



**INTERNATIONAL TROPICAL
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**COMMITTEE ON
REFORESTATION AND FOREST MANAGEMENT**

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**REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL FROM
THE FORTY- SEVENTH SESSION OF THE COMMITTEE ON
REFORESTATION AND FOREST MANAGEMENT**

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Item 1 - Opening of the Session

The Forty-seventh Session of the Committees was opened on 26 November 2013 at the Joint Session of the Committee on Reforestation and Forest Management (CRF), the Committee on Economic Information and Market Intelligence (CEM), and the Committee on Forest Industry (CFI) chaired by Mr. Rob Busink (Netherlands), Vice-Chairperson of the Council assisted by Dr. Ruth Caroline Hltahat Turia (PNG), Chairperson of the CFI and Ms. Alicia Grimes (United States of America), Chairperson of the CRF. This Joint Session considered Agenda items 3, 4, 5 and 8a of CRF as contained in document CRF(XLVII)/1 Rev.1. The Joint Committee also considered the presentation on the technical guidance for the quantification of carbon benefits in ITTO projects under Agenda item 4 as contained in document ITTC-JC(XLVII)/1. The Joint Session of the Technical Committees was also convened under the chairmanship of Mr. Rob Busink (The Netherlands), Vice-Chairperson of the Council, to consider Agenda item 6 of CRF. The subsequent meetings of the CRF were chaired by Ms. Alicia Grimes (United States of America), assisted by Mr. Jorge Malleux (Peru), Vice-Chairperson of the CRF. The list of participants is presented in document ITTC(XLIX)/Info.2.

Item 2 - Adoption of Agenda and Organization of Work

The Agenda for the Committee as contained in document CRF(XLVIII)/1 Rev.1 was duly adopted. To ensure important policy items were covered, the Chairperson of the Committee proposed to begin the Session with the agenda item 9.

Item 3 - Admission of Observers

The Committees admitted the observers listed in document ITTC (XLIX)/Info.3 Rev.1 as approved by the Council.

Item 4 - Report of the Expert Panel for Technical Appraisal of Project Proposals

The Committees noted the presentation made by Mr. Mario Rafael Rodriguez Palma (Guatemala), Chairperson of the Expert Panel for Technical Appraisal of Project Proposals at its Forty-fifth and Forty-sixth meetings held on 4-8 February 2013 and on 29 July - 2 August 2013 in Yokohama, Japan, as contained in documents ITTC/EP-45 and ITTC/EP-46, respectively.

Item 5 – New Projects and Pre-Projects

The Committees noted the projects and pre-projects that were approved under the time-bound electronic no objection procedures to accept Expert Panel ratings and circulated to member countries pursuant to Decision 6(XLIII), following the recommendations of the Expert Panel at its Forty-fifth and Forty-sixth Meetings as follows:

For Forty-fifth Expert Panel		
PD/PPD NUMBER	TITLE	SUBMITTING COUNTRY
PD 645/12 Rev.3 (F)	Promoting Sustainable Forest Management of Rinjani Barat Forest Management Unit (Indonesia)	Indonesia
PD 646/12 Rev.3 (F)	Initiating the Conservation of Cempaka Tree Species (<i>Elmerrillia spp</i>) Through Plantation Development with Local Community Participation in North Sulawesi, Indonesia	Indonesia
PD 665/12 Rev.2 (F)	Implementation of a Fire Prevention and Control Plan in the Central Amazon Region of Peru	Peru
PD 682/13 Rev.1 (F)	Development of Quality-of-Governance Standards for Reducing Emissions from Deforestation and Forest Degradation (REDD) in Papua New Guinea	PNG
PPD 162/12 Rev.2 (F)	Developing Model of Self-sufficient and Sustainable FMU (Indonesia)	Indonesia
PPD 163/12 Rev.2 (F)	Assessing Growth and Yield Rates of Major Commercial Species for the Adjustment of Forest Management Programs in the Yucatan Peninsula, Mexico	Mexico

For Forty-sixth Expert Panel		
PD/PPD NUMBER	TITLE	SUBMITTING COUNTRY
PD 631/12 Rev.2 (F)	Reforestation of Coastal Wetlands in Southern Ghana Using Indigenous Tree and Bamboo Species	Ghana
PD 695/13 Rev.2 (F)	Rehabilitation of Degraded Gazetted Forests in the Mount Korhogo, Foubou and Badenou in Northern Côte d'Ivoire with the Involvement of Local Communities	Côte d'Ivoire
PD 696/13 Rev.2 (F)	Community Based Restoration and Sustainable Management of Vulnerable Forest of the Rewa Delta, Viti Levu, Fiji	Fiji
PD 710/13 Rev.1 (F)	Promoting Conservation of Selected High-Value Indigenous Species of Sumatra	Indonesia
PD 715/13 Rev.1 (F)	Improving the Production, Conservation and Management of Forest Seeds in Benin	Benin
PD 723/13 Rev.1 (F)	Capacity Building for Strengthening Transboundary Biodiversity Conservation of the Taninthayi Range in Myanmar	Myanmar
PD 724/13 Rev.1 (F)	Guidelines for the Management of Tara (<i>Caesalpinia spinosa</i>) Plantations with a View to the Rehabilitation of Waste Lands in the Sub-Humid Tropics of the Coastal Region of Peru	Peru
PPD 166/13 Rev.2 (F)	Improving the Fuel Wood Supply through the Provision of Support to the Development of Forest Plantations in the Mokolo, Maroua and Kaelé Municipalities in the Sahelian Part of Cameroon	Cameroon
PPD 176/13 Rev.1 (F)	Identification and Planning of Measures for the Sustainable Management of the Forest Estate Owned by Individuals in Togo	Togo

Item 6 – ITTO Annual Market Discussion -2013

The Committees noted the summary of the ITTO Annual Market Discussion – 2013, held in the Joint Session of All Committees on 27 November 2013, as contained in Appendix A of document CEM-CFI(XLVII)/6. The theme of the Market Discussion was “Trade Approaches to Meeting Market Demand for Legality”. Mr. Rob Busink, Vice-Chairperson of the Council, chaired the meeting and Mr. Barney Chan (TAG Coordinator) served as the moderator of the Market Discussion.

The following feature presentations were made during the Market Discussion:

Mr. Alhassan Attah
Marketing Consultant
Ghana

“Progressing Towards the Export of VPA/FLEGT License Timber: Ghana’s Experience and Lessons Learned”

Dr. Ivan Tomaselli
President, STCP Engenharia de Projetos Ltda.
(Brazil)

“Trends in Brazil’s Production and International Trade”

Mr. Ralph M. Ridder, Director General
Association Technique Internationale des Bois
Tropicaux (ATIBT) (France)

“Forest Sector and Timber Trade in ATIBT Focus Countries”

Mr. Maidiward
Forestry Attache
Embassy of Indonesia in Japan

“Indonesia’s Readiness to Supply World Market with Legal Timber from Sustainable Managed Forests: Updating SVLK/VPA Implementation”

Mr. Boubacar Ben Salah, President Syndicat des Producteurs Industriels du Bois de Côte d'Ivoire (SPIB)(Côte d'Ivoire) "FLEGT Processes in Côte d'Ivoire"

Mr. Rupert Oliver, Managing Director Forest Industries Intelligence, Ltd. (UK) "The European Market for Tropical Timber: Turning a Crisis into an Opportunity?"

The TAG Coordinator informed the Committees that collaboration between TAG and the Secretariat would continue for the planning and organization of the ITTO Annual Market Discussion 2014. He informed the Committees that the tentative theme for the discussion would be "Domestic and Emerging International Markets – A Changing Market Landscape".

The Committees further noted the statement of the Trade Advisory Group (TAG) presented during the Market Discussion as contained in Appendix B of document CEM-CFI(XLVII)/6.

Item 7 - Report on Completed Projects and Pre-projects

The Secretariat informed the Committee that the completed projects and pre-projects are described in document CRF(XLVII)/2, "Report on Completed Projects and Pre-projects in the Field of Reforestation and Forest Management".

The Committee then proceeded to review the following completed projects:

7.1 Completed Projects

1) PD 28/00 Rev.2 (F) Integrated Management of Community Forests in the Valley of Mefou and Afamba (Central Province of Cameroon) (Cameroon)

The Committee took note that the implementation of this project has been an opportunity to put into practice the national guidelines for the establishment of community forests in Cameroon, and its lessons and results contributed to improve the national manual of procedures for the establishment of community forests in Cameroon. The Executing Agency has submitted the project completion report and several technical documents, as well as the final financial audit report. The Committee therefore decided to consider the project as completed.

2) PD 54/00 Rev.4 (F) Genetic Resistance of Iroko to *Phytolya lata* – Phase II (Côte d'Ivoire)

The Committee took note that this project has contributed to broadening the genetic base of the available vegetal materials through the collection of new provenances and their use in the establishment of experimental plantations of Iroko which led to the selection of genetic resistance clones of Iroko to the attacks of *Phytolya lata*. The Executing Agency has submitted the project completion report and the final financial audit report. The project coordinator, Mr. Kouablan ADOU, gave a presentation to the Committee on the project's main achievements, outcomes and lessons learnt. Then, Benin, Cameroon, Congo-Brazzaville and Gabon expressed their interest in cooperating with the Executing Agency, SODEFOR, in order to share the results and lessons on genetic resistance of Iroko to the attacks of *Phytolya lata*. The Committee therefore decided to consider the project as completed.

