91
TOTAL		1,002	369,051,029.90

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	6,701,711
Reducing Deforestation and Forest Degradation and Enhancing Environmentment Services in Tropical Forests (REDDES)	18,000,000	9,232,742
Community Forest Mnagement and Enterprises (CFME)	10,000,000	1,100,000
Trade and market Tranperancies (TMT)	5,000,000	1,263,625
Industry Development and Efficiency (IDE)	10,000,000	
	\$58,000,000	\$18,298,078

INTERNATIONAL TROPICAL TIMBER ORGANIZATION
ALLOCATIONS/PLEDGES BY DONORS TO THE SPECIAL ACCOUNT
AND THE BALI PARTNERSHIP FUND 2009-2011
(Pledges on Thematic Programmes are shown separately)
(in United States Dollars)

	2011	2010	2009
PRE-PROJECT SUB-ACCOUNT:			
AUSTRALIA			
FINLAND		\$50,000.00	\$30,000.00
FRANCE			\$69,400.00
JAPAN	\$1,773,554.85	\$468,241.06	\$428,533.00
NEW ZEALAND			
NORWAY		\$102,940.00	\$10,000.00
REP. OF KOREA			\$20,000.00
SWITZERLAND	\$370,000.00	\$300,000.00	\$500,000.00
U.S.A.	\$305,000.00	\$349,813.00	\$35,000.00
GERMANY		\$32,522.36	
Unearmarked fund: BPF-B, Special Account & WCA	\$530,000.00	\$330,000.00	\$230,000.00
Private/Government Agencies	\$50,000.00	\$385,571.76	
Sub-total	\$3,028,554.85	\$2,019,088.18	\$1,322,933.00

PROJECT SUB-ACCOUNT			
AUSTRALIA	\$190,000.00		
BELGIUM			
FINLAND			
FRANCE			
GERMANY	\$1,400,000.00		
JAPAN	\$6,254,710.00	\$4,950,902.00	\$4,454,740.00
REP. OF KOREA	\$20,000.00	\$40,000.00	\$30,000.00
NORWAY			
SWITZERLAND	\$1,153,486.00	\$818,160.00	\$106,700.00
U.S.A.	\$396,000.00	\$400,187.00	\$507,520.00
CHINA		\$100,000.00	
C.F.C.		\$2,044,895.00	
Unearmarked fund: BPF-B, Special Account & WCA	\$450,000.00	\$1,000,000.00	\$1,000,000.00
7&I Holdings			\$814,590.00
Marubeni	\$210,000.00	\$235,297.00	
Sub-total	\$10,074,196.00	\$9,589,441.00	\$6,913,550.00

THEMATIC PROGRAMMES SUB-ACCOUNT:			
(refer to the box below)	Cumulative Pledges		
NORWAY	\$8,228,960.02	\$4,260,002.38	\$90,000.00
THE NETHERLANDS	\$3,000,000.00		
JAPAN	\$2,275,953.00	\$283,782.00	\$1,000,936.00
SWITZERLAND	\$1,883,040.00	\$600,000.00	\$900,000.00
U.S.A.	\$1,532,456.00	\$220,000.00	\$497,456.00
U.K.	\$949,380.00		\$949,380.00
GERMANY	\$87,871.00	\$87,871.00	
AUSTRALIA	\$85,000.00		
FINLAND	\$69,263.00		\$34,064.00
NEW ZEALAND	\$37,530.00		
SWEDEN	\$25,000.00		\$25,000.00
REP. OF KOREA	\$10,000.00		
JLIA	\$50,000.00		
TOTAL:	\$18,234,453.02	\$220,000.00	\$5,729,111.38
			\$3,524,380.00

BALI PARTNERSHIP FUND: Unearmarked Income			
Interest Receipts		\$105,551.13	\$413,005.32
Sub-total	\$0.00	\$105,551.13	\$413,005.32
TOTAL	\$13,322,750.85	\$17,443,191.69	\$12,173,868.32

ITTO THEMATIC PROGRAMMES					
	Budget	Cumulative Pledges			
TFLET	\$15,000,000.00	\$6,701,711.00	\$220,000.00	\$635,327.00	\$949,380.00
REDDES	\$18,000,000.00	\$9,232,742.02		\$4,793,784.38	\$575,000.00
CFME	\$10,000,000.00	\$1,100,000.00		\$100,000.00	\$1,000,000.00
TMT	\$5,000,000.00	\$1,200,000.00		\$200,000.00	\$1,000,000.00
IDE	\$10,000,000.00	\$0.00			
	\$58,000,000.00	\$18,234,453.02	\$220,000.00	\$5,729,111.38	\$3,524,380.00



Kelabit women making jewellery beads under an ITTO Project PD 288/04(F) Phase IV which aims to develop the Lanjak Entimau Wildlife Sanctuary (LEWS) and Batang Anai National Park (BANP) in Malaysia collectively into a model for biodiversity conservation and sustainable management of genetic resources for forestry, socio-economic advancement and research. One of the objectives of the project is to strengthen the sustainable management capacity of LEWS and BANP at Government and local community levels.

ITTO, Marubeni Corporation and the Government of Indonesia, under the bilateral offset crediting mechanism of Japan (Ministry of Economy, Trade and Industry) conducting a pre-feasibility study to establish an activity to assess opportunities and challenges of developing a REDD+ project. A full feasibility study is now under way to develop a complete REDD+ MRV methodology for the bilateral offset scheme on Katingan Peat Restoration and Conservation Project, in Central Kalimantan.



ITTO THEMATIC PROGRAMMES

Implementation of ITTO Thematic Programmes

The International Tropical Timber Council (ITTC) at its Forty-fourth Session in November 2008 decided (Decision 9(XLIV)) to implement five Thematic Programmes (TP), on a pilot basis in the following areas:

- 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)

The operational mode of the Thematic Programmes is through calls for proposals. As the Thematic Programmes enter into Year 3 of the pilot phase, TPDs have been developed for TFLET, REDDES, CFME and TMT. The funding received has allowed for the launch of four proposal cycles as follows:

- Spring Cycle 2009 - REDDES, TFLET
- Autumn Cycle 2009 - REDDES, TFLET
- Spring Cycle 2010 - TFLET, CFME, TMT
- Spring (1st) Cycle 2011 - REDDES, TMT

Detailed information on the Thematic Programmes including Thematic Programme Documents, Monitoring Protocols, and lists of funded projects is available at http://www.itto.int/thematic_programme_general/

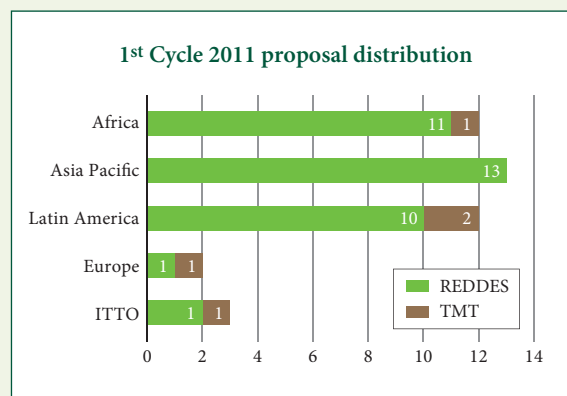
In 2011, the Thematic Programmes continued to receive a very positive feedback from the member countries as the pilot phase entered its third and final year. The

pledges made during the 46th Session of the ITTC allowed the launch of one call for proposals in 2011 under REDDES and TMT. The funding remaining under TFLET and CFME was not sufficient to launch a call for proposals under these programmes. No funding pledges have been received yet for the thematic programme on 'Industry Development and Efficiency'.

TP Calls for Proposals in 2011

The Thematic Programme 1st Cycle 2011 Call for Proposals for REDDES and TMT was launched on 25 February 2011 with a deadline for receipt of proposals on 22 April 2011. By the deadline, 42 eligible proposals were received from 21 member countries and the ITTO Secretariat, seeking a total of US\$ 15,725,260.

The Executive Director approved for funding seventeen proposals, including fourteen under REDDES and three under TMT. The total funding allocation under this cycle was US\$ 4,875,003, divided into US\$ 4,134,251 under REDDES and US\$ 740,752 under TMT.



Regional Distribution of proposals by region and programme under the TP 1st Cycle 2011

Thematic Programme Financing

In 2011, new pledges totaling US\$ 283,625 were received for the Thematic Programmes: US\$220,000 from USA for TFLET and US\$63,625 from Finland for TMT.

Overall Funding Status of the ITTO Thematic Programmes

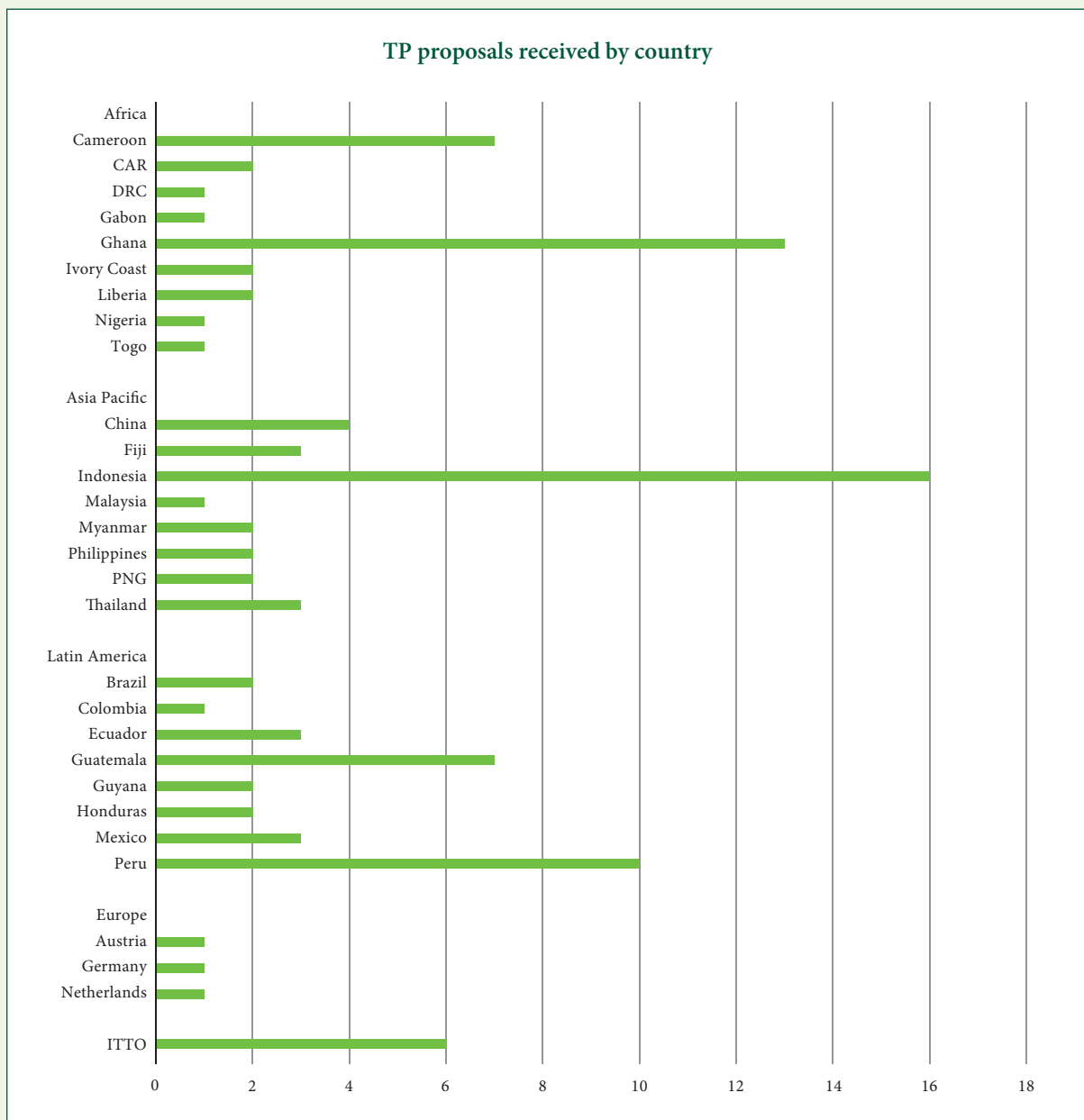
TP	Indicative budget (Pilot Phase)	Funding pledged	Remaining Balance	Donors
TFLET	\$ 15,000,000 (100%)	\$ 6,701,711 (44.68%)	\$ 8,298,289 (55.32%)	Netherlands, Japan, UK, USA, Switzerland, Germany, Australia, New Zealand, Finland, Norway, Republic of Korea. Japan Lumber Importers Association
REDDES	\$ 18,000,000 (100%)	\$ 9,232,742 (51.29%)	\$ 8,767,258 (48.71%)	Norway, Japan, Switzerland, USA
CFME	\$ 10,000,000 (100%)	\$ 1,100,000 (11.00%)	\$ 8,900,000 (89.00%)	Japan, USA, Switzerland, Norway, Sweden
TMT	\$ 5,000,000 (100%)	\$ 1,263,675 (25.27%)	\$ 3,736,325 (74.73%)	Switzerland, USA, Japan and Finland
IDE	\$ 10,000,000 (100%)		\$ 10,000,000 (100%)	
TP Total	\$ 58,000,000 (100%)	\$ 18,298,078 (31.55%)	\$ 39,701,922 (68.45%)	

TP pledges by donor country and Thematic Programme

Donor Country	Total	TFLET	REDDES	CFME	TMT	IDE
Norway	8,228,960	15,000	8,173,960	40,000		
Netherlands	3,000,000	3,000,000				
Japan	2,275,953	991,235	483,782	635,000	165,936	
Switzerland	1,883,040	683,040	400,000	100,000	700,000	
USA	1,532,456	757,456	175,000	300,000	300,000	
UK	949,380	949,380				
Finland	132,888	35,199			97,689	
Germany	87,871	87,871				
Australia	85,000	85,000				
JLIA	50,000	50,000				
New Zealand	37,530	37,530				
Sweden	25,000			25,000		
Korea	10,000	10,000				
Total	18,298,078	6,701,711	9,232,742	1,100,000	1,263,625	

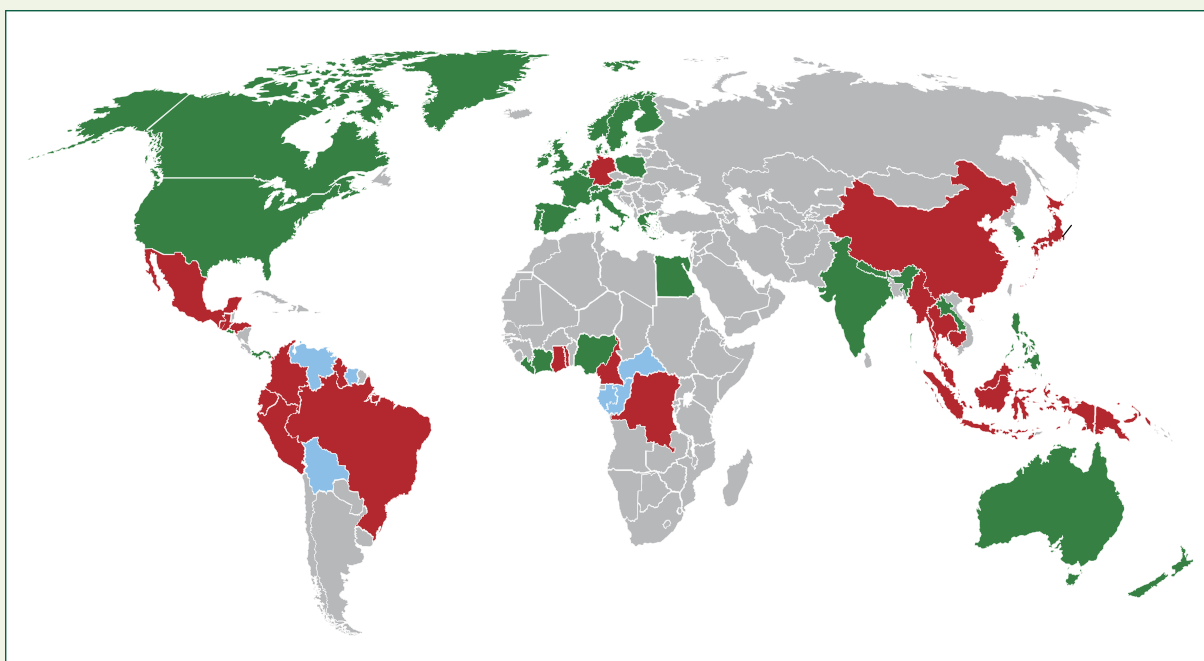
Status of the Thematic Programmes

As the Thematic Programmes have entered into the third year of the pilot phase, four out of the five Thematic Programmes approved by the Council have been launched and had at least one call for proposals. The Thematic Programme on Industry Development and Efficiency has not received any funding pledges yet. The amount of US\$ 18,298,078 has been pledged across all TPs, representing 31.55% of the total amount envisaged (US\$ 58 million) for the pilot phase. The funding allowed for the launch of four proposal cycles which attracted 100 proposals from 28 member countries and the ITTO Secretariat.



Total Proposals received under the Thematic Programmes by submitting country

Under the four TP proposal cycles, 43 proposals with a financial commitment of US\$ 12,946,475 have been approved for funding. In addition 8 proposals with a financial commitment of US\$ 2,858,149 have been funded under the TFLET precursor. This results in 51 funded projects, pre-projects and activities with a total financial commitment of US\$ 15,804,624 involving 26 countries (Africa - 7; Asia-Pacific - 7; Latin America - 11; Europe - 1) across the regions and also including ITTO Secretariat implemented activities of global scale.



Distribution of TP funded projects across member countries

(Red = members with TP funded projects; Blue = members involved in other countries' projects; Green = members with no TP funded projects; Japan indicates ITTO Secretariat implemented projects/activities)

Proposals approved for funding under the REDDES 1st Cycle 2011

Project ID	Submitted by	Title	ITTO Funding	Project Total
RED-PD 031/11 Rev.1 (F)	Togo	Rehabilitation and restoration of residual forests and arid savannah lands in the Akpé and Akama valleys	\$478,894	\$773,349
RED-PD 033/11 Rev.2 (F)	Peru	Value adding to environmental services from managed forests belonging to seven communities in the Ucayali region	\$415,384	\$654,965
RED-PD 037/11 Rev.2 (F)	Malaysia	Reducing forest degradation and emissions through sustainable forest management (SFM) in peninsular Malaysia	\$590,922	\$864,622
RED-PD 038/11 Rev.3 (F)	Myanmar	Capacity building for developing REDD+ activities in the context of sustainable forest management	\$571,890	\$645,692
RED-SPD 039/11 Rev.1 (F)	Thailand	Improving the quality and coverage of the estimates of carbon stocks in Thailand's forests and trees outside forest: Phase I	\$113,373	\$158,279
RED-PPD 041/11 Rev.2 (F)	Honduras/ Guatemala	Designing a Programme for Capacity Building and Meaningful Stakeholder Participation in Forest Governance and REDD+ in Honduras and Guatemala	\$144,650	\$170,320
RED-PD 045/11 Rev.2 (M)	Mexico	Environmental assessment and economic valuation of ecosystem services provided by coastal forests (mangrove forests, flood forests, rain forests and scrub forests on dunes) and their agricultural replacement systems on the central coastal plain of Veracruz, Mexico	\$470,682	\$871,825
RED-PPD 050/11 Rev.1 (F)	Cameroon	Participatory development, conservation and rehabilitation of degraded forest areas in the Bamboutos Mountain chain, West Cameroon	\$73,613	\$93,713

Project ID	Submitted by	Title	ITTO Funding	Project Total
RED-PPD 051/11 Rev.1 (F)	Cameroon	Contribution to the implementation of REDD mechanisms by enhancing the participation of stakeholders in sustainable forest management in Cameroon	\$81,864	\$100,864
RED-SPD 055/11 Rev.1 (F)	Ecuador	Integrating sustainable livelihoods, environmental mortgages, and science-based reforestation for tangible forest conservation change in the Ecuadorian Chocó	\$149,922	\$207,744
RED-PA 056/11 Rev.1 (F)	ITTO	Strengthening the capacity of ITTO producer countries in Africa in generating and disseminating scientific information on Reducing Deforestation and Forest Degradation and Enhancing Environmental Services from Forests	\$253,120	\$348,120
RED-SPD 058/11 Rev.2 (F)	Brazil	Developing REDD+ES in the Brazilian Atlantic Rain Forest	\$142,110	\$164,610
RED-PD 064/11 Rev.2 (F)	Indonesia	Promoting Local Community Initiative on the Rehabilitation of Mangrove Ecosystem with Demonstration Activities in Bintan Island to Reduce further Deforestation and Forest Degradation	\$504,317	\$555,887
RED-PA 069/11 Rev.1 (F)	ITTO	Quantifying the REDD+ effect of ITTO projects	\$143,510	\$143,510
REDDES 1 st Cycle 2011 Allocation Total			\$4,134,251	

Proposals approved for funding under the TMT 1st Cycle 2011

Project ID	Submitted by	Title	ITTO Funding	Project Total
TMT-PD 004/11 Rev.2 (M)	Guatemala	Strengthening of the forest information system of Guatemala to improve market and trade transparency and decision-making in the forest sector.	\$359,716	\$656,562
TMT-PD 006/11 Rev.3 (M)	Guyana	Strengthening market information systems to enhance trade and market intelligence in the forest sector of Guyana	\$320,920	\$420,820
TMT-PA 007/11 Rev.1 (I)	ITTO	Methodological Development for Life Cycle Analysis of Tropical Wood Products to Improve their Competitiveness in International Markets	\$60,116	\$60,116
TMT 1 st Cycle 2011 Allocation Total			\$740,752	



ITTO Fellow, Ms. Nana Yaa Nyarko-Duah (Ghana) undertaking M.Sc. research on “The Effect of Different Densities of Mixture Stands on *Hypsipyla robusta* attacks and Growth of African Mahogany” at the Kwame Nkrumah University of Science and Technology, Kumasi, Ghana.

ITTO Fellow, Mustapha Seidu (Ghana) undertaking a short training course on “Monitoring, Recording and Communicating Biodiversity” at the Montford Centre, Shrewsbury, United Kingdom.



FELLOWSHIPS

Objective:

ITTO offers fellowships through the Freezailah Fellowship Fund to promote human resource development and to strengthen professional expertise in member countries in tropical forestry and related disciplines.

Current Status:

As of December 2011, the Programme, which began in 1989, has enabled more than 1150 young and mid-career people from over 40 countries working for government, universities, research institution, civil society and the private sector to pursue their professional development and improve their career prospects. The fellowships are mainly awarded to nationals of ITTO producer member countries. Thirty-one percents of the fellowships have been awarded to people from Africa, 31% to people from Asia/Pacific and 24% to people from Caribbean/Latin America. Eleven percent of the fellowships have also been awarded to people from developing consumer countries, such as China and Nepal, and 3% to people from developed consumer countries. Seventy percents of the fellowships awarded were in the field of Reforestation and Forest Management, 21% in Forest Industry and 9% in Economic Information and Market Intelligence.

The total value of fellowships awarded to date amounts to about US\$6.7 million. Funding has been provided through the generous voluntary contributions from Japan (74%), U.S.A (15%), the Netherlands (7%), Australia (3%) and others (1%) including Sweden, U.K. and Bali Partnership Fund-B. The programme supports mainly short-term activities, such as participation in international conferences, training courses and study tours. In addition, it also helps people to prepare manuals and monographs and provides small grants for post-graduate study.

ITTO Fellowship Programme encourages capacity development of women foresters, and has supported 317 women to undertake fellowship activities, which accounts for 28 % of the total number of fellowship awards.

New Application Process

An on-line application system has been introduced and has been available on the ITTO website since September 2011. This system is intended to enhance the efficiency of the application process for both applicants and the Secretariat.

Impact Assessment of the Fellowship Programme

The results of the Impact Assessment of the Fellowship Programme conducted in 2010 were reported at the 18th Meeting of the Senior Fellowship Officers of the United Nations System held at UNESCO in Paris on 2-4 November 2010. A report on the Impact Assessment together with selected Fellows' reports were published in the special edition of the TFW Volume 21 Number 1 2011, devoted to the Fellowship Programme.

Fellowships awarded in 2011

In 2011, two Fellowship Selection Panels were convened under an electronic procedure to evaluate and recommend fellowship applications to the Council. In the Spring Session, 25 fellowships were approved and awarded at the total cost of US\$150,775. In the Autumn Session, 23 fellowships were approved and awarded at the total cost of US\$135,820.

The Tables 1 and 2 below show the fellowships awarded in Spring and Autumn Sessions of 2011 respectively.



ITTO Fellow, Dr. Sanjay Singh attending the International Conference on “Planted Teak Forests- A Globally Emerging Forests Resource” at San Jose and Guanacaste, Costa Rica

Table 1: Fellowships awarded in spring 2011

Name of Fellow	Country	Activity
Mr. Adefolu, Solomon Olatunji	Nigeria	Participating in the IUFRO International Conference on “Research Priorities in Tropical Silviculture: Towards New Paradigms” in Montpellier, France
Mr. Ali, Salissou	Togo	Carrying out Ph.D. Research on “The Dynamics of Stands of <i>Tectona grandis</i> (LF) in Plantations in the Ecological Zones in Togo” at the Bircham International University (Distance Learning) in Madrid, Spain
Ms. Andeme Ondo, Hortense	Gabon	Undertaking a Program in Engineering of Water and Forests at Rural Polytechnic Institute of Training and Applied Research in Katibougou, Mali
Ms. Barbosa Herrera, Adriana Paola	Colombia	Undertaking a Short Training Course on Fundamentals of Geo-processing at SELPER in Sao Paulo, Brazil
Mr. Bhatt, Bharat Prashad	Nepal	Undertaking a Masters Program in Watershed Management at Institute of Forestry, Tribhuvan University in Pokhara, Nepal
Mr. Chaudhary, Dinesh Prasad	Nepal	Undertaking a Masters Program in Natural Resources Management and Rural Development at Institute of Forestry, Tribhuvan University in Pokhara, Nepal
Mr. Chhem, Leang Song	Cambodia	Undertaking a Short Course on “Governance for Forests, Nature and People” at Wageningen UR Centre for Development Innovation in Bogor, Indonesia
Ms. Ferreira, Mônica Sousa	Brazil	Undertaking a Training Internship in LIDAR and Airborne Laser Scanning Methods (ALS) Applied to Forest Inventory, Operations and Forest Management Modelling at the University of Eastern Finland in Joensuu, Finland
Ms. Gyabaah, Grace	Ghana	Completing a Masters Thesis on “Carbon Sequestration in Different Land-Use Systems in A Moist Semi-Deciduous Forest” at the Kwame Nkrumah University of Science and Technology in Kumasi, Ghana

Name of Fellow	Country	Activity
Dr. Kouadio, Kouassi	Côte d'Ivoire	Preparing a Technical Document on "Contribution to the Study of the Effects of Sunlight on the Germination and Growth of Some Local Species Commonly Exploited to Promote Their Sustainability"
Ms. Loayza Cabezas, Sophia Cristina	Ecuador	Undertaking XXIII International Intensive Course on Diversified Management of Natural Tropical Forests at CATIE in Turrialba, Costa Rica
Ms. López Castañeda, Arelia Javie	Mexico	Undertaking a Masters Program in Biology at the University of Sherbrooke in Sherbrooke, Canada
Mr. Mavah, Germain Aimé	Congo, Rep.	Undertaking a Ph.D. Program in Interdisciplinary Ecology at the University of Florida in Gainesville, U.S.A.
Ms. Mbosso Mafomekiet Fouedjo, Philomène Charlie	Cameroon	Carrying out Ph.D Research on Renewable Resources at the University of Ghent in Ghent, Belgium
Dr. Mohamed, Azmy	Malaysia	Undertaking a Study Tour and Mobility Activity between the University Putra Malaysia, Serdang, Selangor in Malaysia and the University of Florida, Gainesville, USA
Ms. Mokake, Seraphine Ebenye	Cameroon	Carrying out Ph.D. Research on "Evaluation of Stand Dynamics Following Selective Logging in Some Forest Concessions in the East Region of Cameroon" at University of Buea and ANAFOR in Cameroon
Ing. Nalvarte Armas, Jaime Guillermo	Peru	Undertaking an International Workshop on Community Forestry and REDD Process at the University of Laval in Quebec, Canada
Mr. Paul, Geo Basil	India	Undertaking a Masters Program in Forestry with specialization in Forest Management and Utilization at Kerala Agricultural University in Kerala, India
Mr. Pereki, Hodabalo	Togo	Carrying out Ph.D. Research on "Contribution to the Management of Dry Forests Dense Anogeissus leiocarpus (DC) Guill. & Perr. (Combretaceae) in the Wildlife Reserve Abdoulaye Togo" at the University of Lome in Lome, Togo
Mr. Piñon, Albert Arvisu	Philippines	Completing a Masters Thesis on "Phenotypic and Genetic Characterization to Evaluate the Performance of E. deglupta x pellita Blume, F. Muell hybrids in Northern Mindanao, Philippines" at the University of the Philippines, Los Baños in Laguna, Philippines
Mr. Rivera Martin, Luis Eduardo	Colombia	Preparing a Technical Document on "Ecology and Silviculture of Amazonian Useful Species: Study of timbers-Abarco (Cariniana micrantha Ducke), Violeta (Peltogyne paniculata Benth) and Quinilla (Manilkara bidentata A. DC. A. Chef) "
Ms. Sari, Rita Kartika	Indonesia	Carrying out Ph.D. Research on "Investigation of the Novel Anticancer Substances Originated From Indonesian Woods in Community Forest" at Bogor Agricultural University in Bogor, Indonesia
Ms. Thwe, Thwe Win	Myanmar	Carrying out Masters Research on "Population Genetic Structure of Teak in Myanmar Based on Microsatellites Analysis" at the University of Tokyo in Tokyo, Japan
Mr. Tupac Espiritu, Henry Aldo	Peru	Undertaking XXIII International Intensive Course on Diversified Management of Natural Tropical Forests at CATIE in Turrialba, Costa Rica
Mr. Wallace, Robert Flomo	Liberia	Undertaking a Training Course on Forest Utilization Techniques for Sustainable Development at the Training Center for Tropical Resources and Ecosystems Sustainability of the University of the Philippines in Los Baños, Philippines