3) PD 66/01 Rev.1 (F) Establishment of the Mengamé-Minkébé Transboundary Gorilla Sanctuary (MMGS) at the Cameroon-Gabon Border (Cameroon)

The Committee took note that the implementation of this project has led to the formalization of the establishment of the Complex of Mengine Gorilla Sanctuary and Kom National Park which had been subject to a participatory process for the demarcation of boundaries and mapping with the involvement of local communities living in 34 surrounding villages. The formalization of the establishment of this complex of two protected areas is in its final stage with the draft decrees prepared and submitted to the Prime Minister of Cameroon, within the first objective of the project. However, the Committee also noted that the second objective of the project was not achieved as the trans-boundary activities were not implemented. The Executing Agency has submitted the project completion report, several technical documents and the final financial audit report. The delegates of Switzerland and USA

expressed their concerns about the non-implementation of trans-boundary activities under the second objective of the project. Therefore, the Committee decided to consider the project as completed. This project has been selected for ex-post evaluation to be carried out by an independent consultant, with special terms of reference in correlation with the remarks made by the delegates of Switzerland and USA.

4) PD 142/02 Rev.2 (F) Sustainable Production of National Forests under the “Regime of Forest Concessions” (Brazil)

The delegate of Brazil gave a presentation to the Committee on the project’s main achievements, outcomes and lessons learnt. The Committee further noted that this project has contributed tremendously towards the development of public policy instruments for the sustainable forest management of Brazil’s National Forests. The Executing Agency has submitted the completion report, several technical reports, an article for the TFU and the final financial audit report. These and other means of verification are available from the Executing Agency and/or the ITTO Regional Officer for Latin America upon written request. The project’s documented products and outputs will also be posted on the ITTO website for widespread dissemination, and can be further downloaded from there. In this light, the Committee decided to declare the project as completed.

5) PD 248/03 Rev.4 (F) Antimary Forest Management Regional Training Centre (Brazil)

The Committee took note that this project has contributed to the improvement of the sustainable forest policy of Acre and further enabled the development of a model of forest management that can be implemented in the production forests of Acre State. The Executing Agency FUNTAC has submitted the project completion report and several technical documents. These and other means of verification are available from the Executing Agency and/or the ITTO Regional Officer for Latin America upon written request. The project’s documented products and outputs will also be posted on the ITTO website for widespread dissemination, and can be further downloaded from there. The final financial audit report has also been received and reviewed, and while observations have been made to it, these are expected to be resolved in the short term. The Committee therefore decided to consider the project as completed.

6) PD 428/06 Rev.2 (F) Promoting the Rehabilitation, Management and Sustainable Use of Tropical Bamboo Forests in the North-Western Region of Peru (Peru)

The Committee noted that this project has contributed significantly towards the promotion and implementation of sustainable management practices of natural and planted bamboo forests, and in the efficient processing of bamboo in Ceja de Selva (moist hill forests) and Selva Alta (moist mountain forests) in the northern region of Peru. The Executing Agency has submitted the completion report, several technical documents and other products, in accordance with the project agreement. The project’s documented products and outputs have been posted on the ITTO website for widespread dissemination, and can be further downloaded from there or requested directly from the Executing Agency upon written request. The final financial audit report has also been received and approved. The Committee therefore decided to consider the project as completed.

7) PD 459/07 Rev.1 (F) Improving the Enabling Conditions for Sustainable Management of Sandalwood Forest Resources in East Nusa Tenggara Province, Indonesia (Indonesia)

The Committee noted that this project has contributed to strengthening the policy, economic incentives and local institutional frameworks for sustainable management of sandalwood resources in East Nusa Tenggara Province by addressing the problem of declining sandalwood resources which are an important timber species due to its specific characteristics such as handicrafts, woodcarvings, joss sticks, and oil for the perfume and cosmetics industries. The Committee further noted that a Master Plan for Sandalwood Development in East Nusa Tenggara Province, which was made with the support of the ITTO project team, has been used as guidance for coordinated actions in order to return East Nusa Tenggara as a sandalwood province by 2030. The Executing Agency has submitted the project completion report, several technical reports and the final financial audit report in accordance with the project agreement. The Committee therefore decided to consider this project as completed.

8) PD 460/07 Rev.2 (F) Achieving Sustainable Management of Mangrove Forests in China through Local Capacity Building and Community Development – Phase I (China)

The Committee noted that the project has focused on the sustainable management of Fujian Zhangjiangkou Mangrove Natural Reserve, South China and contributed to the preparation of a new management plan of mangrove forests, establishment of a stakeholders consultation forum and assessment of potential demand for eco-tourism in the Fujian Zhangjiangkou Mangrove Nature Reserve. The Executing Agency has submitted the project completion report, several technical reports and the final financial audit report in accordance with the project agreement. The Committee therefore decided to consider this project as fully completed.

9) PD 482/07 Rev.2 (F) Sustainable Forest Production and Conservation with Community Participation in the Chepigana Forest Reserve of Darien, Panama (Panama)

The Committee took note that this project has significantly contributed towards the sustainable management and conservation of the Chepigana Forest Reserve, its buffer zones and the Bagre Biological Corridor, while simultaneously improving the livelihoods of local communities in the Darien Region of Panama. The Executing Agency has submitted the project completion report, several technical reports and the final financial audit report. The project's documented products and outputs will be posted on the ITTO website for widespread dissemination, and can be further downloaded from there or requested directly from the Executing Agency upon written request. The Committee therefore decided to consider the project as completed.

10) PD 492/07 Rev.3 (F) Participatory Rehabilitation and Management Project for Mangroves and Watersheds in the Coastal Area of the Douala/Edéa Wildlife Reserve – “Douala-Edéa Mangrove Project” (Cameroon)

The Committee took note that this project has contributed towards the promotion and implementation of sustainable management practices of mangroves and associated watersheds in the coastal area of the Douala/Edéa Wildlife Reserve, with the involvement of key stakeholders including local communities living in the project target area. The Executing Agency has submitted the project completion report, final technical report and final financial audit report. The project coordinator, Mrs. Cecile Ndjebet, gave a presentation to the Committee on the project's main achievements, outcomes and lessons learnt. Then, the delegations of Cameroon and Gabon made comments on the need to increase the financial support to member countries in order to mitigate the pressure on mangrove ecosystems. The delegation of Switzerland, supported by Gabon, suggested updating the ITTO Mangrove Work Plan 2002-2006 with accumulated project achievements, results and lessons. The Committee therefore decided to consider the project as completed. The Committee recommended for consideration of, as suggested by the delegation of Switzerland, the updating of the ITTO Mangrove Work Plan 2002-2006 as an item of the policy work to be discussed in the next Committee session.

11) PD 564/09 Rev.1 (F) Production of an Educational Book Series on Mangroves for Sustainable Management and Utilization of Mangrove Ecosystems (Japan)

The Committee noted that this project has contributed to the publication of three mangrove educational books, namely (i) Introduction to Mangrove Ecosystems, (ii) Structure and Function of Mangrove Forests and (iii) Useful Products from Mangrove Plants. The Committee was also informed that PDF copies of the three e-books have been uploaded onto the ISME [<http://www.mangrove.or.jp/isme/>] and GLOMIS websites, and interested readers including those from developing countries are able to download the books free of charge. The Executing Agency has submitted the project completion report, three educational books and final financial audit report. The Committee therefore decided to consider the project as completed.

12) PD 583/10 Rev.1 (F) Restoring Sub-Humid Ecosystems in Southern Peru through Reforestation with *Caesalpinea spinosa*

The Peruvian delegate gave a presentation to the Committee on the project's main achievements, outcomes and lessons learnt. The Committee noted that this project has significantly contributed towards the rehabilitation of arid and degraded lands on the coastal area of Camana, Peru, by generating new reforestation opportunities that have improved the environment and the living conditions of the local rural population. It also represented a true economic, ecological and social revolution that broke the paradigm that reforestation could only take place in the humid areas of the Peruvian Rainforest (Selva) and Highlands (Sierra) Regions. The Executing Agency has submitted the completion report, several technical documents and other products in accordance with the project agreement. The project's documented products and outputs are to be posted on the ITTO website for widespread dissemination, and can be further downloaded from there or requested directly from the Executing Agency upon written request. The final financial audit report has also been received and approved. The Committee therefore decided to consider the project as completed.

7.2 Completed Pre-projects

None.

Item 8 - Ex-post Evaluation

(A) Ex-post Evaluation Reports

The Committee recalled that the following projects by thematic groups were selected for ex-post evaluation by the Committee at its Forty-fifth Session:

1) Thematic Group Evaluation: Biodiversity Conservation / Conservation Areas

PD 310/04 Rev.2 (F) Biodiversity Management and Conservation in Forest Concessions Adjacent to Totally Protected Area (Nouabale-Ndoki National Park), Northern Republic of Congo – Phase II (Congo)

2) Thematic Group Evaluation: Community Participation in SFM

PD 324/04 Rev.3 (F) Sustainable Management of Tropical Forest Resources through Stakeholder Agreements in Traditional Owned Areas of Papua New Guinea (PNG)

3) Thematic Group Evaluation: Forest Rehabilitation / Landscape Restoration / Secondary Forest Management

PD 271/04 Rev.3 (F) Rehabilitation of Degraded Forest Land Involving Local Communities in West Java, Indonesia (Indonesia)

PD 394/06 Rev.1 (F) Restoring the Ecosystem Functions of the Lake Toba Catchment Area through Community Development and Local Capacity Building for Forest and Land Rehabilitation (Indonesia)

4) Thematic Group Evaluation: Improvement and Conservation of Genetic Resources

PD 105/01 Rev.3 (F) Towards Sustainable Timber Production in Ghana: Stage I. Improving Shoot Borer Resistance and Developing Silvicultural Systems to Maximize Mahogany Plantation Success (Ghana)

5) Thematic Group Evaluation: Mangroves

PD 156/02 Rev.3 (F) Conservation and Reforestation of Threatened Mangrove Forest Areas along the Pacific Coast of Panama – Phases I & II (Panama)

PD 349/05 Rev.2 (F) Criteria for the Management of Mangrove and Flood Forests in the Central Coastal Plains of Veracruz, Mexico: A Community Management Tool (Mexico)

6) Thematic Group Evaluation: Criteria and Indicators for SFM

PD 37/00 Rev.1 (F) Operational Strategy for Sustainable Forestry Development with Community Participation in India (India)

PD 272/04 Rev.2 (F) Development of National Principles, Criteria and Indicators for the Sustainable Management of Congo Forest Based on ITTO Criteria and Indicators for SFM (Congo)

7) Thematic Group Evaluation: Environmental Services (CDM, REDD, Carbon Credits, Kyoto, etc.)

PD 54/99 Rev.2 (F) Alternative Financing Model for Sustainable Forest Management in San Nicolas, Colombia (Colombia)

PD 240/03 Rev.1 (F) Alternative Financing Model for Sustainable Forest Management in San Nicolás – Second Phase: Non-Kyoto Rehabilitation Areas (Colombia)

PD 359/05 Rev.1 (F) Building Capacity to Develop and Implement Afforestation and Reforestation Projects under Clean Development Mechanism (AR-CDM) of the Kyoto Protocol in Tropical Forestry Sector (Global-Japan)

The Committee further noted that the results of the ex-post evaluation of the projects under the combined Thematic Group of Biodiversity Conservation / Conservation Areas and Thematic Group of Improvement and Conservation of Genetic Resources, combined Thematic Group of Community Participation in SFM and Thematic Group of Forest Rehabilitation / Landscape Restoration / Secondary Forest Management, and Thematic Group of Criteria and Indicators for SFM were already reported to the 46th CRF through documents CRF(XLVI)/4, CRF(XLVI)/5 and CRF(XLVI)/6 respectively. In addition, the Executive Summary of the ex-post evaluation of the project PD 359/05 Rev.1 (F) under the Thematic Group of Environmental Services was reported to the 46th CRF through CRF(XLVI)/7.

At the 47th CRF Session, the results of ex-post evaluation of PD 156/02 Rev.3 (F) and PD 349/05 Rev.2 (F) under the Thematic Group of Mangroves; and PD 54/99 Rev.2 (F) and PD 240/03 Rev.1 (F) under the Thematic Group of Environmental Services are reported through Documents CRF(XLVII)/3 and CRF(XLVII)/4.

During the Joint Session of the Committees, the Committees further took note of both the presentation of the synthesis of the ex-post evaluation for PD 54/99 Rev.2 (F) and PD 240/03 Rev.1 (F) under the Thematic Group of Environmental Services by the consultant Mr. Jorge Malleux, and the presentation of the synthesis of the ex-post evaluation for PD 156/02 Rev.3 (F) and PD 349/05 Rev.2 (F) under the Thematic Group of Mangroves; by the consultant Mr. Antonio Villa-Lopera.

Moreover, the Committees commended the consultants for their report and presentation. In addition, the delegations of Cameroon, Gabon, Guatemala, Mexico and Panama highlighted the critical importance of the highly vulnerable mangrove forests in their countries and urged the Council to urgently consider advancing a decision to revamp ITTO's old Mangrove Work Plan 2002 – 2006 and make it current.

B) Selection of Projects for Ex-post Evaluation

According to Decision 3(XXVIII), "Ex-post Evaluation of Projects", the Committees are requested to consider as candidates for ex-post evaluation all individual projects or group of projects completed in 2012 or thereafter. The Committee considered the list prepared by the Secretariat as indicated in document CRF(XLVII)/5 in application to its decision and select projects or groups of projects for ex-post evaluation for the period 2014/2015.

The Committee established a working group consisting of delegates representing Brazil, Finland (for the EU) and Malaysia, and the Secretariat to consider the selection of projects for ex-post evaluation. The working group chaired by Ms. Valeria Rigueira (Brazil) noted the selection criteria in connection with Decision 3(XXVIII). In reviewing the thirty-six projects listed in the list under eighteen themes, the attention of the working group was given to the following:

- Selection of thematic groups which have been less conducted for ex-post evaluation in recent years.
- Balance of regional coverage for selected projects for ex-post evaluation.
- The potential for wider application of lessons learned.
- Cost-effectiveness of conducting the ex-post evaluation by aggregating projects under the same thematic group or the same region.

The working group's report was considered by the Committee, which approved the following projects for ex-post evaluation by thematic group as follows:

1) Thematic Group Evaluation: Biodiversity Conservation / Conservation Areas

PD 66/01 Rev.1 (F) Establishment of the Mengine-Minkebe Transboundary Gorilla Sanctuary (MMGS) at the Cameroon-Gabon Border (Cameroon)

2) Thematic Group Evaluation: Community Participation in SFM

PD 32/99 Rev.2 (F) Productive Forest Management for the Rural Reserve Area of Guaviare (Colombia)

PD 405/06 Rev.3 (F) Extending the Area under Sustainable Forest Management in the Forest Lands of the Embera-Wounaan Comarca, Darien, Panama

PD 482/07 Rev.2 (F) Sustainable Forest Production and Conservation with Community Participation in the Chepigana Forest Reserve of Darien, Panama

3) Thematic Group Evaluation: Plantation Establishment

PD 396/06 Rev.2 (F) Strategy for Developing Plantation Forest: A Conflict Resolution Approach in Indonesia

4) Thematic Group Evaluation: Forest Fire

PD 284/04 Rev.2 (F) Fire-Management and Post-Fire Restoration with Local Community Collaboration in Ghana

5) Thematic Group Evaluation: Forest Governance

PD 493/07 Rev.1(F) Strengthening Capacity of Forest Law Enforcement and Governance in Cambodia

Item 9 - Policy Work

- (i) **Promote the understanding of the contribution of environmental services to the sustainable management of tropical forests [Activity 12, ITTO Biennial Work Programme 2013-2014 / Decision 2(XLVII)] [PP-A/48-275]**

The Committee was informed by the Secretariat as regards the organization of the International Forum on the Payment for Environmental Services, which will be held in San Jose, Costa Rica on 7-10 April 2014 under the Activity 12 of the Biannual Work Programme 2013-2014, "Promote understanding of the contribution of environmental services to the sustainable management of tropical forests". The Secretariat's report included: background, general and specific objectives; expected number and type of participants, co-organizers, partners and speakers, thematic areas, languages and dissemination, as contained in the concept note of the International Forum, as attached to this report.

The Committee was also informed that the International Forum is to be co-organized by ITTO, the Food and Agriculture Organization of the United Nations (FAO) and the Government of Costa Rica. The Secretariat expressed its warm appreciation to the co-organizers for their contribution and also to Switzerland and the USA for their generous financial support to ITTO for this Activity. The Committee was further informed that the co-organizers were still short of funds, and the Secretariat called for further support.

Mr. Hector Julio Arce Benavides, Director of Forest Programme of the National Forest Financing Fund (FONAFIFO) on behalf of the delegation of Costa Rica took the floor and expressed his country's satisfaction in joining ITTO and gratitude for being able to host the International Forum. He briefly informed on the organization of the International Forum and invited the members of the Committee to participate in the Forum.

(ii) Promote the implementation of guidelines for the management of secondary tropical forests, the restoration of degraded tropical forests and the rehabilitation of degraded forest land [Activity 14 (a), ITTO Biennial Work Programme 2013-2014 / Decision 2(XLVII)] [PP-A/48-276]

The Secretariat reported on the progress made in the implementation of this Activity, and the Committee took note that:

- i) As only two third's of the planned budget has been secured for the implementation of this Activity, the Secretariat is implementing it in two steps as follows:
 - First step – preparation of national reports from one producing country selected in each of the three tropical timber producing regions (Ghana in Africa, Indonesia in Asia Pacific and Mexico in Latin America) regarding the establishment of learning sites for forest landscape restoration in correlation with the implementation of the principles and recommended actions of the *ITTO guidelines for the restoration, management and rehabilitation of degraded and secondary tropical forests*; and
 - Second step – compilation of the findings, results and lessons documented in the abovementioned national reports by an international consultant to be selected by IUCN, which is the leading institution of the Global Partnership on Forest Landscape Restoration (GPFLR), as ITTO contribution to the establishment of a network of learning sites for forest landscape restoration.
- ii) For the implementation of the first step of this Activity, national consultants have been selected and are now operational in all three tropical timber producing regions to finalize national reports by April 2013 for:
 - Ghana (Africa): Multidisciplinary Team (Dr. Dominic BLAY as Team Leader, Dr. Beatrice OBIRI and Dr. Mark APPIAH as members) which was already involved in the implementation of a previous ITTO FLR-related Activity in Ghana;
 - Indonesia (Asia-Pacific): Dr. Hiras SIDABUTAR; and
 - Mexico (Latin America): Dr. David DOUTERLUNGNE (within the framework of cooperation between BirdLife International and ITTO).

(iii) ITTO contribution to United Nations International Strategy for Disaster Reduction (UNISDR) and support to regional fire networks [Activity 15, ITTO Biennial Work Programme 2013-2014 / Decision 2(XLVII)] [PP-A/48-277]

The Secretariat reported on the implementation of this activity, in particular on the outcomes of the South Korea Conference Organizing Committee (SKCOC) and the International Liaison Committee (ILC) meeting for the organization of the 6th International Wildland Fire Conference, which was recently held in Seoul in October 2013.