Table 2: Fellowships awarded in autumn 2011

Name of Fellow	Country	Activity
Mr. Baniako, Kwadwo Nti	Ghana	Completing a Masters Thesis on “Carbon Allocation in Agroforestry Plantation of Indigenous Tree Species in the Wet Evergreen Forest in Ghana” at Kwame Nkrumah University of Science and Technology in Kumasi, Ghana
Ms. Coraça de Freitas, Alexandra	Brazil	Undertaking a Masters Program in Management and Conservation of Tropical Forests and Biodiversity at CATIE in Turrialba, Costa Rica
Dr. Dave, Sanjay Mahendrakumar	India	Undertaking a Short Training Course on “Non-Invasive Genetic Techniques in Wildlife Conservation” at Smithsonian Conservation Biology Institute in Washington, D.C., U.S.A.
Mr. De Mello, Roberto Lecombe	Brazil	Participating in the World Conference on Timber Engineering in Auckland, New Zealand
Ms. Díaz Ríos, Leandra Fany	Bolivia	Preparing a Technical Document on “Estimation of the Total Economic Value of the Area Used by Community Forest Organization AIFU, Santa Cruz -Bolivia”
Dr. Gonzalez-Peña, Marcos Miguel	Mexico	Participating in the 43rd Annual Meeting of the International Research Group on Wood Protection in Malaysia
Ing. Gutierrez Patzi, Cristhian Celso	Bolivia	Undertaking the World Forest Institute International Fellowship Program at World Forestry Center in Portland, U.S.A.
Mr. Kouadio, Kouakou Bob	Côte d’Ivoire	Carrying out Ph. D. Research on “Impact of Bushfires on Vegetation and Wildlife “ at the University Center for Research and Application in Remote Sensing (CURAT), the University of Cocody in Abidjan, Côte d’Ivoire
Ms. Kurniasih, Heni	Indonesia	Undertaking A Pilot Study on Indonesian Community Forest Management Approaches as a part of a PhD Program at the University of Melbourne in Melbourne, Australia
Ms. Moncada González, Ana Carolina	Colombia	Completing a Masters Thesis on “Effects of Shadow of Intensive Silvopastoral Systems (SSPI) with Timber Species on Populations of Parasites of Cattle in Dry Caribbean of Colombia” at the University of Antioquia in Colombia
Mr. Narvaez Ortiz, Ildefonso	Colombia	Undertaking a Masters Program in Development Practice at CATIE in Turrialba, Costa Rica
Mr. N’Djao, Mayabassim	Togo	Undertaking a Masters Program in Agronomy and Agri-Food Technologies with a Specialty in Environmental Management of Ecosystems and Tropical Forests at Agro ParisTech in Montpellier, France
Mr. Neba, Funwi-Gabga	Cameroon	Undertaking a Short Course in “Spatial Ecology, Geospatial Analysis, and Remote Sensing for Conservation” at the Smithsonian Mason Global Conservation Studies Program in Front Royal, U.S.A.
Ms. Nguetse, Mbah Immaculate	Cameroon	Undertaking a Laboratory Training Internship in Methodologies to Quantify Carbon Sequestration in Forest Plantation at the Earth Science Laboratory in Johannesburg, South Africa
Mr. Opoku, Samuel Mensah	Ghana	Carrying out Masters Research on “Growth and Productivity of Khaya grandifoliola in the Dry Semideciduous Forest of Ghana: A Comparison in Pure and in Mixed Stands” at Kwame Nkrumah University of Science and Technology in Kumasi, Ghana
Ms. Ranabhat, Sunita	Nepal	Undertaking a Masters Program in Tropical and International Forestry at Goerg-August-Universität in Göttingen, Germany
Ms. Samaniego Arcos, Catty Marisela	Peru	Preparing a Technical Document on “Mechanisms of Governance for Public Institutions with Expertise in Forestry in Peru”
Mr. Shah, Shailendra Kumar	Nepal	Undertaking a Masters Program in Watershed Management at Institute of Forestry, Tribhuvan University in Pokhara, Nepal

Name of Fellow	Country	Activity
Dr. Simo Tagne, Merlin	Cameroon	Carrying out Research on “Characterization of Thermophysical Properties of Tropical Woods: Study of the Influence of Temperature and Water Content in order to Optimize the Quality of Wood for Sustainable Use” at Ecole Nationale Supérieure des Technologies et Industries du Bois in France
Ms. Sindhumathy, C. R.,	India	Undertaking a Masters Program in Forestry with Specialization in Wood Science at College of Forestry, Kerala Agricultural University in Thrissur, Kerala State, India
Mr. Tagbi, Kossi Afedo	Togo	Carrying out an Advance Study Diploma Thesis on “Preliminary Study of the Growth Dynamics of Indigenous Species in Forest Plantations : the Case study of Missahoe Gazetted Forest - Togo” at the University of Lome in Lome, Togo
Ms. Timilsina, Lila Bati	Nepal	Undertaking a Short Term Training Course on “Species Monitoring and Conservation: Terrestrial Mammals” at Smithsonian Conservation Biology Institute in Front Royal, Virginia, U.S.A.
Ms. Tomaselli, Maria Fernanda	Ecuador	Undertaking a Certificate Program in “Livelihoods and Markets” at Coady International Institute in Antigonish, Nova Scotia, Canada



ITTO Fellow, Dr. A. Balasubramanian (India) undertaking a short training course on “Methodologies to Quantify Carbon Sequestration in Afforestation Plantation” at the School of Environmental Sciences, University of Guelph, Ontario, Canada

TRADE AND CIVIL SOCIETY ADVISORY GROUPS

CSAG Side-event at the Forty-seventh Session of ITTC

The Civil Society Advisory Group in collaboration with IUCN and the Rainforest Alliance organized a side-event in conjunction with the Forty-seventh Session of the International Tropical Timber Council, convened in La Antigua Guatemala on “Community Managed Forests in Guatemala and Mesoamerica”

CSAG made the following recommendations to the Forty-seventh Session of the Council:

- (a) A study should be implemented in the three regions to review the current status and trends in the share of small producers and community enterprises in domestic and regional markets, as well as legal barriers and incentives to participate in these markets, so that these issues could be discussed in a conference setting in Africa, Asia and Latin America, and specific actions identified at the national and regional levels including specific inputs for ITTO.
- (b) After the completion of the series of conferences on forest tenure ITTO should generate information as a follow-up to the outputs of these conferences and



Representatives from local forest management groups and international forest policy experts discussed elements of community-based forestry in the context of tropical timber trade, climate change, and biodiversity conservation during the CSAG Side-event at the Forty-seventh Session of the ITTC, in La Antigua Guatemala, Guatemala.

should, therefore, establish mechanisms to monitor and report on the status of forest tenure and ownership on the basis of the information generated by ITTO members and other cooperating agencies with relevant mandates and experience.

(c) Funding should be made available to ensure the formal participation of the members of the Civil Society Advisory Group in the formulation of policies and in particular to include an item in the agenda of ITTC Sessions to discuss, on an annual or biannual basis, relevant issues and policies at the CSAG level.

ITTO Annual Market Discussion 2011



The market discussion was organized by the Trade Advisory Group (TAG) and held in a joint session of the Committees during the Forty-seventh Session of the Council with the theme “The Crisis, the Impact and the Recovery”. Presentations were made by six speakers on the implications of the financial crisis for the tropical timber industry and trade, focusing on the likelihood that the tropical timber trade would face a prolonged period of market stagnation.

Mr. André de Boer, the Secretary General of the European Timber Trade Federation, outlined the structural changes that took place in the timber trade and wood processing sectors in Europe. He reported that import data up to mid 2011 for sawnwood, plywood veneer, mouldings and joinery were all signaling depressed markets across the EU. On a positive note, he said that the recently amended Lacey Act and the coming into force of the EU Timber Regulation (EUTR) should increase demand for tropical wood products through providing the trade with a defined set of trading rules. However, there were many issues to be resolved, including ensuring that legality would be defined as compliance with legislation in the country of harvest.



Ms. Luo XinJian, the Assistant Director of the Center for International Forest Products Trade of China State Forest Administration, pointed out that despite the stimulus measures taken by the Chinese authorities, the impact of the crisis on China's timber sector was still severe, with half of the plywood enterprises closed, a fifth of the wood flooring firms facing closure and almost three quarters of the primary processing enterprises failed. She highlighted the weaknesses in the domestic and international markets and indicated that many enterprises in China were not well informed of the requirements of either the Lacey Act or the EUTR.





Mr. R.T. Somaiya, the President of Timber Importers Association of India, said the strength of the Indian economy lied in domestic consumption. In the face of the financial crisis and the slowing of world trade, the Indian government injected funds into domestic infrastructure. Despite the prospects for a period of slower growth, total demand for timber in India was estimated at 95 million cubic metres and was expected to rise to 120 million cubic metres by 2015 and to 150 million by 2020. He indicated that there was an acute shortage of wood products in India resulting in price increases and expanded imports.

Mr. Alhassan Attah, the Executive Director of Timber Industry Development Division of Forestry Commission of Ghana, indicated that the decline in international market demand resulted in a greater focus on domestic and regional markets which were hardly affected by the financial crisis. Across Africa, there had been very little in the way of fiscal and economic stimulus measures to address the impact of the crisis. It appeared that the trade would have to live with reduced demand for tropical timber in the EU and that alternative markets in India and China would have to be further cultivated to ensure continued demand for tropical timber.



Mr. Brent J. McClendon, the Executive Vice President of International Wood Products Association of USA, said the US demand for all types of wood products plummeted during the financial crisis. The US housing industry, along with the flooring, decking, mouldings and cabinet sectors, also came to a standstill. At the same time, U.S. imports collapsed, with wood product imports plunging more than 50% on levels in 2006. Many of the marketing problems facing the US industry were common to other countries and stemmed from the wood industry's inability to deliver coherent consumer information. He further mentioned that while compliance with the Lacey Act in the United States and the EU Timber Regulation may pose challenges to the industry, these instruments also offered the timber industry with the means of countering the wildly inaccurate claims that logging around the world was illegal.

Dr. Akihiko Nemoto, Professor of Tottori University of Environment of Japan made a stunning presentation on the scale of the March 11 earthquake and tsunami disaster in Japan. He described the impact of the disaster which struck off the coast of the north east region of Japan which had left deep scars on the Japanese people. The Japanese timber industry in the disaster hit areas was being rebuilt. However, looking at only the forest sector, some businesses might have recovered but the majority was still suffering, while many issues remained unresolved.



The ensuing discussion revolved on the lessons learned from the crisis and the assessment of the measures taken to address its implications and impacts.



Measuring a tree for biodiversity assessment at FRIM, Malaysia under ITTO Project PD 165/02 (F)

ITTO Project PD 288/04(F) Phase IV aims to develop the Lanjak Entimau Wildlife Sanctuary (LEWS) and Batang Anai National Park (BANP) in Malaysia collectively into a model for biodiversity conservation and sustainable management of genetic resources for forestry, socio-economic advancement and research



Annual Review and Assessment of the World Timber Situation 2011

Uncertainties in the global economy in 2011, mainly caused by the crisis in the euro-zone countries, continued to weaken global housing markets and depress consumer demand in major tropical timber consuming countries. Although there were growing signs of recovery in tropical timber trade and prices in 2010, with growth in China and India's markets stabilising trade, this trend was not sustained in 2011 as market conditions in consumer countries weakened.

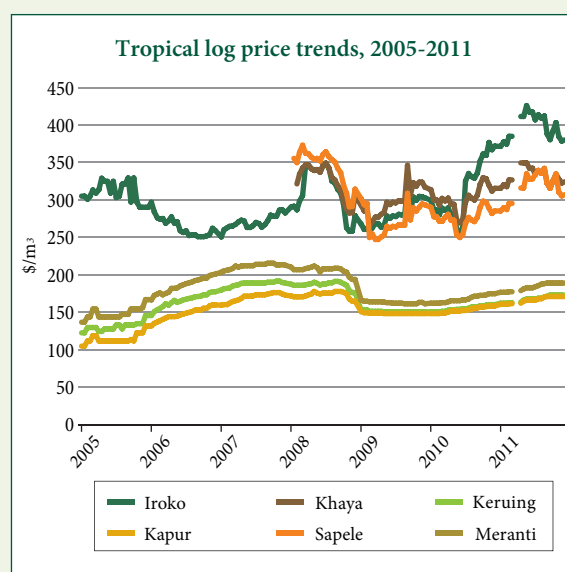
Production of tropical industrial roundwood (logs) in ITTO member countries reached a low of 140.5 million m³ in 2009 when the global recession had reached its height, but increased slightly in 2010, indicating some signs of recovery in tropical log markets as well as some easement of wood processing curtailments in ITTO member countries. Four countries – Indonesia, Brazil, India and Malaysia – accounted for almost three-quarters of total production in 2010 and the bulk (63%) of production was in the Asia-Pacific region. In 2011, production declined to 137.8 million m³ with most of the decline attributed to a significant drop in Malaysia's production¹.