It highlighted that two years before the 6th International Wildland Fire Conference, members of South Korea Conference Organizing Committee (SKCOC) and the International Liaison Committee (ILC) met at the facilities of the Korea Forest Research Institute in Seoul, to discuss the roadmap 2013-2015. On the first day, members of the SKCOC reported on the status of the organizational and technical preparation of the conference, the conference website and the conference's draft promotional leaflet. It further presented conference's finances, co-sponsorship actions, registration procedures and fees, call for papers, and finally announced the selection of the conference site, this being the Alpensia Resort, in Pyeongchang-gun County, Gangwon-do Province, Republic of Korea. This was followed by a

discussion at which the members of the ILC commended the SKCOC in its achievements to date and each further contributed with their views and approaches in the preparation of the 6th International Wildland Fire Conference. As a result of the deliberations, it was agreed that the major topics for the draft agenda of the conference would be as follows: Wildland fires and climate change; wildland fires and communities; transboundary wildland fires; new technologies for wildland fire management; international cooperation in wildland fire policies; and country experiences and case studies. The conference's draft promotional brochure was also reviewed in depth and enriched, and it was further noted that ITTO's logo was prominently displayed in the brochure as a partner organization of the conference. The SKCOC and ILC further reiterated their wish that ITTO continues to provide support and further collaborates both technically and financially in the successful organization of this conference and other forest fire-related events. In this light, ITTO declared that it has taken a more proactive role in the international forest fire scenario and that it continued to seek potential partnerships to develop a tropical forest fire prevention and management programme with a view towards, among others, updating its forest fire guidelines with the aim of incorporating elements related to REDD+, climate change mitigation and poverty alleviation, and further continue implementing these in the field, to the benefit of its producer member countries.

The Secretariat further informed the Committee that in the past, under Council Decision 6/(XXXIII), support had been provided for the co-sponsorship of the 3rd International Wildland Fire Conference and Summit in Australia in October 2003, and for the participation of 14 ITTO producer member country representatives to the 5th International Wildland Fire Conference in South Africa held in 2011. Moreover, at this last conference, all ITTO sponsored participants provided presentations on the achievements in forest fire management and prevention through ITTO projects in their respective countries, being it in plenary sessions or at a Side-Event organized by ITTO specifically to disseminate the achievements of ITTO projects related to fire management and prevention, and that it expected to repeat this feat at the upcoming 6th International Wildland Fire Conference to be held in Seoul in 2015. It further stressed that, as the funds under the Council Decision have been depleted, any new fire-related activities such as the participation of producer member-countries and ITTO projects in this conference and others would have to be sourced from ITTO's BWP 2013-2014 Activity 15, PP-A/48-277, which currently requires substantially more pledging of funds.

Last but not least, the Chairperson urged ITTO member countries to continue their support for this very important activity and further provide the needed additional funding.

(iv) ITTO collaboration with the International Partnership for the Satoyama Initiative (IPSI)

The Secretariat reported and the Committee took note regarding ITTO's collaboration with IPSI, as follows:

- In the year 2010, the United Nations University Institute of Advanced Studies (UNU-IAS) and the Ministry of the Environment of Japan jointly initiated the Satoyama Initiative, with the support from both the Convention on Biological Diversity (CBD) and the Global Environment Facilities (GEF). This international effort promotes activities consistent with existing fundamental principles of sustainable development, including SFM. Its core vision is to realize societies in harmony with nature, that is, built on positive human-nature relationships. The International Partnership for the Satoyama Initiative was officially launched at the 10th Meeting of the Conference of the Parties to the Convention on Biological Diversity (CBD COP10) in October 2010. ITTO participated at that launch and further gave a presentation in support of the Satoyama Initiative and ITTO's potential areas of collaboration with it, particularly as a specialized agency on tropical forests. ITTO became a partner of IPSI immediately after.
- In March 2011, ITTO attended the First Global Conference on the International Partnership for the Satoyama Initiative (IPSI) – "Working together for societies in harmony with nature: The first Steps" in Aichi, Japan, and gave a presentation on ITTO's role in capacity building related to tropical forest management.
- In March 2012, ITTO participated at the Second Global Conference on the International Partnership for the Satoyama Initiative (IPSI) – "Strategy for Realising Societies in Harmony with Nature", held in Nairobi, Kenya. The IPSI Assembly, held in conjunction with the conference, approved 3 IPSI Collaborative Activities between Benin and ITTO. ITTO also prepared a strong case for its involvement at CBD COP11 and IPSI 3 in Hyderabad, India, based on the successful

start-up of Joint ITTO/CBD Collaborative Initiative for Tropical Forest Biodiversity and strong relationship with IPSI.

- In October 2012, ITTO attended the Third Global Conference on the International Partnership for the Satoyama Initiative (IPSI) – “Contribution to Achieving Aichi Biodiversity Targets” and other IPSI-related Events during the CBD COP11 held in Hyderabad, India. The 3rd IPSI Assembly held in conjunction with Conference further elected ITTO as a new member of the IPSI Steering Committee.
- In November 2012, an IPSI Collaborative Activity between Benin and ITTO was fully funded at the XLVIII ITTC as PPD 165/12 Rev.1 (F) “Study for the Rehabilitation and Sustainable Management of Sacred Forests on RAMSAR Sites 1017 and 1018 in Benin”. This pre-project also became part of the Joint ITTO/CBD Collaborative Initiative for Tropical Forest Biodiversity. Moreover, this is one of the very first IPSI Collaborative Activities that have become operational in the field.
- ITTO further participated at the 5th Meeting of the IPSI Steering Committee held in Nepal in May 2013 and the 4th IPSI Global Conference held in Fukui, Japan in September 2013 and continues to actively strengthen its synergies with IPSI.

The representative of Benin praised ITTO's active participation in IPSI and further stated that the IPSI Collaborative Activity between Benin and ITTO was greatly assisting small rural communities in maintaining their socio-ecological production landscapes and further conserving their sacred forests located on RAMSAR sites.

The representative of USA requested clarification on the financing mechanisms within IPSI. In this regard, the Secretariat highlighted that IPSI partnership seeks to foster synergies between organisations in implementing their activities as well as others planned under the Initiative.

(v) Strengthening cooperation and collaboration between ITTO and ACTO countries on C&I and related topics, including the outcomes of a regional workshop to harmonize ITTO C&I and the Tarapoto Process [Activity 47, ITTO Biennial Work Programme 2008-2009 / Decision 2(XLVIII)] [PP-A/34-131B]

The Secretariat informed and the Committee took note on the developments to date as regards the harmonization of the Criteria and Indicators for Sustainable Tropical Natural Forests (ITTO C&I) and the Tarapoto Process, as follows:

- Under Activity PPA-34-131B, support has been provided to Amazon Cooperation Treaty Organization (ACTO) to elaborate a Harmonized ITTO-ACTO C&I for SFM. In this light, Government Representatives from Brazil, Colombia, Ecuador, Guyana, and Peru, among others, are participating in the Harmonization of Criteria and Indicators of Tarapoto and ITTO.
- The harmonization process seeks to integrate both sets of C&I in an attempt to generate information that can guide public managers on the effectiveness and efficiency of measures aimed at forest management. At the regional level, the generation of reports is recognized as a useful practice for the dialogue around sustainable development, to highlight the challenges and opportunities for management under a regional vision and to identify areas of cooperation which should be strengthened.
- The national delegates have to date participated at a workshop to review a proposal for the Harmonization of ACTO/ITTO C&I submitted by the consultant and further sent their comments to the Permanent Secretariat of ACTO. ACTO then combined the comments received and completed the document entitled "Proposal for a Regional Strategy for the Harmonization of the Tarapoto and ITTO C&I for Sustainable Forest Management" and resent it in June 2012 to the National Delegates that participated in this workshop for final adjustments.
- The final comments of the national delegates were received by ACTO by July 2012, and in August 2012 PS ACTO finalized the first version of the document of ACTO/ITTO harmonized C&I for its distribution to the national delegates and dissemination.

- Virtual planning meetings to consolidate the first draft report of the implementation of ACTO/ITTO harmonized C&I was initiated in September 2012. The initial harmonization proposal was widely discussed via these virtual meetings with all ACTO member countries and took into account the different political-environmental views, thus reaching an agreement as regards each of the criteria and indicators that were proposed to be harmonized. The objective of this procedure was to facilitate the implementation of the harmonized C&I at both the conceptual and practical levels.
- Overall, the process is currently in its final stages, pending only the approval the final set of harmonized C&I by ACTO Member Countries in accordance with the procedures of ACTO's Permanent Secretariat.
- Last but not least, ACTO is already designing a strategy for the implementation process of the Harmonized C&I as a follow-up phase.

The Secretariat further informed that greater details on the current implementation of this activity are contained in a document entitled OTCA: "Proceso de Aproximacion de los C&I Armonizados por los Paises Miembros", which is available from the Secretariat upon request.

(vi) Promote the publication, dissemination and application of the revised *ITTO Guidelines for the Sustainable Management of Natural Tropical Forests* [Activity 35, ITTO Biennial Work Programme 2013-2014 / Decision 2(XLVII)] [PP-A/48-284] [Document CRF(XLVII)/6]

The Secretariat informed the Committee that the process to revise the ITTO Guidelines for the Sustainable Management of Tropical Natural Forests (1990) began in 2010. The report included: (i) initial work embarked in 2010 under the Biannual Work Programme 2010-2011; (ii) revisions of the draft Principles and Guidelines for the Sustainable Management of Tropical Natural Forests based on the inputs received through the two expert meetings held in 2010 and 2011 and subsequently through the three regional validation workshops held in 2012; and (iii) further revisions based on the comments received at the 46th Session of CRF and during the period set out by the CRF.

The consultant, Dr. Jürgen Blaser presented the latest version of the draft revised ITTO Principles and Guidelines, which has been prepared by taking into account the comments provided by the members from 1 December 2012 to 30 June 2013. He elaborated the major changes made on the draft, including: (i) further clarification of the voluntary nature of the Principles and Guidelines in the text; (ii) considerable reduction in the number of principles, guidelines and recommended actions; and (iii) incorporation of the climate change related principles and guidelines into other relevant principles and guidelines. He also indicated in his presentation that the Committee might wish to discuss the way forward for the adoption of the Principles and Guidelines.

In the discussion, a delegate of Indonesia informed the Committee, on behalf of the producer caucus, that a number of producer members still have difficulties in adopting the Principles and Guidelines. He clarified, on the other hand, that Indonesia is ready for adoption under certain conditions, such as the confirmation of its voluntary nature and the flexibility in its application. The delegation of Brazil, as one of the new member countries, stressed the need of examining social and climate change related components.

The delegations of a number of consumer members expressed their support to the draft Principles and Guidelines and urged the Committee to adopt it as it stands acknowledging its conciseness and user friendliness, as well as its well-balanced composition. The delegations of the USA and EU drew the attention of the Committee to the investment having been made in the development of the draft Principles and Guidelines. EU further highlighted that current draft is the result of a multi-year process initiated unanimously by the Council in 2008 and has been subject to several revisions by ITTO Members. In this connection, the Chairperson later informed the Committee that a total of USD 419,700 has been spent on this policy work.

The delegation of Malaysia highlighted a number of challenges the implementation of sustainable forest management is facing for its limited institutions, enforcement and resources. In conclusion, the delegation stated that Malaysia was not ready to adopt the draft Principles and Guidelines emphasizing the need of further effort to implement the existing guidelines.

The delegations of some producer members informed the Committee of their difficulties with specific principles. Some producer members also proposed the revision of the title of the draft Principles and

Guidelines with the aim of clarifying its voluntary nature and the inclusion of financial provisions as a part of the enabling environment for sustainable forest management.

Based on the comments received from the delegations, a draft decision was formulated by the Secretariat for the consideration by the members. The title of the revised Principles and Guidelines was changed to the "ITTO Voluntary Guidelines for the Sustainable Management of Tropical Natural Forests". The draft decision contained, among others: (i) a process to revise the draft Voluntary Guidelines, taking into account additional comments received from members before the finalization and adoption; (ii) actions to promote the adopted Voluntary Guidelines, including: its dissemination and the organization of regional training workshops; and (iii) a call for additional funds to promote and apply the Voluntary Guidelines. The financial implications and the terms of reference for the regional training workshops were attached.

vii) Quantifying Carbon Benefits of ITTO Projects [RED-PA 069/11 Rev.1 (F)]

The study leader, Dr. Carmenza Robledo, presented the results of the project during a session of the Joint Committees, as contained in document JC(XLVII)/3. The outcomes of the activity included: (i) a fast track estimation tool (sScreen) developed for estimating the contribution of forestry activities to climate change mitigation, including carbon sequestration, carbon enhancement, greenhouse gas emissions reduction from deforestation and forest degradation and quantification of timber and wood products; (ii) results of quantifying carbon benefits generated from three ITTO projects (Colombia: Alternative financing model for sustainable forest management in San Nicolas, Ghana: Women and Tropical Forestry Development Program (Phase1), and Malaysia: Development of Lanjak Entimau Wildlife Sanctuary as a totally protected area); and (iii) a technical guidance for the quantification of carbon benefits in the design and implementation of ITTO projects.

She recommended in her presentation that the sScreen should be made available to forest managers and decision makers and "Technical Guidance for the Quantification of Carbon Benefits in the Design and Implementation of ITTO Projects" should be published and uploaded on the ITTO website for wider dissemination. Formulation and organization of a capacity building programme for the sScreen and the technical guidance was also recommended to ensure effective forest carbon measurement and monitoring of ITTO projects.

The presentation was received with strong interest by delegates. The delegations of Malaysia, Switzerland, Brazil, the EU, Congo and Indonesia, expressed their appreciation for her work acknowledging the value and usefulness of the sScreen and the technical guidance. An active interaction took place between the presenter and delegates on the report and the related issues, including the comparative advantage of ITTO in relation to climate change mitigation and the linkage of the sScreen and the technical guidance with the on-going negotiations on REDD+ under the United Nations Framework on Climate Change (UNFCCC). With regard to the recommendation on wider application of the sScreen and the technical guidance to ITTO projects, some delegations indicated the need of further assessment on the applicability of these tools to their respective national circumstances. Responding to the questions and comments from the delegations, Dr. Robledo stressed that the technical guidance is a living document which needs constant revision for improvement.

Item 10 - Review of Implementation of Approved Projects and Pre-projects

10.1 Projects

The Committee took note of a status report [document CRF(XLVII)/7] prepared by the Secretariat on 68 projects in the field of Reforestation and Forest Management, that have been approved by the Council, and which are either: A) in the process of implementation (40), B) awaiting the signing of an Agreement (3), C) projects awaiting financing (23), or D) falling under the sunset provision since the last Session (2).

The Committee noted the reports on the progress of these projects in the above document. In view of the desire of the Committee to further streamline its work in accordance with Council Decision 4(XXV) Annex A, Section VI.1, the Committee requested the Secretariat and Members to limit the reporting and discussion during the Session to those projects that are:

- having implementation problems;
- requiring additional funds;

- requesting extension in time of more than 6 months beyond the original duration of the project; or
- requesting essential major modifications of the work plan and budget.

The Secretariat informed that projects that have been declared completed in previous Committee Sessions but are still pending final financial audit reports were re-inserted in this session as projects under implementation. The Secretariat also informed that, as per ITTO regulations, Executing Agencies pending submission of financial audits do not qualify for further disbursements in any other ITTO projects they may be implementing. The Committee urged all Executing Agencies in this situation to submit financial audits as soon as possible in order to comply with the regulations.

The Committee then proceeded to discuss the issues associated with a number of projects. Details of these discussions are as follows:

(A) Projects under implementation

1) PD 21/98 Rev.2 (F) Forest Management, Community Involvement and Sustainable Use of Si-Kop Forest Area (Coastal Province, Cameroon) (Phase II) (Cameroon)

The Committee took note that the Decree No. 2013/7570/PM of 12 August 2013, formalizing the establishment of the Si-Kop Gazetted Forest for the benefit of the Communes of Ngambe, Ndom and Nyanon, was signed by the Prime Minister of Cameroon. Therefore, subsequent to the signing of the abovementioned decree, the Committee asked the Executing Agency to take the necessary arrangements for the completion of all planned project activities, in particular those activities which were pending due to the delay in signing the decree for the formalization of the establishment of Si-Kop Gazetted Forest.

2) PD 20/99 Rev.2 (F) Establishment and Management of Production-Protection Community Forests in Lower and Middle Atrato, Department of Choco, Colombia (Colombia)

The Committee took note that the implementation of this project has been progressing at a slow pace. In addition, the Executing Agency CODECHOCO continued to be haphazard in submitting its progress reports and other documents in paper format. It further observed that the last ITTO 6-monthly disbursement was made in June 2009 and another three disbursements for a total of US\$ 240,000 are still pending to date, and that these are required to fully achieve the project's objectives and report the project as satisfactorily. Moreover, a satisfactory annual financial audit report for year 2010 is still pending, and no further disbursements have been made based on the lack of submission of this audited report. The project was slated to have been completed in December 2010.

The Committee also took note that the Executing Agency recently submitted, however very late, a progress report, a YPO to December 2013 and a request for an extension in time until December 2013 in order to satisfactorily complete the project. However, these documents were incomplete, lacked proper justification for the extension in time and did not include the 2010 financial audited report.

In this light, the Committee urges the Executing Agency to immediately submit a satisfactory financial audit report for 2010, apply for a reasonable extension in time, without additional funds, for an approximate period of 18 months (as three 6-monthly ITTO disbursements totaling US\$ 240,000 are still pending), and further submit to the Secretariat a formal request with a justification for the aforementioned extension in time, together with any required budget amendments and an updated detailed Work Plan and Yearly Plan of Operations, in order to successfully complete the project's activities.

3) PD 62/99 Rev.3 (F) Reforestation Pilot Project for the Recovery of Degraded Areas in the Medium Doce River Region, State of Minas Gerais, Brazil (Brazil)

The Committee took note that the latest progress report received for this project only covers the implementation of its activities until March 2013. It further states that all activities but one have been completed, but the description of these are lacking, and so are the technical reports, workshop aide memoirs and other means of verification, such as manuals, publications, maps, pamphlets, videos, etc. Moreover, the project was slated to have been completed in March 2012 but continued

intermittently until March 2013, when it came to a halt, with no further progress reports or a request for an extension in time having been submitted to the Secretariat since then.

The Committee further observed that the 2010-2011 audited report was the latest one to have been submitted to the Secretariat, and that this report stated that the expenditures were only executed up to December 31, 2010, not having incurred in any expenses during the year 2011. Also, the unspent amount of ITTO funds with the EA as at 31 December 2011 was reported as approximately US\$55,000. In addition, ITTO is also still withholding the originally programmed 8th disbursement for an additional US\$ 50,000.

The Committee also noted that the Executing Agency, The State Forest Institute of Minas Gerais (IEF/MG), recently requested the Secretariat to consider this project as completed, but to date no proper completion report, technical report and other means of verification been submitted..

Additionally, it also noted that the final financial audit report was also still pending, and taking into account the financial audit report for 2010-2011, there are still approximately US\$ 55,000 unaccounted for that must be reimbursed to ITTO if the project is deemed as completed. The Executing Agency should also further provide an official notification relinquishing the project's last disbursement from ITTO in the amount of US\$ 50,000, in order for the Secretariat to be able to reimburse all these remaining funds to the original donors, as per ITTO procedures.

Based on the aforementioned facts, the Committee recommended an independent mid-term evaluation be carried out to assess what has been achieved, and further provide unanimous recommendations on the actions needed in order to either continue or close the project, in accordance with ITTO's rules of procedure.