Tropical sawnwood production has followed a similar trend; production totalled 42.8 million m³ in 2011 with Brazil accounting for 38% of the total and all the other major producers located in the Asia-Pacific region – India, Malaysia, Indonesia and Thailand. Tropical plywood production increased in 2009 and 2010, reaching 18.9 million m³ in 2010, with China accounting for most of the increase.

¹ The data presented in this article are preliminary data retrieved from ITTO's statistical database. Data for 2011 are based on estimates mostly made in the third quarter of that year and should therefore be considered tentative.

In 2010, imports of tropical hardwood logs by ITTO members showed some signs of recovery from the demand effects of the global economic crisis, reaching 14 million m³, a 21% increase on the previous year's imports. Import volumes were expected to be maintained at similar levels in 2011. China and India continue to dominate the trade and their share of total ITTO imports has continued to grow. Together, they accounted for over 87% of tropical roundwood imports in 2010, compared with 22% in 1995 (when Japan was the major importer), 46% in 2000 and 75% in 2007.

Although China's tropical log imports dropped in 2009 to the lowest level in a decade, it remained the dominant country market, accounting for 53% of ITTO tropical log imports. China's imports in 2010 recovered fully from



Note: Prices in constant 1990\$ per cubic metre (deflated by the IMF Consumer Price Index for industrial countries)

Source: ITTO Market Information Service, January 2005-December 2011

the global recession, and its importance in the tropical log trade had grown further, accounting for 60% of ITTO tropical log imports in that year. The turnaround in import growth can be attributed to recovery in China's housing sector (a stimulus package for housing and infrastructure projects had strengthened the housing sector significantly), as well as the recovery in export demand for China's secondary processed wood products.

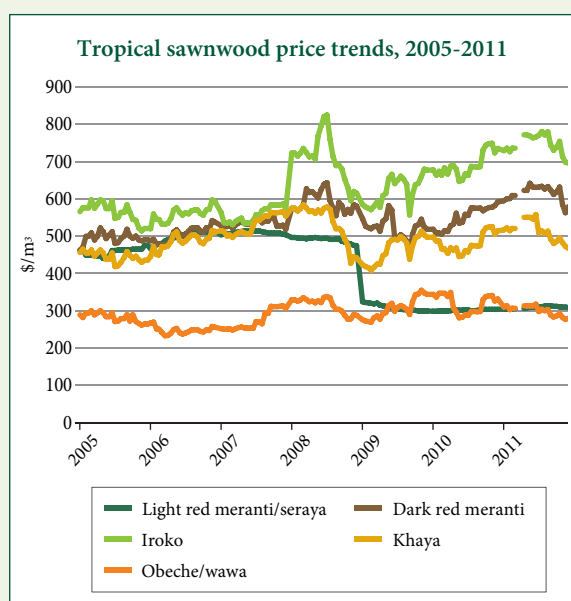
Price trends for logs, sawnwood and plywood of some of the more important internationally traded tropical species are indicative of global market trends in the tropical trade over the last few years.

Despite relatively low demand in the EU, log prices in 2010 and early 2011 generally trended upwards, as importers' inventories dwindled because of low purchasing activity and as suppliers diverted their exports to China (as a replacement for Russian logs) and India (for infrastructure construction projects), where demand relatively buoyant. Prices were also disrupted by periodic disruptions to supply caused by poor weather conditions in Malaysia. In late 2011, prices moved downward as economic conditions weakened in major export markets.

Numerous policy measures – aimed at improving forest law enforcement and governance and countering the

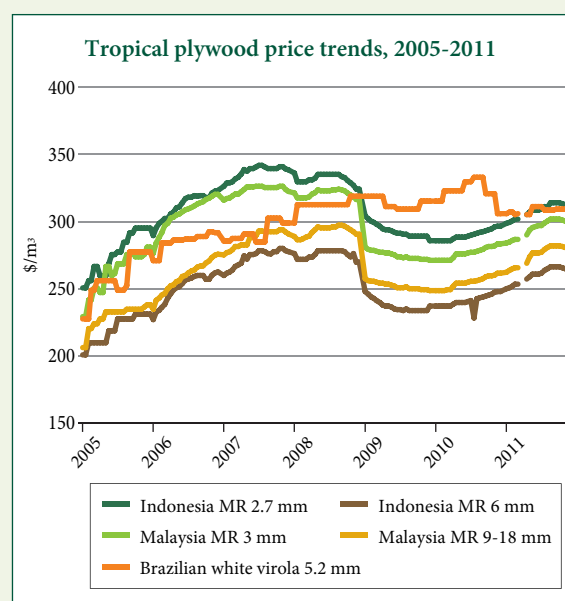
trade in illegal harvested timber – are expected to impact trade in tropical wood products. Demand for certified wood products is expected to grow strongly as the EU moves towards full implementation of the EU Illegal Timber Regulation (EUTR) from March 2013. Under the EUTR, all European importers will be obliged to implement due diligence systems to minimize the risk of any wood being derived from an illegal source. They will also be liable to prosecution if found in possession of wood extracted or traded in contravention of the laws of any country. However according to the EUTR, any timber or timber product licensed under the terms of a Voluntary Partnership Agreement (VPA) will be automatically recognized as legal in the EU market. European importers will be under no obligation to seek further safeguards (such as certification) to demonstrate the legal origin of VPA Licensed timber. To date, VPAs have been signed with Ghana, Cameroon, Republic of Congo, Indonesia, Liberia, Malaysia and Vietnam (not an ITTO member).

China and Vietnam dominate exports of secondary processed wood products (SPWPs) and are becoming more dominant, despite having minimal domestic wood resources. Their exports grew during the global economic crisis while those from other tropical suppliers declined, basically reflecting their price competitiveness during periods of low demand but also technological



Note: Prices in constant 1990\$ per cubic metre (deflated by the IMF Consumer Price Index for industrial countries)

Source: ITTO Market Information Service, January 2005-December 2011



Note: Prices in constant 1990\$ per cubic metre (deflated by the IMF Consumer Price Index for industrial countries)

Source: ITTO Market Information Service, January 2005-December 2011

and quality control improvements. Exports of SPWPs from ITTO producers picked up marginally in 2010 but have not returned to pre-crisis levels because the major markets are in the USA, EU countries and Japan, whose economies have not yet fully recovered. ITTO produc-

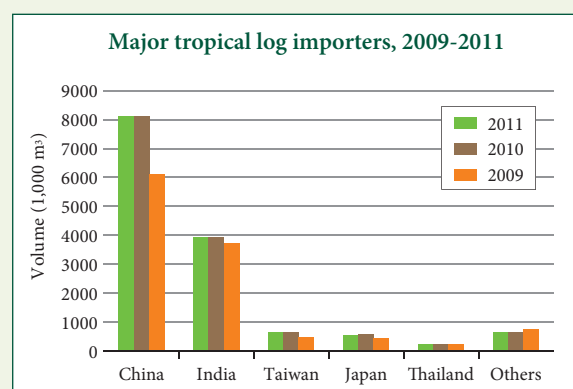
ers continued to play a more significant role in global mouldings exports compared with exports of other SPWP items, accounting for over 30 percent of world exports of wooden mouldings in 2010.

Production and trade of primary tropical timber products, ITTO total, 2008-2011 (million m³)

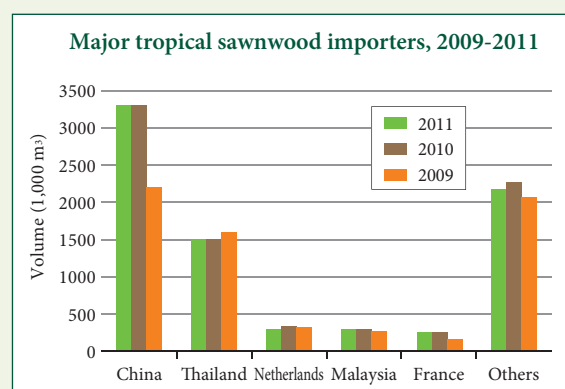
	2008	2009	2010	2011	% Change 2010-2011
Logs					
Production	145.6	140.5	141.5	137.8	-4.7
Imports	13.6	11.6	14.0	14.0	0
Exports	12.9	11.4	11.7	11.2	-4.3
Sawnwood					
Production	43.7	42.4	43.2	42.8	-0.1
Imports	8.4	6.7	7.9	7.8	-0.1
Exports	9.5	8.4	10.2	9.9	-2.9
Plywood					
Production	17.9	18.6	18.9	18.4	-2.6
Imports	6.5	5.7	6.8	6.3	-7.4
Exports	7.3	7.0	7.5	7.4	-0.1

Notes: Total of producer and consumer countries. ITTO categorizes its 60 member countries into 33 producers and 27 consumers (non-tropical) which together constitute 95% of all tropical timber trade and over 80% of tropical forest area. A full list of members is available at www.itto.int.

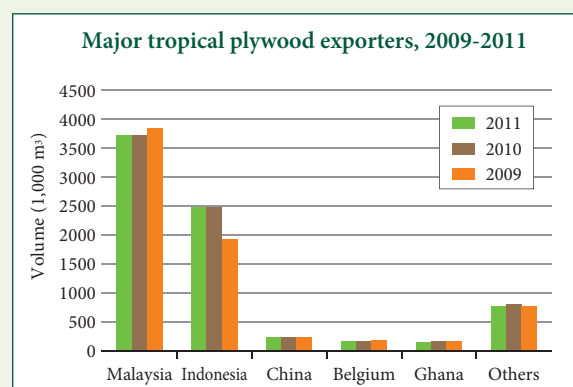
Source: ITTO 2012: Annual Review and Assessment of the World Timber Situation 2011.



Source: ITTO, 2012



Source: ITTO, 2012



Source: ITTO, 2012

FINANCIAL HIGHLIGHTS

International Tropical Timber Organization Consolidated Balance Sheets

	December 31	
	2011	2010
	(U.S. dollars)	
Assets		
Cash and time deposits	\$35,624,828	\$41,704,111
Held to maturity securities	4,969,284	1,988,743
Arrears in voluntary contributions	9,981,950	3,796,610
Accounts receivable from Japan	–	350,878
Prepaid expenses	65,183	31,026
Advances to and receivable from staff members and others	319,164	289,721
Accrued interest on time deposits	9,696	24,445
	\$50,970,104	\$48,185,534
Liabilities and contributions		
Accounts payable to staff members and others	\$1,824	\$9,553
Accounts payable to Japan	16,118	–
Accrued liabilities	187,421	462,444
Membership contributions received in advance	269,483	167,093
Unappropriated fund	3,228,840	4,806,803
Reserve for programme support	2,478,403	3,356,034
	6,182,089	8,801,927
Members' funds		
Administrative Account:		
Special reserve	1,500,000	1,500,000
Reserve provided by interest income	2,161,790	2,194,600
Surplus of revenues over expenditures and surplus from completed projects	7,728,348	7,584,730
Project accounts:		
Appropriated for specified projects	42,995,989	37,903,789
Unappropriated funds	(5,439,166)	(5,087,042)
Surplus from completed projects	1,694,725	1,112,286
	50,641,685	45,208,363
Arrears in assessed contributions	(5,853,670)	(5,824,755)
	\$50,970,104	\$48,185,534

The consolidated balance sheet and consolidated statements of revenues and expenditures have been audited by Ernst & Young ShinNihon LLC.

International Tropical Timber Organization
Consolidated Statements of Revenues and Expenditures

	Year ended December 31	
	2011	2010
	(U.S. dollars)	
Revenues:		
Contributions from member countries	\$7,058,228	\$6,165,025
Reimbursement by Japan	–	914,012
Voluntary contributions	19,923,356	18,942,901
Reversal of time delay in settling fellowship and other advance payments	15,542	63,522
Correction to prior year's budget	(233,820)	–
Interest income	76,794	217,304
Other item – recovery of advance	–	2,582
Other income	8,681	2,584
	26,848,781	26,307,930
Expenditures:		
Administrative accounts:		
Salaries and benefits	5,040,565	4,830,745
Official travel	232,427	157,046
Social security	791,373	775,522
Special activities	66,119	61,344
Data processing	201,135	194,040
Other costs	418,118	316,723
Council meetings	8,348	627,250
Write-off of arrears in contributions	62,954	62,954
Write-off of advance payment	90	–
Unsettlement cost for advances	11,875	–
Correction to prior year's expenditure	2,494	46,264
Exchange loss	71,057	53,816
Time delay (reversal of time delay) in settling fellowship and other advance	238,169	(112,370)
	7,144,723	7,013,333
Project accounts:		
Project cost	12,875,208	14,403,138
	20,019,931	21,416,471
Excess of revenues over expenditures	\$ 6,828,850	\$ 4,891,459

The consolidated balance sheet and consolidated statements of revenues and expenditures have been audited by Ernst & Young ShinNihon LLC.