4) PD 53/00 Rev.3 (F) Implementation of a Permanent Network of Stands Dynamics Monitoring Plots for the Gazetted Forests of Côte d'Ivoire (Côte d'Ivoire)

The Committee noted that the Executing Agency submitted an acceptable final financial audit report of this project, which was reported as completed, but pending the final financial audit, at a previous CRF session and documented as such in the CRF(XLVIII)/2 document. Therefore, the Committee decided to consider the project as completed and be subject to the closure procedures after implementing the recommendations of the ITTO Division of Operations in relation to the review of the final financial audit report.

5) PD 63/01 Rev.2 (F) Assessment and Management of Mangrove Forests in Egypt for Sustainable Utilization and Development (Egypt)

The Committee noted that the Executing Agency has not submitted the final financial audit report of this project, which was reported as completed, but pending the final financial audit, at a previous CRF session and documented as such in the CRF(XLVIII)/2 document. Therefore, the Committee decided to urge the Executing Agency to submit the final financial audit at its earliest convenience, not later than end of March 2014.

6) PD 197/03 Rev.2 (F) Support for the Implementation of a Sustainable Forest Development Master Plan in Eco-Floristic Area IV, Togo (Togo)

The Committee noted that the Executing Agency has already submitted the completion report, and it should be documented and reported as completed at the next Committee session, if the final financial audit report is submitted in due time. Therefore, the Committee decided to urge the Executing Agency to submit the final financial audit at its earliest convenience, not later than end of March 2014.

7) PD 346/05 Rev.2 (F) Conservation and Recovery of Degraded Land in Family Agriculture Units in the Eastern Brazilian Amazon (Brazil)

The Committee took note that the Executing Agency EMBRAPA continued to be late in submitting its progress reports and other documentation, and when submitted these were incomplete and did not follow ITTO formats, and that is also was hiring project staff without requesting no-objections from the Secretariat as per ITTO's rules of procedure. It also observed that the currently submitted audited

report for 2012 did not follow the ITTO guidelines, and therefore could not be approved by the Secretariat.

In this light, the Committee urges the Executing Agency to strictly abide to ITTO's procedures and scheduling, and periodically submit all pending documents following ITTO's guidelines and formats and within the established deadlines, such as the project progress reports, technical documents, and other documented means of verification, and the yearly audited reports, and further regularize all project staff positions financed with ITTO funds via no-objection requests.

8) PD 350/05 Rev.3 (F) Production Systems and Integrated Management of Shoot-borers for the Successful Establishment of Meliaceae Plantations in the Yucatan Peninsula and Veracruz, Mexico (Mexico)

The Committee took note that while most of the project's activities have been progressing satisfactorily, some have suffered delays, particularly due to the difficulties encountered in cloning of *Cedrele odorata* genotypes and in finding partner reforestation enterprises who will volunteer the establishment of control plots, as the pests tend to wander into their treated plantations. As such, the Executing Agency applied for an additional extension in time until April 2014 without additional funds, and submitted to the Secretariat a formal request and a justification for the aforementioned extension in time, together with the required budget amendments and an updated Yearly Plan of Operations in order to successfully complete the project's activities. Moreover, the Secretariat reviewed the corresponding documents and considered these to be justified. In this light, the Committee endorsed the extension of the project until the end of April 2014, without additional funds, as per the written request and justification submitted by the Executing Agency.

9) PD 351/05 Rev.1 (F) Criteria and Indicators for the Evaluation of Tropical Forest Management Sustainability in Mexico (Southeastern Coastal Plains: Gulf of Mexico and Yucatan Peninsula) (Mexico)

The Committee took note that while most of the project's activities have been progressing satisfactorily, some have suffered delays, due mainly to the participatory process required by the project to develop localized C&I. As such, the Executing Agency applied for an additional extension in time until March 2014 without additional funds, and submitted to the Secretariat a formal request and a justification for the aforementioned extension in time, together with the required budget amendments and an updated Yearly Plan of Operations in order to successfully complete the project's activities. Moreover, the Secretariat reviewed the corresponding documents and considered these to be justified. In this light, the Committee endorsed the extension of the project until the end of March 2014, without additional funds, as per the written request and justification submitted by the Executing Agency.

10) PD 367/05 Rev.2 (F) Promotion of the Sustainable Management of Tropical Planted Forest in Congo's Tropical Forest Plantations (Republic of Congo)

The Committee noted that the Executing Agency has already submitted the completion report, and it should be documented and reported as completed at the next Committee session, if the final financial audit report is submitted in due time. Therefore, the Committee decided to urge the Executing Agency to submit the final financial audit at its earliest convenience, not later than end of March 2014.

11) PD 383/05 Rev.2 (F) Community Forest Development in Gabon (Gabon)

The Committee noted that no action was taken by the Executing Agency for a new extension of the project implementation, as the previous one was granted until March 2013. The delegate of Gabon briefly explained that the necessary arrangements have been taken to comply with ITTO rules and procedures. In this light, the Committee urged the Executing Agency for appropriate actions in order to get the project implementation extended by the ITTO Secretariat.

- 12) **PD 438/06 Rev.2 (F) Sustainable Forest Management for the Forest Production Area of the Northern and Northeastern Regions of the Department of Antioquia, Colombia (Colombia)**

The Committee took note that, while the project has already completed almost all of its activities, the Executing Agency continued to be late in submitting its progress reports, technical documents, and other documented means of verification, and when submitted, these were incomplete and did not follow ITTO formats. As such, the Committee urges the Executing Agency to strictly abide to ITTO's procedures and scheduling, and submit all the pending documents in time, such as the project completion report, technical documents, and other documented means of verification, and the final financial audited report, so as to report this project as completed at its next session.

- 13) **PD 441/07 Rev.2 (F) Institutional Strengthening of ANAM for Integrated Fire Management in the Forests of Panama (Panama)**

The Committee took note that while most of the project's activities are slowly but surely coming back on track, some have suffered delays, particularly due to the period of political uncertainty that ANAM went through during 2010 and 2011. As such, the Executing Agency applied for an additional extension in time until December 2014 without additional funds, and has submitted to the Secretariat a formal request and a justification for the aforementioned extension in time, together with the required budget amendments and an updated Yearly Plan of Operations in order to successfully complete the project's activities. Moreover, the Secretariat reviewed the corresponding documents and considered these to be justified. In this light, the Committee endorsed the extension of the project until the end of December 2014, without additional funds, as per the written request and justification submitted by the Executing Agency.

- 14) **PD 454/07 Rev.3 (F) Community Forest Management: A Sustainable Alternative for the Maues State Forest, Amazonas State (Brazil)**

The Committee took note that the Executing Agency continued to be late in submitting its progress reports and other documentation, and when submitted these were incomplete and did not follow ITTO formats, and that is also was hiring project staff without requesting no-objections from the Secretariat as per ITTO's rules of procedure. It also observed that the currently submitted financial audited report for 2012 did not follow the ITTO guidelines, and therefore could not be approved by the Secretariat. In this light, the Committee urges the Executing Agency to strictly abide to ITTO's procedures and scheduling, and periodically submit all pending documents following ITTO's guidelines and formats and within the established deadlines, such as the project progress reports, technical documents, and other documented means of verification, and the yearly audited reports, and further regularize all project staff positions financed with ITTO funds via no-objection requests.

- 15) **PD 456/07 Rev.4 (F) 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"
(Regional)

The Committee noted the remark made by the delegate of Switzerland on the importance to include the decisions and recommendations of the most recent project steering committee (PSC) meeting in the committee report dealing with ongoing projects. For this Committee session, the Secretariat explained that it was not possible, as the PSC meeting was held during the last week of October 2013, after the finalization that committee document. The Committee took note of the relevant remark of the delegate of Switzerland and asked the Secretariat to take it into account while preparing the Committee document.

16) PD 507/08 Rev.1 (F) Development of the National Reforestation Policy and Afforestation Strategy Consistent with Liberia 3C-Approach (Liberia)

The Committee noted that no project's progress report has been submitted by the Executing Agency since the 46th Session of CRF held in November 2012. It was also noted that the implementation of some project activities had been delayed because of the internal turnover of key personnel, involved in the project implementation in the Executing Agency, the Forestry Development Authority (FDA). The Committee further noted that, subsequent to the situation above, the capacity of the Executing Agency became questionable for a smooth completion of all project activities. In addition, it was noted that the Delegation from Liberia was not present at the Committee to explain the current situation of the project implementation and make suggestions on ways and means to improve it for a smooth completion all project activities. In this light, the Committee decided that a special monitoring mission should be carried out by the Secretariat for an in-depth technical and financial assessment of the project implementation.

(B) Projects awaiting implementation agreement

1) PD 477/07 Rev.4 (F) Improving Forest Functions in Bengkulu Province through Community Participation in Rehabilitation of Degraded Forest by Using Local Prospective Commodities (Indonesia)

The Committee noted that the review of the draft project agreement has been delayed, and therefore encouraged the Ministry of Forestry of Indonesia to speed up the finalization of administrative arrangements such as the signing of the project agreement, submission of an inception report and Yearly Plan of Operation for the first year so that the project can start its activities from early 2014. The Committee was informed by the delegation of Indonesia that the administrative arrangements are to be finalized shortly.

2) PD 635/12 Rev.2 (F) Buffer Zone Management for Pulong Tau National Park with Involvement of Local Communities in Sarawak, Malaysia

The Committee noted that the review of the draft project agreement has been delayed and therefore encouraged the Ministry of the Primary Industry and Commodities of Malaysia to speed up the finalization of administrative arrangements such as the review of the draft project agreement, submission of an inception report and yearly plan of operation for the first year so that the project can start its activities from early 2014. In response, the delegation of Malaysia informed the Committee that the administrative arrangements will be finalized shortly.

3) PD 668/12 Rev.1 (F) Integrated Management of Natural Resources and Biodiversity in the Tacaná Volcano and Its Range of Influence in Mexico and Guatemala

The Committee took note that the agreement for the implementation of this project is to be finalized shortly and that the project itself can be expected to start early next year.

(C) Projects awaiting financing

The Committee noted that twenty-three (23) projects approved at earlier and current Sessions are still awaiting funding, out of which six (6) will be sunset if funding is not secured before the next Session.

1) PD 452/07 Rev.5 (F) Sustainable Management of Production Forests at the Commercial Scale in the Brazilian Amazon – Phase II (Brazil)

2) PD 460/07 Rev.2 (F) Achieving Sustainable Management of Mangrove Forests in China through Local Capacity Building and Community Development – Phase II (China)

3) PD 554/09 Rev.3 (F) Pilot Sustainable Management Systems for Secondary Forests in the Collective Territory of the Bajo Calima Community Council, Municipality of Buenaventura, Colombia

- 4) PD 563/09 Rev.3 (F) Community Based Forest Management of Sungai Medihit Watershed (Malaysia)
- 5) *PD 601/11 Rev.3 (F) Strengthening Mangrove Ecosystem Conservation in the Biosphere Reserve of Northwestern Peru
- 6) *PD 602/11 Rev.3 (F) Tropical Forest Governance in the Region of Darien, Panama
- 7) *PD 605/11 Rev.3 (F) Demonstration and Extension of Fire-break Forest Belts for Efficient Forest Fire Management in Tropical Forests in Guangdong Province, China
- 8) PD 609/11 Rev.3 (F) Enhancement of the Participatory Bushfire Prevention and Management System in Togo
- 9) *PD 618/11 Rev.3 (F) Establishment of Spatial Forest Resources Information System (SPA-FRIS) in West Papua Province (Indonesia)
- 10) PD 623/11 Rev.3 (F) Production and Availability of Teak Clone Varieties: Development of Improved Plant Material for Reforestation in Togo
- 11) *PD 628/11 Rev.3 (F) Strengthening of Forest Management Practices of Local Communities and Indigenous Peoples in Guatemala
- 12) *PD 629/11 Rev.2 (F) Protection, Management and Restoration of Forest Lands for Water Catchment and Flow Regulation as a Climate Change Adaptation Measure (Guatemala)
- 13) PD 631/12 Rev.2 (F) Reforestation of Coastal Wetlands in Southern Ghana Using Indigenous Tree and Bamboo Species
- 14) PD 645/12 Rev.3 (F) Promoting Sustainable Forest Management of Rinjani Barat Forest Management Unit (Indonesia)
- 15) PD 646/12 Rev.3 (F) Initiating the Conservation of Cempaka Tree Species (*Elmerrillia spp*) Through Plantation Development with Local Community Participation in North Sulawesi, Indonesia
- 16) PD 665/12 Rev.2 (F) Implementation of a Fire Prevention and Control Plan in the Central Amazon Region of Peru
- 17) PD 682/13 Rev.1 (F) Development of Quality-of-Governance Standards for Reducing Emissions from Deforestation and Forest Degradation (REDD) in Papua New Guinea
- 18) PD 695/13 Rev.2 (F) Rehabilitation of Degraded Gazetted Forests in the Mount Korhogo, Foubou and Badenou in Northern Côte d'Ivoire with the Involvement of Local Communities
- 19) PD 696/13 Rev.2 (F) Community Based Restoration and Sustainable Management of Vulnerable Forest of the Rewa Delta, Viti Levu, Fiji
- 20) PD 710/13 Rev.1 (F) Promoting Conservation of Selected High-Value Indigenous Species of Sumatra (Indonesia)
- 21) PD 715/13 Rev.1 (F) Improving the Production, Conservation and Management of Forest Seeds in Benin
- 22) PD 723/13 Rev.1 (F) Capacity Building for Strengthening Transboundary Biodiversity Conservation of the Taninthayi Range in Myanmar

- 23) PD 724/13 Rev.1 (F) Guidelines for the Management of Tara (Caesalpinea Spinosa) Plantations with a View to the Rehabilitation of Waste Lands in the Sub-Humid Tropics of the Coastal Region of Peru

*Those projects with asterisk (approved but not funded within 20 months) will be sunset at the next Session.

(D) Projects coming under the sunset provisions since the last Session

The Committee noted that two (2) projects have become sunset since its last Session.

- 1) PD 541/09 Rev.2 (F) Forest Promotion and Development by Native Communities in Peru
2) PD 544/09 Rev.2 (F) Increased Economic Returns from Forest Management in Permanent Production Forests of Peru

10.2 Pre-project Work in Progress

The Committee took note of a status report of approved pre-projects in document CRF(XLVII)/7. The Committee discussed the issues associated with a number of pre-projects. Details of these discussions are as follows:

(A) Pre-projects under implementation

* Completion report received, pending financial audit

** Reported as completed at previous CRF Sessions, but still pending final financial audit

- 1) PPD 94/04 Rev.1 (F) Evaluation of the Status of Forest Resources in Côte d'Ivoire (Côte d'Ivoire)

The Committee took note that the Executing Agency has not submitted the completion report and the final financial audit report. Therefore, the Committee urged the Executing Agency to take the necessary arrangements for the submission of these reports at its earliest convenience, not later than March 2014.

- 2) PPD 108/04 Rev.1 (F) Sustainable Community Management, Utilization and Conservation of Mangrove Ecosystems in Ghana (Ghana)

The Committee noted that the Executing Agency has not submitted the final financial audit report of this pre-project, which was reported as completed, but pending the final financial audit, at a previous CRF session. Therefore, the Committee decided to urge the Executing Agency to submit the final financial audit at its earliest convenience, not later than end of March 2014.

- 3) **PPD 123/06 Rev.1 (F) Controlling the Dieback and Decay Phenomenon in Plantation Species (Côte d'Ivoire)

The Committee noted that the Executing Agency has not submitted the final financial audit report of this pre-project, which was reported as completed, but pending the final financial audit, at a previous CRF session. Therefore, the Committee decided to urge the Executing Agency to submit the final financial audit at its earliest convenience, not later than end of March 2014.

- 4) PPD 153/11 Rev.1(F) 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 (Colombia)

The Committee noted that pre-project completion is to be expected shortly with a submission to ITTO of a project proposal in time for its appraisal by the Expert Panel in February 2014, and the respective completion report and final audit. The pre-project will be declared as completed at the next Session of the Committee.

(B) Pre-projects awaiting implementation agreement

The Committee noted that there was no pre-projects awaiting implementation agreement.

(C) Pre-projects awaiting financing

- 1) PPD 151/11 Rev.3 (F) Support to the Local Communities of the Mono Plain for the Promotion and Sustainable Management of Community Forests in Togo
- 2) *PPD 160/12 Rev.1 (F) Study for the Rehabilitation and Sustainable Management of the Mangrove Forests in the Coastal Area of Benin
- 3) PPD 162/12 Rev.2 (F) Developing Model of Self-sufficient and Sustainable FMU (Indonesia)
- 4) PPD 163/12 Rev.2 (F) Assessing Growth and Yield Rates of Major Commercial Species for the Adjustment of Forest Management Programs in the Yucatan Peninsula, Mexico
- 5) PPD 166/13 Rev.2 (F) Improving the Fuel Wood Supply through the Provision of Support to the Development of Forest Plantations in the Mokolo, Maroua and Kaelé Municipalities in the Sahelian Part of Cameroon
- 6) PPD 176/13 Rev.1 (F) Identification and Planning of Measures for the Sustainable Management of the Forest Estate Owned by Individuals in Togo

*Those projects with asterisk (approved but not funded within 20 months) will be sunset at the next Session.

(D) Pre-projects coming under the sunset provisions since the last Session

The Committee noted that no pre-project has become sunset since its last Session.

Item 11 - Election of Chairperson and Vice-Chairperson for 2014

Mr. Jorge Malleux (Peru) was elected as Chairperson for 2014. Dr. James Gasana (Switzerland) was elected as Vice-Chairperson for 2014.

Item 12 - Dates and Venues of the Forty-eighth and Forty-ninth Sessions of the Committee

The Forty-eighth Session of the Committee would be held in conjunction with the Fiftieth Session of the International Tropical Timber Council.

The Forty-ninth Session of the Committee would be held in conjunction with the Fifty-first Session of the International Tropical Timber Council.