APPENDIX 1

Member States and Votes as at 6 December 2011 (Under ITTA, 1994)

PRODUCING MEMBERS

No. of Votes

Africa

 Cameroon	28
 Central African Republic	28
 Congo	28
 Côte d'Ivoire	28
 Democratic Republic of the Congo	28
 Gabon	28
 Ghana	28
 Liberia	28
 Nigeria	28
 Togo	27

Asia & Pacific

 Cambodia	16
 Fiji	14
 India	28
 Indonesia	84
 Malaysia	112
 Myanmar	47
 Papua New Guinea	26
 Philippines	15
 Thailand	17
 Vanuatu	13

Latin America/Caribbean

 Bolivia	24
 Brazil	144
 Colombia	23
 Ecuador	14
 Guatemala	11
 Guyana	15
 Honduras	11
 Mexico	24
 Panama	11
 Peru	29
 Suriname	13
 Trinidad and Tobago	10
 Venezuela	20

















Total: 1,000

CONSUMING MEMBERS

No. of Votes

 Australia	17
 Canada	18
 China	278
 Egypt	20

European Union

 Austria	11
 Belgium /  Luxembourg	18
 Denmark	13
 Finland	10
 France	37
 Germany	21
 Greece	11
 Ireland	15
 Italy	31
 Netherlands	37
 Poland	12
 Portugal	16
 Spain	24
 Sweden	11
 United Kingdom	30

 Japan	177
 Nepal	10
 New Zealand	11
 Norway	11
 Republic of Korea	73
 Switzerland	12
 United States of America	76

Total: 1,000

APPENDIX 2

2011 ITTO Publications

General Information

- GI – 6 Annual Report 2010
- GI – 7 Annual Review 2010

Pre-Project Publications

- | | |
|---------------------|--|
| PPD 97/04 Rev.1(I) | Improve Strategies and Asses Training Needs to Achieve SFM in Suriname |
| PPD 135/07 Rev.1(F) | Community –Based Forest Management of Sungai Medihit Watershed |
| | 1. Completion Report |
| | 2. Technical Report |

Project Publications

- | | |
|---------------------|---|
| PD 24/93 Rev.2 (F) | Forest Management of Natural Forests in Malaysia |
| | 1. Proceedings of the Malaysia-ITTO International Workshop on Growth and Yield of Managed Tropical Forests, 25-29 June 2002, Kuala Lumpur |
| | 2. Manual for Enumerating the ITTO Experimental Plots, Technical Report No.1 |
| | 3. Manual for Editing and Tabulation of Data from the ITTO Experimental Plots, Technical Report No.2 |
| PD 77/01 Rev.2(I,F) | Contribution to the Development of Skills and Technical Training Structures at the Mbalmayo National School of Forestry in Cameroon |
| PD 89/90 (F) | “Sustainable Forest Management and Human Resources Development in Indonesia” |
| | 1. Completion Report Phase III |
| PD 131/02 Rev.4(I) | Training of Forest Practitioners for the Improvement of Forest Industry In Cambodia |
| | 1. Completion Report |
| | 2. Technical Report |
| PD 199/03 Rev.3(F) | Completion Report
AFARI Booklet |
| PD 288/04 Rev.2(F) | The Lanjak Entimau Story – Changing Landscape in Biodiversity Conservation |
| PD 239/03 Rev.1(F) | Improvements of the Sustainable Management and Utilization of Non-Timber Forest Products (NTFPs) in Cambodia |
| | 1. Completion report |
| | 2. Technical Report: “Field Manual on Ground Truthing and Tree Inventory |
| PD 275/04 Rev.3(I) | 1. Completion Report |
| | 2. Technical Report on Training |
| | 3. Technical Report, Marketing and Assessment |
| | 4. The Potentail Non-Timber Forest Products for Trading in Cambodia |
| | 5. Completion, Technical Reports –CD |

PD 294/04 Rev.4(F)	<p>The Study and Demonstration of the Management of Secondary Forests in Tropical Regions for the Purpose of Enhancing Economic and Ecological Benefits - Phase II</p> <ol style="list-style-type: none"> 1. Project Completion Report 2. Project Technical Report
PD 306/04 Rev.1(I)	<p>Improving Utilization and Value Adding of Plantation Timbers from Sustainable Sources in Malaysia</p> <ol style="list-style-type: none"> 1. Anatomical Features, Quality and Mechanical Properties of 15-year-old <i>Tectona grandis</i> (Teak) Planted in Sabah 2. Proceedings of the Seminar and Workshop on Improved Utilization of Tropical Plantation Timbers, 23-25 March 2010, Kuala Lumpur, Malaysia 3. Properties of <i>Acacia mangium</i> Planted in Peninsular Malaysia 4. Properties of <i>Shorea macrophylla</i> (Engkabang Jantong) Planted in Sarawak 5. Testing Methods for Plantation Grown Tropical Timbers 6. Completion Report 7. Completion Report, Technical Report – CD-ROM
PD 334/05 Rev.2(I)	<p>Demonstration and Application of Production and Utilization Technologies for Rattan Sustainable Development in the ASEAN Member Countries in Philippines</p> <ol style="list-style-type: none"> 1. Completion Report 2. Technical Report 3. Regional Rattan Conference Proceedings 4. The ASEAN Rattans 5. A Field Guide to Philippine Rattans
PD 421/06 Rev.2(F)	<p>Fortalecimiento de la Cadena Productiva de la Madera Proveniente de Concesiones Forestales y Otros Bosques Bajo Manejo Forestal</p> <ol style="list-style-type: none"> 1. CD-ROM
PD 423/06 Rev.1(F)	<p>Study on Forest Landscape Restoration</p>
PD 425/06 Rev.1(I)	<p>Production and Utilization Technology for Sustainable Development of Eaglewood (Gaharu) in Indonesia</p> <ol style="list-style-type: none"> 1. Completion Report 2. Fragrant Wood Gaharu: WHEN THE WILD CAN NO LONGER PROVIDE 3. Proceeding of Gaharu Workshop Bioinduction Technology for Sustainable Development and Conservation of Gaharu 4. Proceeding of Gaharu Workshop Development of Gaharu Production Technology, A Forest Community based Empowerment 5. Technical Report No.1: Identification of Eaglewood (Gaharu) Tree Species Susceptibility 6. Technical Report No.2: Better Inoculation Engineering Techniques 7. Technical Report No.3: Selection Pathogens for Eaglewood (Gaharu) Inoculation 8. Technical Report No.4: Establishing of Demonstration Plot of Eaglewood (Gaharu) Plantation and Inoculation Technology 9. Technical Report No.5: Training of Forest Communities of the Inoculation Technology 10. Technical Report No.6: Gaharu Workshop
PD 431/06 Rev.1(I)	<p>Processing and Utilization of Trees on Farmlands and Logging Residues through Collaboration with Local Communities (Ghana)</p> <ol style="list-style-type: none"> 1. Completion Report, 2011



2. Technical Report, 2011
 3. Improved Chainsaw Milling in the Small-scale Informal Timber Sector of Ghana Using Logosol Facilities: A Manual for Domestic Timber Entrepreneurs, 2011
- PD 451/07 Rev.1(F) Birds of Bario and the Kelabit Highlands
“Transboundary Biodiversity Conservation: The Pulong Tau National Park, Sarawak, Malaysia”
- PD 459/07 Rev.1(F) 1. Master Plan Sandalwood Development and Preservation East Nusa
- PD 493/07 Rev.1(F) Forest Law Enforcement Training Program – Technical Report
- PD 519/08 Rev.1(F)
1. Technical Report No.1, Review Existing Schemes and Lessons Learned From the Surrounding Areas
 2. Technical Report No.2 Stakeholders Consultation to Determine the Most Viable Scheme of Community and Other Stakeholders to be Applied at Meru Betiri National Park
 3. Technical Report No.3, Determination of Project Boundary to Facilitate Measuring and Monitoring of Carbon Stocks
 4. Technical Report No.4, Review Existing Methodology of Resource Based Inventory for Measuring, Reporting, and Verifying (MRV) Carbon Accounting for Reducing Emissions from Deforestation and Forest Degradation and Enhancing Carbon Stocks in Meru Betiri National Park (MBNP), Indonesia
 5. Pamphlet of activity (English and Bahasa version)
 6. Brief Info No.1, Public Private Partnership for Measuring and Monitoring Carbon and Biodiversity
 7. Brief Info No.2, Boundary Determination to Facilitate Measuring and Monitoring of Carbon Stocks and Biodiversity
 8. Brief Info No.3, Stakeholders Consultation to Identify Most Viable Scheme for Conservation Carbon-Biodiversity and Livelihood
 9. Brief Info No.4, Measurable, Reportable and Verifiable (MRV) for Monitoring Emission Reductions and Enhancement of Carbon Stocks n Meru Betiri National Park (MBNP)
 10. Brief Info No.5, Field Visit and PSC Meeting
 11. Brief Info No.6, Establish Partnership to Improve Stakeholders Participation in Conservation
 12. Brief Info No.7, Land Monitoring by GIS to find Activity Data as an Element for Estimating Emission and Enhancement
 13. Brief Info No.8, Improving Capacity of Community
 14. Brief Info No.9, Establishing Measurable, Reportable and Verifiable (MRV) Institution in Meru Betiri National Park
 15. Brief Info No.10, Evaluation of ITTO PD 519/08 Rev.1(F) Activities Activities Undertaken in Year 2010
- RED-PD 007/09 Rev.2(F)
1. Develop Forest carbon standard and Carbon Accounting Systems for Small-Scale Plantation Based on Local Experiences
 2. Technical Report-Review Infrastructure Framework and Mechanism Related to SFM as Important Option in Reducing Emission from Deforestation and Forest Degradation
 3. Technical Report-Review Infrastructure Framework and Mechanism Related to SFM as Important Option in Reducing Emission from Deforestation and Forest Degradation (CD-ROM)
 4. Singkarak:Implementasi Skema Jasa Lingkungan Sebagai Alternatif Pengelolaan Daerah Hulu Berbasis Masyarakat
 5. Pengelolaan Hutan Tanaman Lestari Pada Iuphhk – HT
 6. Pengelolaan Hutan Peningkatan Stok Karbon & Sequestrasi Serta Produk Hijau Dalam

- Rangka Mengurangi Emisi Grk Dari Deforestasi & Degradasi
7. Penelitian Karbon dan Implikasi Pengelolaan di Taman Nasional Gunung Gede Pangrango
 8. Prosiding Workshop-Pemetaan Proyek-proyek Berbasis Pengelolaan Hutan Lestari(PHL) di Indonesia: Analisis Proyek REDD dan Proyek Berbasis PHL Di Lapangan

ITTO Technical Series

TS - 36	Leveling the Playing Field
TS - 37	Tropical Forest Tenure Assessment
TS - 38	Status of Tropical Forest Management 2011

Reports of Seminars, Workshops and Other Meetings

SRS - 55	<p>Proceedings of the NATIONALWORKSHOP ON THE ENFORCEMENT COMPLIANCE FOR TRADE IN RAMIN(GONYSTYLUS SPP.)</p> <ol style="list-style-type: none"> 1. Report 2. CD 3. Completion Report
SRS - 56	<p>Publications/Technical reports on ITTO-CITES project</p> <ol style="list-style-type: none"> 1. Improving inventory design to estimate growing stock of Ramin (<i>Gonystylus bancanus</i>) in Indonesia 2. Improving inventory design to estimate growing stock of Ramin (<i>Gonystylus bancanus</i>) in Indonesia (CD-ROM) 3. EVALUASI SISTEM SILVIKUL TUR HUTAN RAWA GAMBUT DI INDONESIA 4. PANDUAN INVENTARISASI SEDIAAN RAMIN DI HUTAN RAWA GAMBUT 5. PANDUAN PENILAIAN Non-detrimental finding Untuk Ramin <i>Gonystylus</i> spp. 6. Guideline for non-detrimental finding assessment on Ramin <i>Gonystylus</i> spp. 7. PEDOMAN TEKNIK PEMBUATAN STEK PUCUK RAMIN (<i>Gonystylus bancanus</i>) 8. Information gaps toward sustainable management and conservation of Ramin 9. Report- Asian Workshop of the ITTO-CITES Project on Ensuring International Trade in CITES-listed Timber Species is Consistent with their Sustainable Management and Conservation: <i>Gonystylus</i> spp (Ramin) 10. Report- Asian Workshop of the ITTO-CITES Project on Ensuring International Trade in CITES-listed Timber Species is Consistent with their Sustainable Management and Conservation: <i>Gonystylus</i> spp (Ramin) (CD-ROM) 11. Silviculture, study plots, seed production and propagation of Ramin – An Executive Summary 12. Literature Review on <i>Gonystylus</i> spp. Other than <i>Gonystylus bancanus</i>: Botany, Ecology and potency 13. TEKNIK INVENTARISASI SEDIAAN RAMIN DI HUTAN RAWA GAMBUT (Inventory Technique of Ramin in peat swamp forest) 14. Review of the existing methods and design for Ramin inventory in peat swamp forest 15. <i>Gonystylus bancanus</i> – jewel of the peat swamp forest 16. Technical Information on Optimum Harvesting Regimes of Peat Swamp Forests in Peninsular Malaysia 17. Workshop Training – Regulasi dan ketentuan CITES Terkait Ramin dan Tumbuhan Lainnya 18. Roadmap Toward – Sustainable Management and Conservation of Ramin (<i>Gonystylus</i> spp.)

19. Closer look at the Terms of Reference (TOR) of Tri-National Task Force on Trade in Ramin by Indonesia
20. Recommendation of regional workshop on the work of the Tri- National task force on trade in Ramin
21. HARMONISASI DATA, MONITORING DAN KONTROL PERDAGANGAN RAMIN (G. Bancanus)
22. MANUAL MONITORING MUSIM BERBUNGA-BERBUAH DAN PRODUKSI BENIH RAMIN (Gonystylus bancanus)
23. Assessing Silvicultural System on Ramin:Review on the Current Practice and Re-vitalization of Existing Permanent Sample Plots (CD-ROM)
24. Exploratory Assessment on the Population Distribution and Potential Uses of Non – Gonystylus bancanus Species in Indonesia (CD-ROM)
25. Identification of Information Gaps Towards the SFM of Ramin and Thematic Programs to be Included in the 2009 and 2010 Work Program of ITTO – CITE Project (CD-ROM)
26. Identifikasi Gap Informasi Menuju Pengelolaan Hutan Ramin Secara Lestari
27. Gonystylus Spp.(Ramin) :Population Status, Genetics and Gene Conservation

Others

OP - 20	World Atlas of Mangroves – French Version
OP - 21	ITTO Thematic Programmes
OP - 22	25 Success Stories
OP - 23	A Joint Publication between UNU-IAS and ITTO entitled: “Transboundary Conservation and Peace-building: Lessons from forest Biodiversity conservation projects“ authored by Prof. Saleem H. Ali
OP - 24	Nettairin no mirai no tameni

APPENDIX 3

Summaries of Projects Financed in 2011

A. REGULAR PROJECT CYCLE

Project Title:	Development and Testing of National Forest Stock Monitoring System (FSMS) with Improved Governance Capabilities at all Levels of the Forest Administration		
Project Number:	PD 599/11 Rev.1 (M)		
Budget:	Total:	US\$	788,043
	ITTO Contribution:	US\$	497,930
	Implementing Agency:	US\$	290,113
Submitted by:	Government of Philippines		
Executing Agency:	Philippines Forest Management Bureau (FMB)		
Sessions Financed:	Spring Cycle 2011		

Summary

The development objective of the project is to “improve forestry governance, institutional law enforcement capacity, stakeholder coordination and forest sector competitiveness through improved data management”. The project will see the development and piloting of additional modules to the Philippines Forest Stock Monitoring System (FSMS) providing:

- (a) Chain of Custody management (including “back to stump” traceability) with improved data processing capabilities for validation and reconciliation of datasets along the supply chain;
- (b) Integrated Verification of Legal Origin (VLO) features related to the issuance and control of Certificate of Timber Origin (CTO) / Certification of Lumber Origin (CLO) used for royalty declarations;
- (c) An extension module to allow field data entry facilitating “on site” law-enforcement activities and auto-declaration; and
- (d) An online, flexible, multi-user interface.