Item 13 - Other Business

None

Item 14 - Recommendations to the International Tropical Timber Council

- (A) The Committee recommended that funding be made immediately available for the following projects and pre-project approved under the Project Cycle Spring 2013 and Project Cycle Autumn 2013:

Projects

- PD 631/12 Rev.2 (F) Reforestation of Coastal Wetlands in Southern Ghana Using Indigenous Tree and Bamboo Species [US\$511,661.00]

- PD 645/12 Rev.3 (F) Promoting Sustainable Forest Management of Rinjani Barat Forest Management Unit (Indonesia) [US\$505,781.00]
- PD 646/12 Rev.3 (F) Initiating the Conservation of Cempaka Tree Species (*Elmerrillia* spp) Through Plantation Development with Local Community Participation in North Sulawesi, Indonesia [US\$435,187.20]
- PD 665/12 Rev.2 (F) Implementation of a Fire Prevention and Control Plan in the Central Amazon Region of Peru [US\$759,121.00]
- PD 682/13 Rev.1 (F) Development of Quality-of-Governance Standards for Reducing Emissions from Deforestation and Forest Degradation (REDD) in Papua New Guinea [US\$149,744.00]
- PD 695/13 Rev.2 (F) Rehabilitation of Degraded Gazetted Forests in the Mount Korhogo, Foubou and Badenou in Northern Côte d'Ivoire with the Involvement of Local Communities [US\$1,304,942.00]
- PD 696/13 Rev.2 (F) Community Based Restoration and Sustainable Management of Vulnerable Forest of the Rewa Delta, Viti Levu, Fiji [US\$310,576.00]
- PD 710/13 Rev.1 (F) Promoting Conservation of Selected High-Value Indigenous Species of Sumatra [US\$479,976.00]
- PD 715/13 Rev.1 (F) Improving the Production, Conservation and Management of Forest Seeds in Benin [US\$609,168.00]
- PD 723/13 Rev.1 (F) Capacity Building for Strengthening Transboundary Biodiversity Conservation of the Taninthayi Range in Myanmar [US\$3,093,976.00]
- PD 724/13 Rev.1 (F) Guidelines for the Management of Tara (*Caesalpinia Spinosa*) Plantations with a View to the Rehabilitation of Waste Lands in the Sub-Humid Tropics of the Coastal Region of Peru [US\$149,632.00]

Pre-projects

- PPD 162/12 Rev.2 (F) Developing Model of Self-sufficient and Sustainable FMU (Indonesia) [US\$70,291.00]
- PPD 163/12 Rev.2 (F) Assessing Growth and Yield Rates of Major Commercial Species for the Adjustment of Forest Management Programs in the Yucatan Peninsula, Mexico [US\$89,474.22]
- PPD 166/13 Rev.2 (F) Improving the Fuel Wood Supply through the Provision of Support to the Development of Forest Plantations in the Mokolo, Maroua and Kaelé Municipalities in the Sahelian Part of Cameroon [US\$70,056.00]
- PPD 176/13 Rev.1 (F) Identification and Planning of Measures for the Sustainable Management of the Forest Estate Owned by Individuals in Togo [US\$53,368.00]

- (B) The Committee recommended a sub-item be included under the item of Policy Work making reference to the formulation of a Council Decision in order to revamp the old ITTO Mangrove Work Plan 2002-2006 via participatory workshops .

Item 15 - Report of the Session

The Committee accepted this Report for submission to the Council. Members of the Committee expressed their appreciation for the able manner in which the Chairperson handled the conduct of the meetings of the Committees with assistance of the Vice-Chairperson and the Secretariat.

Appendix

International Forum on Payments for Environmental Services of Tropical Forests 7-10 April 2014 San José, Costa Rica

Concept Note

BACKGROUND

Ensuring sustainable supply of goods and services from forests to enhance their vital contributions to socio-economic development lies at the core of Sustainable Forest Management (SFM). Yet, SFM in the tropics is often less profitable than other land-uses because many of the goods and services forests produce lack formal markets. Hence achieving SFM requires the provision of appropriate economic incentives and instruments. In this regard, it is important to promote investment in and payment for all the goods and services provided by tropical forests while capitalizing on all their economic values. Payments for forest environmental (or ecosystem) services such as biodiversity, tourism and recreation, water conservation, soil protection and climate change mitigation, known in general as PES, is one such innovative means of financing SFM.

PES have been around for some time now and they have been touted as major means to addressing the challenge of financing SFM and tropical forest conservation, with the potential for rendering significant positive social and economic outcomes. They aim to address market failure by providing incentives to land users to make it more desirable for them to sustainably manage forests than to degrade or deplete them. However, currently, many PES mechanisms are small and scattered. Many of them are also unsustainable without regular and strong external support.

In the tropics, PES have been developed and/or under implementation with the involvement of a number of local communities under various initiatives. For instance, Costa Rica has implemented PES programme since 1996 through its National Forest Law by recognizing four categories of forest environmental services. These include: mitigation of greenhouse gas emissions; hydrological services (drinking water, irrigation and energy production); biodiversity conservation; and providing scenic beauty. ITTO's Thematic Programme on Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests (REDDES) promotes the capacity of ITTO developing member countries and their stakeholders to maintain and enhance environmental services of tropical forests in order to contribute to the social and economic sustainability and well-being of forest-dependent communities through PES. Similarly, FAO has been championing the significance of PES in promoting SFM and has been striving to enhance the capacities of member countries to develop and implement effective and viable PES mechanisms.

The International Forum on Payments for Environmental Services of Tropical Forests aims to highlight the importance of developing and implementing PES mechanisms in tropical countries and to share best practices and lessons learned from the many activities and projects that have been undertaken in recent years to scale up global efforts to promote PES. The International Forum is expected to recommend actions at local, national and international levels for the development and effective implementation of PES mechanisms in support of SFM in the tropics. It will bring together policymakers, researchers and academicians, practitioners, civil society, the private sector, and regional and international organizations engaged in the development, implementation and support of PES mechanisms.

OBJECTIVES

The main objective of the International Forum is to discuss the conditions under which the sustainability of current PES mechanisms can be improved and the challenges to their scaling-up and mainstreaming can be effectively addressed. The focus of the Forum's deliberations will be on institutional innovation and maximizing efficiency and effectiveness in implementation with the goal of bridging the gap between science, policy and practice of PES.

To this end, the Forum specifically intends to:

- a) explore experiences, opportunities and challenges on how PES can help reduce poverty and support SFM with a particular attention to payments for the following environmental services:
 - i. Existing and emerging carbon markets for A/R CDM and REDD+
 - ii. Biodiversity conservation and sustainable use
 - iii. Watershed management
 - iv. Community based ecotourism/landscape management
- b) report on the potential and challenges of remuneration systems for PES;
- c) identify the policy, legal, socio-economic and environmental factors, including gender, tenure and traditional knowledge, that are critical for the effective development of PES with a view to make recommendations for further advancement of PES mechanisms at local, national and international levels; and
- d) promote and facilitate cooperation among partners including South-South partnerships and among bilateral and multilateral PES initiatives.

PARTICIPANTS

It is expected that up to 200 participants will take part in the Forum including a range of stakeholders from policymakers to practitioners in the field of forestry with particular interest in payments for environmental services provided by tropical forests. Invitations will be sent to relevant representatives of the co-organizers' governing bodies. Relevant officials from universities, research institutions, government agencies and non-governmental organizations will also be invited, including those with experiences on PES from outside the forest sector. A dedicated website for the International Forum will provide information to prospective participants and to facilitate registration in the Forum.

CO-ORGANIZERS, PARTNERS, AND SPEAKERS

The International Forum will be jointly organized by ITTO, FAO and National Forest Financing Fund – FONAFIFO of Costa Rica and will be hosted by the Ministry of Environment of Costa Rica. Other interested international, regional and national organizations, as well as donor governments, will be invited to participate as co-sponsors or partners.

5-6 keynote speakers and around 30 panelists and resource persons will be identified by the co-organizers and invited to participate in the Forum. In addition, participants will be invited to prepare posters and a poster session will be organized during the conference.

THEMATIC AREAS

The Forum will be structured around four main thematic areas. Each theme will commence with a keynote presentation introducing the issue followed by a series of panel presentations that will provide case studies of particular aspects including from different countries and on different PES schemes related to, *inter alia*, existing and emerging carbon markets for A/R CDM and REDD+; biodiversity conservation and sustainable use; watershed management; and community based ecotourism/landscape management. The short presentations by the panelists will be analytic rather than descriptive, focusing on issues and challenges and lessons learned. The presentations will be followed by facilitated discussions to encourage inputs by all participants.

The four thematic areas are:

Theme 1: PES for sustainable forest management

Payments for environmental services of tropical forests should contribute to sustainable social and economic development, while protecting forest resources. This theme will discuss options that promote sustainable utilization of tropical forests and recognize positive externalities of forests, including landscape approaches to PES that take into account other productive land uses in forested landscapes and their relationship with forests.

Theme 2: Developing innovative financing mechanisms

PES require innovative financing mechanisms. Under this theme different mechanisms, and the challenges and opportunities they present will be discussed including: public schemes such as eco-taxes, ear-marked budgets, local bodies; public-private partnerships; private schemes including CSR, carbon neutrality, green economy principles; tax-sharing and international sources/mechanisms and instruments such as REDD+ and GEF.

Theme 3: Ensuring benefits for local communities

In view of the increasing proportion of forests managed by local communities, PES schemes should be designed in ways that ensure communities can benefit from them. Discussions under this theme will revolve around property rights and access (including that of carbon); defining beneficiaries, developing effective and innovative benefit sharing and distribution models and ensuring effective participation of communities, farmers and other local stakeholders. Experiences with community based, decentralized, pro-poor management approaches will be presented.

Theme 4: Establishing robust governance and institutional arrangements

The development of PES schemes needs to go hand in hand with strengthening institutional capacities, developing appropriate policy/legal frameworks and increasing synergies with policies and programmes of other sectors to enhance the competitiveness of tropical forests with other land uses. This theme will discuss different approaches, lessons learned and challenges encountered.

Based on the outcomes of the discussions under the four themes and a field visit, recommendations will be proposed on how to increase the effectiveness of current PES schemes for tropical forests and how to engage more countries in developing such schemes.

LANGUAGES

The working languages of the Forum will be English, French and Spanish, with simultaneous interpretation available in all sessions.

DISSEMINATION

Key messages relating to enhancement of PES schemes will be formulated during the Forum and will be agreed by participants in the form of a conference statement. The messages will be presented at relevant international events in 2014, including CBD COP 12, UNFCCC COP 20, FAO's Committee on Forestry (COFO) and the 50th Session of the ITTO Council.

Presentation materials and papers from the Forum will be posted on the co-organizers' websites. A summary of the outcomes of the Forum will be published. Conference outcomes and selected contributions will also be featured in special issue of ITTO's *Tropical Forest Update* for wider dissemination.

SPONSORSHIP

Limited funding will be available for speakers and participants from developing countries. Further information can be obtained by contacting FAO or ITTO.

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