Project Title:	Development and Implementation of a Species Identification and Timber Tracking System in Africa with DNA Fingerprints and Stable Isotopes		
Project Number:	PD 620/11 (M)		
Budget:	Total:	US\$	2,714,355.72
	ITTO Contribution:	US\$	1,702,645.88
	Implementing Agency:		142,953.12
	Other sources		868,756.72
Submitted by:	Government of Germany		
Executing Agency:	Johann Heinrich von Thünen Institute (vTI) Federal Research Institute for Rural Areas, Forestry and Fisheries		
Sessions Financed:	Spring Cycle, 2011		

Summary

Illegal logging and associated trade are the cause of many economic and ecological problems both in timber producer and timber consumer countries. Although many legal instruments (EU timber trade regulation, US Lacey Act etc.) have been established to combat illegal logging and trade of illegally sourced timber, practical controls mechanisms to identify the tree species and geographic origin of wood and wood products are still lacking. DNA fingerprints and stable isotopes techniques use characters inherent to the timber (impossible to falsify) and the combination of both methods guarantee a high spatial resolution and a strong statistical power at higher cost efficiency for the control of origin of wood and wood products.

The project aims at improving transparency and effective management of supply chains and increased domestic and international trade in legally produced tropical timber. The specific objective of the project is development and implementation of species identification and timber tracking system with DNA fingerprints and stable isotopes for three commercial timber tree species in seven African countries

Project Title:	Support to Improve the Productivity of the Peruvian Timber Industry for the Production of Higher Value-added Products (Peru)		
Project Number:	PD 540/09 Rev.2 (I)		
Budget:	Total:	US\$	873,440
	ITTO Contribution:	US\$	448,362
	Donors:		
	Japan	\$	218,362
	Switzerland		230,000
	Government of Peru:	US\$	425,078
Submitted by:	Government of Peru		
Executing Agency:	National Forestry Chamber (CNF) in cooperation with the General Forest and Wildlife Directorate (DGFFS – MINAG)		

Summary

This project aims at improving the levels of efficiency in the wood and furniture industries, and thereby increases the volume and value of their exports, and ultimately benefits the management of 12 million hectares of productive forests by linking them into the supply chain.

In this project, the outputs of a previous ITTO project, PD 37/87 Rev.3 “Industrial Utilization of New Forest Species in Peru”, will be utilized to improve the competitiveness of wood products processed by the small primary manufactures.

Specific outputs of the project are: improved business management and marketing, upgraded timber industry with value-added product processing, and increased export of timber products and furniture.

The direct beneficiaries of this project are the primary and secondary timber processing industries. The major project components are: technical assistance, training, and activities to promote investment and export of products.

The expected outcome of this project includes:

- Entrepreneurial knowledge and skills transferred to 30 primary manufacturers and 300 technicians,
- Investments of US\$2.5 million in primary processing,
- Increased sales of value added wood products by US\$10 million,
- Increased jobs by 20%,
- Four high value added wood products introduced in the international markets, and
- A policy proposal developed for the forest law enforcement and trade.

Project Title:	Model Capacity Building for Efficient and Sustainable Utilization of Bamboo Resources in Indonesia (Indonesia)		
Project Number:	PD 600/11 Rev.1 (I)		
Budget:	Total:	US\$	872,032
	ITTO Contribution:	US\$	537,095
	Donors:		
	Australia	\$	100,000
	Japan		287,095
	Switzerland		150,000
	Government of Indonesia:	US\$	334,937
Submitted by:	Government of Indonesia		
Executing Agency:	Directorate General of Watershed Management and Social Forestry (DGWMSF), Ministry of Forestry in collaboration with Bangli District Forestry Agency (BDFA)		

Summary

Indonesia is blessed with a vast bamboo resource around 2.1 million hectares in extent. This rich resource, however, has been under-utilized to date mainly due to the lack of capacity in its utilization.

This project aims at initiating the enhancement of national capacity to develop the bamboo industry through the development of model processing facilities in Bali.

The expected outputs of the project are:

- enhanced institutional framework for bamboo industry development,
- promoted investment in bamboo industry, and
- increased participation of local communities in bamboo industry development.

The developed model processing facilities will serve as a means to train the people to the bamboo processing techniques and, at the same time, serve as a model for other communities and investors to imitate as appropriate. The enhanced bamboo utilization will generate job opportunities for the rural people in both the bamboo resource development and utilization. The created viable and sustainable source of income is expected to divert the current dependence of the local people on forests for their liv

Project Title:	Building the Capacities of Forestry Training Institutions Members of the Network of Central African Forestry and Environmental Training Institutions (RIFFEAC) for Providing SFM Training for Forest Concessions “Capacity Building for Sustainable Management of Tropical Rainforests and Biodiversity Conservation in the ITTO Congo Basin Countries” (ITTO)		
Project Number:	PD 456/07 Rev.4 (F)		
Budget:	Total:	US\$	4,518,857
	ITTO Contribution:	US\$	4,408,557
	Donors:		
	Japan:	US\$	3,614,347
	Switzerland:	US\$	270,000
	RIFFEAC Training Institutions:	US\$	110,300
Submitted by:	International Tropical Timber Organization (ITTO)		
Executing Agency:	RIFFEAC Secretariat		
Sessions Financed:	47th ITTC, November 2011		

Summary

The main objective of RIFFEAC is to promote inter-institutional collaboration at sub-regional level between training institutions in order to improve training standards and address the needs of sustainable forest ecosystem management in the Congo Basin. RIFFEAC priority actions are as follows: a) to promote the involvement of all stakeholders in sustainable forest ecosystem management; b) to incorporate the notion of sustainable forest management in the training programmes of member institutions; c) to harmonize training programmes and activities among member institutions; d) to review common problems and seek solutions, and e) to promote knowledge and experience-sharing among members, especially in training and research areas.

This project will contribute to building human resources capacities required to achieve sustainable forest ecosystem management in the Congo basin by reconciling social economic imperatives and the maintenance of ecological balances.

The project specifically intends to build the capacities of environmental and forestry training institutions in Central Africa to ensure they are capable to train qualified personnel to implement sustainable forest management, while ensuring the biodiversity conservation in the Congo Basin.

The project will contribute to achieve the abovementioned goal and objectives through the main following expected outputs:

- Output 1: Six (6) harmonized reference training modules/programmes in sustainable forest management developed, reviewed, adapted and implemented, while taking into account the biodiversity conservation requirements under the framework of CBD's Programme of Work on Forest Biodiversity. One of the six modules should be focusing on biodiversity conservation issue
- Output 2: One hundred ten (110) full-time trainers one hundred seventy (170) supernumerary/part-time trainers in seven (7) RIFFEAC founding training institution members updated and/or trained on the utilization of equipment and materials acquired for the capacity reinforcement, in relation to the six (6) harmonized reference training programmes/modules to be finalized under Output 1
- Output 3: Training and teaching equipment and materials acquired and provided in each training institution, as well as infrastructure (teaching rooms, laboratories and other facilities) enhanced, in accordance with the needs of each training institution, in order to progressively contribute filling the yearly gap of one hundred eighty (180) engineers and four hundred forty (440) technicals required for the sustainable forest management and biodiversity conservation actions in the Congo Basin countries

Out of the total amount of US\$4.4 million of the ITTO budget, two governments (Belgium, Japan and Switzerland) have already pledged 90%, as follows:

Sources	Contributions	
	(in US\$)	(%)
Japan	3,614,347	81.99
Switzerland	270,000	6.12
Belgium	97,037	2.20
Other Donors (to be determined) / Outstanding balance	427,173	9.69
TOTAL	4,408,557	100.00

ITTO is already calling on other donors to complement the balance of 10%, in order to get this project fully funded to fully implement all the project activities.

Project Title:	Guatemalan Forest Productivity Information System			
Project Number:	PD495/08 Rev.4 (F)			
Budget:	Total:	US\$	608,998	
	ITTO Contribution:	US\$	492,588	
	Donors:			
	Japan:	US\$	350,000	
	USA:	US\$	142,588	
	Government of Guatemala:	US\$	116,410	
Submitted by:	Government of Guatemala			
Executing Agency:	National Forest Institute – INAB			
Sessions Financed:	47th ITTC, November 2011			

Summary

For many years, various forest sector stakeholders have attempted to generate information on forest growth, sites and productivity in the country. However, these efforts have been limited due to institutional, technical and financial constraints.

This proposal responds to the need to generate information on natural forest and forest plantation productivity so as to provide data to support best practices for sustainable forest management planning and implementation, increase forest productivity and thus enhance the value of forestry activities, which will in turn lead to lower deforestation rates and reduced environmental vulnerability.

The project seeks to develop 12 technological packages for major forest species based on the establishment of networks of permanent sample plots at the national level. It envisages broad-based dissemination, awareness and training processes, as well as a cross-cutting approach with major stakeholders, including the academic, private, and public sectors.

Project Title:	Phase II of ITTO Project [PD 30/97 Rev.6 (F)] Management of Forests Established through Rehabilitation of Degraded Forests by Local Communities in Ghana			
Project Number:	PD 530/08 Rev.3 (F)			
Budget:	Total:	US\$	642,534	
	ITTO Contribution:	US\$	569,665	
	Donors:			
	Japan:	US\$	569,665	
	Government of Ghana:	US\$	72,869	In kind
Submitted by:	Government of Ghana			
Executing Agency:	Forestry Research Institute of Ghana (FORIG)			
Sessions Financed:	47th ITTC, November 2011			

Summary

The ex-post evaluation of the project PD 30/97 Rev.6 (F) “Rehabilitating Degraded Forests through Collaboration with Local Communities (Ghana)”, commissioned by ITTO in November 2007, recommended the implementation of a second phase for the consolidation of the project achievements regarding the use of indigenous species for the rehabilitation and restoration of degraded and secondary tropical forests.

The project objective is to contribute to rural livelihood by improving benefits from forests established by local communities through rehabilitation of degraded forests. Specifically, it intends to participatively develop models and identify strategies and use them for management of forests established by local communities through rehabilitation of degraded

lands to enhance biodiversity conservation, provision of goods and services and also determine mechanisms for payment of the services to ensure improve livelihood of local communities.

Expected project outputs are:

- Management models developed and strategies identified participatively;
- Capacity of local communities and stakeholders built in developed models & identified strategies through theoretical training and field implementation;
- The diversity and density of indigenous timber species and non timber forest products (NTFPs) in plantations increased;
- Financial value of timber species before final rotation and farm-gate prices of NTFPs determined; and
- Feasibility of designing and implementing PES scheme for degraded forests rehabilitated by local communities determined.

Project Title:	Production of an Educational Book Series on Mangroves for Sustainable Management and Utilization of Mangrove Ecosystems (Japan)		
Project Number:	PD 564/09 Rev.1 (F)		
Budget:	Total:	US\$	222,234
	ITTO Contribution:	US\$	149,904
	Donors:		
	Japan:	US\$	149,904
	ISME	US\$	72,330
Submitted by:	Government of Japan		
Executing Agency:	International Society for Mangrove Ecosystems (ISME)		
Sessions Financed:	Spring Cycle 2011		

Summary

From 1980 to 2005, the loss of mangrove forests had been estimated at about 35,600 km² or one percent per annum. These rates are 3 to 5 times higher than overall rates of global forest loss. One of the problems for the loss of mangrove forests and associated ecosystems is related to the lack of appropriate and technically sound policies and/or management plans for sustainable management and utilization of mangrove forests.

The project is designed to provide the necessary information for the development of appropriate policies and/or management plans for sustainable management and utilization of mangrove forests through the production of educational book series on the environmental, ecological and socio-economic functions of mangrove ecosystems. Three educational books to be published by the project include: Introduction to Mangrove Ecosystems; Structure and Function of Mangrove Forests; and Useful Products from Mangrove Plants. Written by mangrove experts, the books will be communicated in a language that is understandable, relevant and useful for all stakeholder groups which include governments, forest managers, research and learning institutions, private sector, and civil society. Case studies in each of the books will provide insights into regional experiences in the management and utilization of mangrove resources. These books will complement the other ITTO-funded publications of the World Atlas of Mangroves for Conservation and Restoration of Mangrove Ecosystems, and the Manual on Guidelines for Rehabilitation of Coastal Forests damaged by Natural Hazards in the Asia-Pacific Region. Published books will be downloaded from IGES's website and disseminated through a workshop.

Project Title:	Implementing the Cooperative Framework between ODEF and the Stakeholders for the Effective Participatory and Sustainable Management of the Eto-Lilicope Forest Complex (Togo)		
Project Number:	PD 584/10 Rev.2 (F)		
Budget:	Total:	US\$	218,298
	ITTO Contribution:	US\$	162,788
	Donors:		
	Japan:	US\$	162,788
	Government of Togo:	US\$	55,510
Submitted by:	Government of Togo		
Executing Agency:	OFFICE DE DÉVELOPPEMENT ET D'EXPLOITATION DES FORÊTS (ODEF)		
Sessions Financed:	47th ITTC, November 2011		

Summary

This project proposal is a follow-up to PD 217/03 Rev.2 (F): "Establishing a Cooperative Framework between ODEF and the Communities Living in the Eto-Lilicope Forest Complex for the Sustainable Participatory Management of this Complex". As the groundwork for the participatory management process has been laid, the process must be advanced through the effective implementation of the agreements entered into, in particular, the forest boundaries to be landmarked together with other land-use parcels including farm land; as well as blocks of farm land to be allocated to the communities, while ensuring that the Forest Management Committee for this forest complex is made operational.

The overall aim of the project is to implement the sustainable and participatory management of the Eto Lilicope forest complex for timber production. It specifically intends to implement the collaboration framework established between the main stakeholders for the consensual and sustainable management of the Eto Lilicope forest complex.

The outputs expected from this project are as follows:

- All stakeholders aware of the collaborative forest management approach and this approach is implemented; and
- Increased capacities of institutions and/or organizations to implement the partnership framework.

Project Title:	Promoting Biodiversity Conservation in Betung Kerihun National Park (BKNP) as the Trans-boundary Ecosystem between Indonesia and State of Sarawak Malaysia (Phase III)		
Project Number:	PD 617/11 Rev.1 (F)		
Budget:	Total:	US\$	743,537
	ITTO Contribution:	US\$	663,147
	Donor (partial funding):		
	Switzerland:	US\$	503,486
	Japan:	US\$	84,661
	USA:	US\$	3,412
	Outstanding:	US\$	71,588
	Government of Indonesia	US\$	80,390
Submitted by:	Government of Indonesia		
Executing Agency:	Betung Kerihun National Park (BKNP), Directorate General of Forest Protection and Nature Conservation (PHKA), Ministry of Forestry (MOF)		
Sessions Financed:	47th ITTC, November 2011		

Summary

The main objective of the project is to promote sustainable conservation management of the Betung Kerihun National Park (BKNP), which was established in 1992 through the Ministerial Decree and was enlarged to 800,000 ha, in the context of transboundary ecosystem management between Indonesia and Malaysia (Sarawak). The project builds on the outcomes of ITTO Project PD 26/93 Rev.1 (F) "Development of Betung Kerihun Nature Reserve as a National Park, Phase I" and PD 44/00 Rev.3 (F) "Implementation of a Community-Based Transboundary Management Plan for the Betung Kerihun National Park, West Kalimantan, Indonesia, Phase II". Although much progress had been made through the previous projects, the BKNP management as a transboundary conservation area (TBCA) is still facing several challenges. There is a growing recognition that effective strategies to conserve biodiversity requires more strong transboundary cooperation between the countries in relation to shared ecosystems and other conservation concerns.

The proposed strategies and activities of the project are in line with transboundary conservation areas cooperation with the Lanjak Entimau Wildlife Sanctuary (LEWS) and the Batang Ai National Park (BANP) in Sarawak sites which are adjacent to BKNP in Indonesia. The project will be implemented by BKNP in collaboration with many stakeholders including WWF-Indonesia in order to ensure the conservation of the integrity of BKNP's biodiversity values. The project activities include establishing a joint task force for the efficient implementation of TBCA with the participation of representatives from LEWS and BANP. The expected outputs of the project are: (1) Cooperation between Indonesia and Malaysia for the conservation of transboundary ecosystems between BKNP and BANP/LEWS is maintained/strengthened; (2) Operational plan on biodiversity conservation of transboundary ecosystems is formulated; and (3) Sustainable livelihoods of the local communities within and surrounding BKNP are improved.

Project Title:	Marketing of Native Plant Seeds, Seedlings and Timber Products to Improve Living Standards and Strengthen Regional Forest Policies in the Amazon Region of Peru: a Pilot Case on the Taulia Molinopampa Rural Community		
Project Number:	PD 622/11 Rev.1 (F)		
Budget:	Total:	US\$	188,743
	ITTO Contribution:	US\$	149,958
	Donors:		
	Japan:	US\$	124,958
	USA:	US\$	25,000
	IIAP/NCI:	US\$	38,785.00
Submitted by:	Government of Peru		
Executing Agency:	Peruvian Amazon Research Institute (IIAP) – AMAZONAS OFFICE		
Sessions Financed:	47th ITTC, November 2011		

Summary

Members of the Taulia Molinopampa Rural Community, the Molinopampa Association of Conservationist Producers (APROCOM), the Peruvian Amazon Research Institute (IIAP) and Nature and Culture International (NCI) in the Department of Amazonas of Peru, through joint actions aimed at improving production capacity, establishing innovative mechanisms and practices, and creating an enterprise for the marketing of certified seeds, seedlings and timber products from native species, will contribute to strengthen regional forest policies based on the use of native timber species, community experience and scientific research to generate additional income and thus improve community living standards.

In general, the proposal seeks to improve the living standards of the Molinopampa Rural community through the production, diversification and marketing of native tropical timber species, using innovative mechanisms and practices to enhance regional forest skills and policies. More explicitly, the project intends to establish a community enterprise to market certified seeds, seedlings and by-products of native timber species.

Major outputs expected, among others, are as follows:

- One regional policy and its regulations have been developed, proposed and adopted by the Amazonas Regional Government;
- Three community nurseries are in production and 15 hectares have been reforested with native species in the target area;
- Three permanent plots have been established to produce certified seeds and seedlings;
- Establishment and operation of a seed marketing enterprise and 20 trained beneficiaries applying their acquired skills; and
- Four manuals and 4 scientific studies have been published on production, phenology, germination, growth and traditional uses.

Project Title:	Forest Fire Prevention Through the Implementation of Regional Actions With the Participation of Local Communities and Other Relevant Stakeholders so as to Ensure the Protection of Forests and Ecosystem Services			
Project Number:	PPD 153/11 Rev.1 (F)			
Budget:	Total:	US\$	123,326	
	ITTO Contribution:	US\$	99,576	
	Donors:			
	Japan:	US\$	99,576	
	Government of Colombia:	US\$	23,750	
Submitted by:	Government of Colombia:			
Executing Agency:	Association of Regional Autonomous and Sustainable Development Corporations – ASOCARS			
COLLABORATING AGENCIES:	Autonomous Corporations Ministry for the Environment, Housing and Land Development, Division of Risk Management, Regional Governments and Municipalities			
Session(s) Financed:	47th ITTC, November 2011			

Summary

Year after year, forest fires have been an ongoing problem in the country, affecting mainly forest ecosystems and, as a result, the ecosystem services they provide. No consistent studies have been carried out on the main causes in any of the three major regions of the country where forest fires occur with increasing frequency and intensity every year (Andean, Caribbean and Orinoquian regions).

In general, the pre-project proposal intends to formulate a full project proposal on forest fire prevention with the participation of the community and other local stakeholders in the identification of the problem to be addressed and the solutions that will lead to the protection of forest ecosystems and ecosystem services. More explicitly, it will seek to gather information on the culture and customs of the rural communities in each of these three regions in relation to fire management, particularly in all aspects related to agriculture, tourism and other local customs so as to determine the main underlying cause of forest fires in each of the three regions of the country, i.e. the Andean, Caribbean and Orinoquian regions, and further formulate a project proposal on forest fire prevention with the participation of the community and other local stakeholders, so as to find a solution to the underlying causes of forest fires.

Major outputs expected are as follows:

1. A document identifying the main underlying causes of forest fires in each of the three regions of the country under study i.e. the Andean, Caribbean and Orinoquian regions; and
2. Design of a proposal for forest fire prevention with the involvement of local communities and other stakeholders as key players in the elimination of the main causes that give rise to forest fires.

B. PROJECTS FINANCED UNDER THE THEMATIC PROGRAMMES

Project Title:	Strengthening market information systems to enhance trade and market intelligence in the forest sector of Guyana		
Project Number:	TMT-PD 006/11 Rev.3 (M)		
Budget:	Total:	US\$	420,820
	ITTO Contribution:	US\$	320,920
	Implementing Agency:	US\$	99,900
Submitted by:	Government of Guyana		
Executing Agency:	Guyana Forestry Commission		
Sessions Financed:	Thematic Programme TMT 1st Cycle 2011		

Summary

The specific project objective is to improve the Guyana market information systems, and the capacity to promote trade and especially to develop an integrated market and trade information system that will benefit the regulatory agency and those directly or indirectly involved in the production, processing or trade of timber. Ultimately, through greater foreign exchange and domestic earnings, the benefits will filter to the wider population of Guyana through increased revenue, employment opportunities and service provision. Additionally, the main advantage of enhancing market information system will be to allow for a more diverse market and trade environment to be developed in Guyana's forest sector which then will allow for a more dynamic and sustainable forest industry. A major change envisaged will be a more thorough and rational approach to tropical timber trade issues and marketing based on greater knowledge and capacity. By involving stakeholders – including local communities – during the development of the activities, target groups will have a sense of ownership of the outcomes. The project will establish the technical capacity (hardware, software and human resource) to sustain the outcomes and GFC will provide the labor and finance to continue the utilization of the technology/systems developed.

Project Title:	Strengthening of the forest information system of Guatemala to improve market and trade transparency and decision-making in the forest sector		
Project Number:	TMT-PD 004/11 Rev.2 (M)		
Budget:	Total:	US\$	656,562
	ITTO Contribution:	US\$	359,716
	Government of Guatemala:	US\$	270,278
	IUCN	US\$	26,568
Submitted by:	Government of Guatemala		
Executing Agency:	Instituto Nacional de Bosques (INAB)		
Sessions Financed:	Thematic Programme TMT 1st Cycle 2011		

Summary

Guatemala has launched the implementation of a national forest statistics information system. In this second system enhancement phase, the project will strengthen strategic information access and availability with a view to increasing the sustainable management of the country's forest resources. To this end, processing tools need to be developed to link the various systems and to automate technical procedures. The project also aims at fostering a pro-forest and environment culture by developing and implementing a plan to build awareness on the system. Simultaneously, the project will compile and analyse the strategic information required to support forest product monitoring and tracking, thus contributing to the reduction of illegal activities in this sector.

Project Title:	Environmental assessment and economic valuation of ecosystem services provided by coastal forests (mangrove forests, flood forests, rain forests and scrub forests on dunes) and their agricultural replacement systems on the central coastal plain of Veracruz, Mexico		
Project Number:	RED-PD 045/11 Rev.2 (M)		
Budget:	Total:	US\$	871,825
	ITTO Contribution:	US\$	470,682
	Implementing Agency:	US\$	401,143
Submitted by:	Government of Mexico		
Executing Agency:	Institute of Ecology (INECOL)		
Sessions Financed:	Thematic Programme REDDES 1st Cycle 2011		

Summary

The project aims at a quantitative assessment of the goods and services provided by the various types of tropical forests and coastal forests (mangrove forests, tropical flood forests, rain forests and scrub forests on dunes), on the coastal plains of Veracruz in the Gulf of Mexico. Services to be evaluated will include flood containment, carbon sequestration, improved water quality, and accelerated regeneration). These services will also be assessed from the economic point of view, and criteria will be developed jointly with local communities for monitoring and valuing these benefits, thus encouraging sustainable use of these ecosystems. A comparison will be drawn between technical data and local community perceptions of potential benefits and products from these tropical forests, and the evaluation of services gained for paddocks and agricultural fields created by cutting down these ecosystems. Material will be developed to publicize valuation and assessment of environmental services outcomes among the population, and workshops will be organised with government sectors to transfer information and seek their inclusion in payment for environmental services schemes. The project will contribute to sustainable forest management and to the valuation of coastal forests with similar conditions throughout the Gulf of Mexico and the Mexican Pacific Region.

Project Title:	Rehabilitation and restoration of residual forests and arid savannah lands in the Akpé and Akama valleys		
Project Number:	RED-PD 031/11 Rev.1 (F)		
Budget:	Total:	US\$	773,349
	ITTO Contribution:	US\$	478,894
	Government of Togo	US\$	294,455
Submitted by:	Government of Togo		
Implementing agencies:	Office de Développement et d'Exploitation des Forêts		
Duration:	36 months		
Financed at:	REDDES 1 st Cycle 2011		

Summary

The Project is the result of Pre-Project PPD 7/98 Rev. 2 (F) and simultaneously aims to implement the rehabilitation and restoration of residual forests and the conversion of arid savannah lands in the Akposso-Akébou landscape for timber production with the involvement of local communities in order to improve the socio-economic conditions of local communities.

It provides for the enrichment planting of natural forests (200 ha), agro-forestry lots (50 ha), gallery forests (50 ha) and the establishment of 300-ha new forest plantations. To secure the sustainability of this rehabilitation: i) A co-ordination mechanism will be established between stakeholders; ii) local communities will be effectively trained in participatory management; iii) and most of all, a management plan will be established and implemented by a management unit to be created.

Project Title:	Value adding to environmental services from managed forests belonging to seven communities in the Ucayali region		
Project Number:	RED-PD 033/11 Rev.3 (F)		
Budget:	Total:	US\$	654,965
	ITTO Contribution:	US\$	415,384
	Government of Peru	US\$	239,581
Submitted by:	Government of Peru		
Implementing agencies:	Asociación para la Investigación y el Desarrollo Integral – AIDER		
Duration:	24 months		
Financed at:	REDDES 1 st Cycle 2011		

Summary:

The project will be implemented in the territories of 7 native communities of the Ucayali Region. It is aimed at strengthening the management of community forests and enhancing the capacities of indigenous communities to incorporate the marketing of carbon and other environmental services into integrated forest management practices in order to penetrate carbon markets. This will allow the communities to generate additional income, providing them with the resources required for the adequate administration of their territories and management of their forests. The project will develop community skills for the planning and conclusion of agreements among all members regarding the use of forest goods and services, thus establishing the basis for the development of a project to reduce emissions from deforestation and degradation (REDD) and for the adjustment of forest production processes to the PES (payment for environmental services) scheme. The proposal is based on the premise that clearly defined use and marketing rights are an essential pre-requisite to access these markets. These objectives will be achieved with the support of the Peruvian government, which will ensure the progress of the communities towards sustainable development

Project Title:	Reducing forest degradation and emissions through sustainable forest management (SFM) in peninsular Malaysia		
Project Number:	RED-PD 037/11 Rev.2 (F)		
Budget:	Total:	US\$	864,622
	ITTO Contribution:	US\$	590,922
	Government of Malaysia	US\$	273,700
Submitted by:	Government of Malaysia		
Implementing agencies:	Forest Research Institute Malaysia (FRIM)		
Duration:	36 months		
Financed at:	REDDES 1 st Cycle 2011		

Summary:

Forest management in Malaysia is based on the Selective Management System (SMS) which involves the selection of a management regime to optimize not only the objectives of efficient and economic harvesting and sustained yield but, more importantly, to ensure that forest development is ecologically and environmentally sustainable. However, forest degradation in terms of carbon stocks is occurring in production forests as a result of logging operations. Logging operations in Malaysia in the past have also been reported to be damaging, but significant improvements have been made. The extent of current forest degradation in terms of carbon stocks needs to be further studied as it is still not well understood in Malaysia. Reports have indicated that improved forest management could reduce degradation and reduce carbon emission. However, all these studies are confined to specific areas and with limited information for scaling up activities. Consequently, this project is implemented to assess enhancement of climate change mitigation through reduced emissions from forest degradation in Malaysia. Specifically, the project will determine emissions from forest degradation in logged

forests and assess the value of enhancing forest management practices to reduce emissions from forest degradation. Financial evaluations of the improved management practices will be undertaken to provide avenues for assessing payment for ecosystem services.

Project Title:	Capacity building for developing REDD+ activities in the context of sustainable forest management		
Project Number:	RED-PD 038/11 Rev.3 (F)		
Budget:	Total:	US\$	645,692
	ITTO Contribution:	US\$	571,890
	Government of Myanmar	US\$	73,802
Submitted by:	Government of Myanmar		
Implementing agencies:	Forest Department/Forest Research Institute. Ministry of Environmental Conservation and Forestry (MOECF), Myanmar.		
Duration:	36 months		
Financed at:	REDDES 1 st Cycle 2011		

Summary:

Forests in Myanmar have contributed to the provision of abundant benefits to local, regional and global communities especially in reducing Green House Gas (GHG) emissions and enhancing forest carbon stocks and environmental services. The Toungoo District in the Bago Yoma region of Myanmar is approximately 1,064,939 ha and it will be used as project site. Implementation on Reducing Emissions from Deforestation and forest Degradation and Enhancing Forest Carbon Stocks (REDD-plus) through sustainable forest management requires understanding and participation by all stakeholders. As the concept and methodologies of REDD-plus are new to Myanmar, capacity building and awareness raising for all levels of stakeholders are of crucial importance, and urgently needed. Accordingly, the development objective of this project is to contribute to sustainable forest management in the Bago Yoma region to improve the provision of environmental services and reduce GHG emissions from deforestation and degradation and enhancement of carbon stocks. The specific objective of the project is to strengthen the capacity of the Ministry of Forestry in REDD-plus initiatives. The expected outputs are: (i) REDD-plus national strategies prepared, (ii) Institutional setting for capacity building on REDD-plus strengthened and (iii) Capacity built to conduct MRV of the carbon stock.

Project Title:	Improving the quality and coverage of the estimates of carbon stocks in Thailand's forests and trees outside forest: Phase I		
Project Number:	RED-SPD 039/11 rev.1 (F)		
Budget:	Total:	US\$	158,279
	ITTO Contribution:	US\$	113,373
	Government of Thailand	US\$	44,906
Submitted by:	Government of Thailand		
Implementing agencies:	Kasetsart University, Faculty of Forestry		
Duration:	18 months		
Financed at:	REDDES 1 st Cycle 2011		

Summary:

The small project aims to develop and pilot-test methodology to construct new equations to estimate carbon stocks in Thailand's natural forests and tree resources outside forest (TROF). The existing tree carbon equations are inaccurate, the national reporting of carbon stocks is incomplete especially in TROF areas, and there is limited knowledge of the methods and benefits of carbon stock assessment among the potential stakeholders. This project shall contribute to well-informed policy decision-making and balanced public debate on climate change mitigation through carbon sequestration by trees. The project strategy is to construct tree carbon estimation equations for selected major tree species groups in a pilot proj-

ect area (Ngao Demonstration Forest, Lampang province), and to promote carbon stock assessment methods and benefits through a national workshop. The Phase I project outputs are 1) methodology for constructing new tree carbon equations, and 2) an action plan to develop and promote new national equations for the major tree species groups in Thailand. The project main target beneficiaries are the various national agencies reporting on carbon stocks and a number of universities interested in the information for research and education.

Project Title:	Designing a Programme for Capacity Building and Meaningful Stakeholder Participation in Forest Governance and REDD+ in Honduras and Guatemala		
Project Number:	RED-PPD 041/11 Rev.2 (F)		
Budget:	Total:	US\$	170,320
	ITTO Contribution:	US\$	144,650
	Client Earth	US\$	25,670
Submitted by:	Government of Guatemala; Government of Honduras		
Implementing agencies:	Client Earth		
Duration:	9 months		
Financed at:	REDDES 1 st Cycle 2011		

Summary:

The pre-project will specifically assist in the formulation of a comprehensive and appropriate programme of work that will build the capacity of stakeholders to effectively participate in forest governance and the successful implementation of REDD+ in Honduras and Guatemala. It will lay the groundwork for the intended project by assessing and reporting on existing stakeholder capacity and the need for further capacity building, as well as the desired processes and means necessary for effective multi-stakeholder processes for REDD. The major outputs include: (1) Information on stakeholders' capacity constraints and needs has been gathered and assessed, and comprehensive understanding of the processes and means necessary for effective stakeholder participation in forest governance has been established and documented; (2) The specific context and dynamics related to capacity building and participation in Honduras and Guatemala have been analyzed and reported on; and (3) A full project proposal for work on capacity building and participation of stakeholders in REDD+ in Honduras and Guatemala has been produced and is fully supported by all stakeholders.

Project Title:	Participatory development, conservation and rehabilitation of degraded forest areas in the Bamboutos Mountain chain, West Cameroon		
Project Number:	RED-PPD 050/11 Rev.1 (F)		
Budget:	Total:	US\$	93,713
	ITTO Contribution:	US\$	73,613
	Government of Cameroon	US\$	20,100
Submitted by:	Government of Cameroon		
Implementing agencies:	MINFOF		
Duration:	8 months		
Financed at:	REDDES 1 st Cycle 2011		

Summary:

The degradation of the mountain ecosystem in the Bamboutos Range – the ‘water tower’ of the West Cameroon region, an area with high cultural tourism potentials which acts as a climate-control system – has reached a critical threshold during past twenty years. The cause of this degradation process has been ascribed to a combination of three main factors, which are: climate variability, the fragility of this particular ecosystem and population pressure. The pre-project aims to provide for the development of a strategic framework for sustainable management of the regional forests on the basis of a consen-

sus that takes into account the interests of all stakeholders in generating an integrated management plan that includes a priority action plan. Such action plan will contribute to improving the welfare of communities, mitigate the degradation of the ecosystem and implement the restoration process. The implementation of this pre- project will also remove the constraints hindering the process of classification as Integral Reserve, currently under way in the region.

Project Title:	Contribution to the implementation of REDD mechanisms by enhancing the participation of stakeholders in sustainable forest management in Cameroon		
Project Number:	RED-PPD 051/11 Rev.1 (F)		
Budget:	Total:	US\$	100,864
	ITTO Contribution:	US\$	81,864
	Government of Cameroon	US\$	9,000
	IUCN	US\$	10,000
Submitted by:	Government of Cameroon		
Implementing agencies:	International Union for the Conservation of Nature (IUCN)		
Duration:	6 months		
Financed at:	REDDES 1 st Cycle 2011		

Summary:

Since the early 90s, Cameroon has embarked on a series of initiatives aimed at placing its forest resources under sustainable management. Despite a substantial body of legal and institutional framework, it has been noted that deforestation and ecosystem degradation continue abated together with persistent poverty. This situation could be explained partly by the lack of involvement of all stakeholders, including the local communities, in efforts to achieve the sustainable management of forest resources, which could be caused by the inadequate dissemination of relevant information in the sector, the low conspicuity of the beneficial impacts the sustainable management of these resources can achieve and the lack of adequate stakeholders' capacity. The pre-project will develop a project proposal for strengthening the participation of all stakeholders in the sustainable management of forest ecosystems in Cameroon. It will contribute to poverty reduction through minimizing the effects of deforestation and forest degradation through the enhanced participation and involvement of communities and all other stakeholders.

Project Title:	Integrating sustainable livelihoods, environmental mortgages, and science-based reforestation for tangible forest conservation change in the Ecuadorian Chocó		
Project Number:	RED-SPD 055/11 Rev.1 (F)		
Budget:	Total:	US\$	207,744
	ITTO Contribution:	US\$	149,922
	Government of Ecuador	US\$	25,222
	Others	US\$	32,600
Submitted by:	Government of Ecuador		
Implementing agencies:	Pinchot Institute for Conservation		
Duration:	24 months		
Financed at:	REDDES 1 st Cycle 2011		

Summary:

In one of Ecuador's two remaining Chocó forest expanses, a new economic incentives program will be pilot tested, aimed at permanently reversing deforestation by facilitating livelihood improvements that are intrinsically linked to environmental stewardship. Toward creating a viable economic alternative for the reserve's 50-some rural communities, the current cacao market system will be revamped. Required funding for achieving this aim will be run through the new

“environmental mortgages” microfinance model, in which lines of credit are calculated against the conservation value of a community’s surrounding de facto environmental assets. The rural poor typically have no access to globally perceived existence values (e.g. carbon offsets, biodiversity) of these assets, which are often their most valuable. Tying the capital in a lending trust to that value creates incentives for sustainability, while providing the financial resources needed to climb out of poverty. The two year initiative will focus on developing and implementing the environmental mortgages framework in three reserve communities. Year one will focus on necessary due diligence (socio-political analyses, asset monitoring/evaluation protocols, microfinance details, market development) and community organization. Year two we will pilot the program.

Project Title:	Strengthening the capacity of ITTO producer countries in Africa in generating and disseminating scientific information on Reducing Deforestation and Forest Degradation and Enhancing Environmental Services from Forests		
Project Number:	RED-PA 056/11 Rev.1 (F)		
Budget:	Total:	US\$	348,120
	ITTO Contribution:	US\$	253,120
	International Union of Forest Research Organizations (IUFRO)	US\$	95,000
Submitted by:	ITTO (Secretariat)		
Implementing agencies:	ITTO		
Duration:	24 months		
Financed at:	REDDES 1 st Cycle 2011		

Summary:

The project will support ITTO producer countries in Africa in dealing with the challenges of reducing deforestation and enhancing the rehabilitation of degraded tropical forests. The project will generate scientific information on specific REDDES pilot areas in Cameroon, Ghana, Liberia and Nigeria, and disseminate the information to policy makers and forest practitioners at the national and regional level through science-policy interactions in close cooperation with the African Forest Forum (AFF). Regional networking and capacity building is further strengthened by jointly organizing a regional forest congress for forest scientists, policy makers and other forest stakeholders. The congress will mainstream project results, foster regional cooperation and strengthen the role of ITTO in the region and in networks such as FORNESSA and AFF.

Project Title:	Developing REDD+ES in the Brazilian Atlantic Rain Forest		
Project Number:	RED-SPD 058/11 Rev.2 (F)		
Budget:	Total:	US\$	164,610
	ITTO Contribution:	US\$	142,110
	Instituto BioAtlantica (IBio)	US\$	3,750
	Fibria, Brazil	US\$	18,750
Submitted by:	Government of Brazil		
Implementing agencies:	Instituto Bio Atlantica (IBio)		
Duration:	12 months		
Financed at:	REDDES 1 st Cycle 2011		

Summary:

Due to its exceptional biological diversity, the Brazilian Atlantic Rain Forest is among the five top priority conservation areas in the world. The biome hosts 80% of the Brazilian GNP and is home to more than 110 million people (or 60% of the Brazilian population), who depend on key environmental services produced by forests, such as fresh water, clean air,

and climate stability. Due to deforestation activities, only 7% of the Atlantic Forest original vegetation is left. To further protect and recover the forest, additional incentives and financial resources, including sales of carbon credits, must be identified and channeled to landowners and local communities. REDD+ is a promising mechanism with the potential to assist the conservation and recovery of forests, however requirements for the development of on-the-ground projects are very technical and complex. This proposal aims to identify the potential of using the REDD+ mechanism to help restore and preserve the Atlantic Forest.

Project Title:	Promoting local community initiatives on the rehabilitation of mangrove ecosystems with demonstration activities in Bintan Island to reduce further deforestation and forest degradation.		
Project Number:	RED-PD 064/11 Rev.2 (F)		
Budget:	Total:	US\$	555,887
	ITTO Contribution:	US\$	504,317
	Government of Indonesia	US\$	51,570
Submitted by:	Government of Indonesia		
Implementing agencies:	Directorate General of Watershed Development and Social Forestry, Indonesia		
Duration:	24 months		
Financed at:	REDDES 1 st Cycle 2011		

Summary:

This project aims at the improvement of mangrove ecosystem quality in Indonesia through local community participation, using a demonstration area on Bintan Island. The specific objective is to control, through local communities, the further exploitation of mangrove areas in order to reduce further forest degradation. The expected outputs of the project are: (1) A Draft Policy Legislation on Mangrove Forest Management formulated; (2) Improved capacity of communities to rehabilitate degraded mangrove forest area. It is expected that after project completion, national strategies on mangrove forest management will be institutionalized and adopted at various levels for an action program to improve mangrove ecosystems by local communities and thus also promote the reduction of deforestation and degradation. The successful implementation of the project will generate awareness among local people and stakeholders to participate in managing mangrove forest in a sustainable way. Local governments, communities and private sector will get incentives from the ongoing effort in implementing conservation and forest management in reducing deforestation and forest degradation.

Project Title:	Quantifying the carbon benefits of ITTO projects		
Project Number:	RED-PA 069/11 Rev.1 (F)		
Budget:	Total:	US\$	143,510
	ITTO Contribution:	US\$	143,510
Submitted by:	ITTO (Secretariat)		
Implementing agencies:	ITTO Secretariat in collaboration with Intercooperation		
Duration:	14 months		
Financed at:	REDDES 1 st Cycle 2011		

Summary:

Taking into account the large ITTO operational experience forest management at the project level – which covers a wide range of activities such as sustainable forest management, restoration of secondary forest, conservation efforts and the management of plantations and newer experiences gained through the REDDES Thematic Programme, the proposed review will be an important input helping bridge the remaining gap between policies and implementation about how REDD+ can be implemented at the operational level. The purpose of this study looking into the carbon effects of ITTO projects is to show the extent to which the operational work of ITTO has already been contributing to the reduction of

emission from deforestation and forest degradation, to come up with methods how to estimate carbon stock baselines and climate mitigation services of operational activities, and how to screen for co-benefits of forestry activities. Systematically assessing the costs and benefits of forest management activities and the relation to changes in carbon stocks in a number of selected projects will help to understand the challenges and opportunities, and will show the co-benefits of different alternatives. The study will allow developing concrete guidance how future ITTO projects can best be developed to achieve maximum effects. The new knowledge is not only valuable for parties interested in submitting a project proposal, but for demonstrating the value of the ITTO as a key partner for institutions and countries interested in operationalizing REDD strategies.

Project Title:	Methodological Development for Life Cycle Analysis of Tropical Wood Products to Improve their Competitiveness in International Markets		
Project Number:	TMT-PD 007/11 Rev.1 (I)		
Budget:	Total:	US\$	60,116
	ITTO Contribution:	US\$	60,116
Submitted by:	ITTO Secretariat		
Executing Agency:	ITTO Secretariat		
Sessions Financed:	Thematic Programme TMT 1 st Cycle 2011		

Summary

The amount of wood going into the long-term product pool (and therefore carbon sequestered in this pool) is relevant to almost all forest-related activities eligible for the voluntary carbon market including Afforestation/Reforestation (AR), Improved Forest Management (IFM) and Reduced Emissions from Deforestation and Degradation (REDD). Thus, as the voluntary market develops, it is important that the methodologies and emission factors used are based on the most up-to-date understanding and scientific knowledge. Currently, under the voluntary market a single method dominates for wood products accounting and it is therefore in ITTO's and its member countries' best interest to revise and up-date the methodology in order to have accurate estimates of the carbon stocks stored in tropical wood products by species, product type, and end-use. This activity focuses on the development of methodologies for life cycle analysis of tropical wood product and will address apparent problems in the figures used for tropical timber products in the approved voluntary market methodology for improved forest management, reducing emissions from deforestation and degradation and afforestation/ reforestation. The outcome will be a methodology to produce more accurate information on the estimation of carbon stocks in the long-term tropical wood products pool, which will improve the products' competitiveness in international markets, especially in the context of a voluntary carbon marketing scheme.



Sustaining Tropical Forests



INTERNATIONAL TROPICAL TIMBER ORGANIZATION

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

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