



**INTERNATIONAL TROPICAL  
TIMBER COUNCIL**

Distr.  
GENERAL

ITTC(L)/22  
10 December 2014

Original: ENGLISH

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FIFTIETH SESSION  
3 – 8 November 2014  
Yokohama, Japan

**REPORT OF THE  
INTERNATIONAL TROPICAL TIMBER COUNCIL  
AT ITS FIFTIETH SESSION**

**Yokohama, Japan**

**3 – 8 November 2014**

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## REPORT

### OPENING OF THE SESSION (Agenda Item 1)

1. The Fiftieth Session of the International Tropical Timber Council (ITTC) was opened by the Chairperson, Mr. Rob Busink (Netherlands). The Chairperson warmly welcomed all delegates and expressed his profound gratitude and appreciation to the Government of Japan for hosting the Session. The Chairperson underlined the importance of the Fiftieth Session during which a new Executive Director would be elected. He also noted that the Session was being held on the eve of the discussions on the review of the International Arrangement on Forests, and the role of ITTO and its Council would be indispensable as the forest sector was facing greater challenges.
2. The Chairperson noted some of the future challenges, including population growth, increasing consumption per capita and the higher demand for biofuels and firewood. He indicated that tropical forests play a key role in dealing with some of these challenges such as safeguarding food security, maintaining fiber and timber supply, and reducing greenhouse gas emission to adapt to climate change. The Chairperson indicated that the review of the International Agreement on Forests would have great significance on global forest governance and underlined the need to clearly show ITTO's contribution to current and future challenges, and stressed the importance of electing a new Executive Director at the Session.
3. The Chairperson noted that the tropical forest sector must work to set a clear target for the implementation of sustainable forest management, as well as enhance trade in sustainably produced and legally harvested timber. He also underscored the value of tropical forests and payment for ecosystem services, and the challenge for the tropical forest sector in taking steps to ensure increased recognition and payment for these services.
4. The Chairperson underlined the importance of investing in people, and the significance of ITTO's Fellowship Programme. He concluded his opening statement by calling on all parties in the tropical forest value chain to work towards sustainable forest management and a sustainable supply of tropical forest products and services in the long term.
5. Mr. Satoshi Imai, Director General, Forestry Agency of Japan, welcomed all delegates to Japan. He underlined the importance of tropical timber in supplying fuel, food, and lumber, and the contribution of forests to climate change mitigation. He stated that global issues of climate change and loss of biodiversity has given increasing importance to the protection of tropical forests. He cited the FAO statistics, stating that the world's forest area decreased by 5.12 million hectares annually from the year 2000 to 2010. He called on the need to address underlying issues of deforestation, including conversion of forests to farmland, forest fires, overgrazing, and excessive harvesting. He noted that ITTO is the only international organization that focuses on tropical woods and timber, and that ITTO has been engaged in significant and meaningful activities to promote the sustainable development of exporting countries and resolving global environmental issues. He indicated that Japan expects more contribution from ITTO in the future, and that the country is engaged in supporting sustainable forest management. Japan funds projects enhancing expertise in forest management, and as a leading importing country, the Government of Japan intends to continue supporting ITTO's activities. Mr. Imai recalled the ITTA, 2006 which entered into force in December 2011, in which actions against illegal logging has been included. He expressed concern on illegal logging activities that undermine sustainable forest management and are detrimental to both exporting and importing countries. He informed on Japan promotion of the use of legal woods for government procurement and urged countries that had not yet acceded to the ITTA, 2006 to do so as soon as possible.
6. In his address to the Council, Mr. Katsunori Watanabe, Deputy-Mayor of the City of Yokohama welcomed the Council to the City of Yokohama. He recalled ITTO's establishment in Yokohama 30 years ago which has since helped the City to deepen its understanding of international organizations and world affairs. He also recalled that in June 2013, a TICAD meeting was held in the City of Yokohama and organized a symposium for the general public. Mr. Watanabe also noted that in April 2014, the City of Yokohama had presented at the ITTO Conference in Costa Rica the City's forestry management efforts in a metropolitan setting and expressed his hopes for ITTO to collaborate with the City to help maintain a sustainable City. He also hoped that ITTO would continue to contribute to global environmental issues from its headquarters in Yokohama.

7. The Chairperson invited three former ITTO fellows to present their accomplishments to the Council as part of the celebration of the 50<sup>th</sup> ITTC Session.
  - i. In her speech to the Council, Ms. Daniela Pauletto from Brazil expressed her gratitude to the ITTO Fellowship Program for financing her participation in the *International Course in the Diversified Management of Natural Tropical Forest: Management in the Face of Climate Change Challenges* at CATIE in Costa Rica in 2008. The fellowship has allowed her to better perform her duties as a government official and eventually earned her a professorship at the Federal University of West Pará in Brazil, working on sustainable forest management and improvement of livelihoods of local communities in the Brazilian Amazon.
  - ii. Dr. Paul Bosu, ITTO fellow from Ghana, received two fellowships for a Master's Programme at Northern Arizona University in 1997 and for an environmental leadership course at the Smithsonian Institute in 2009. The skills gained through these fellowships have contributed in the establishment of mixed native species plantations, monitoring forest health, and in creating the *Bobiri Butterfly Sanctuary and Ecotourism Center* in Ghana. Dr. Bosu also received the Scientist of the Year Award at the Forestry Research Institute of Ghana (FORIG) in 2006 and the National Best Agricultural Researcher Award during the 2007 edition of Ghana's Farmers' Day Celebration. He works now as Senior Research Scientist at FORIG and has been sharing his knowledge to graduate and undergraduate students in his home country. Dr. Bosu expressed that *"the ITTO Fellowship he received in 1997 was like a 'springboard' upon which he leaped into forestry as a career"*.
  - iii. Prof. San Win from Myanmar, received two fellowships in 2003 and 2008 to document the shifting cultivation practices of various hill tribes in Myanmar. His paper won the first prize at the Forest Research Congress in 2005 for promoting SFM in Myanmar and also received an award during the World Food Day in 2005. The fellowship awards also accelerated his promotion in the government to the present post of Pro-rector of the University of Forestry. He is now working on an agroforestry project to enhance the livelihoods of shifting cultivators and sharing his knowledge with undergraduate and post-graduate students at his workplace. He expressed that *"ITTO Fellowship Programme greatly helps building capacities for young generation in ITTO member countries"*.
8. In his keynote address, H.E. Mr. Bharat Jagdeo, Former President of the Republic of Guyana, expressed appreciation to ITTO and the Executive Director for the invitation to address the Council. He noted that after investigating various issues being addressed by ITTO, he could not find anything lacking and that the organization had done a good job in its evolution, focusing on issues affecting both producers and consumers and balancing their interests. He noted that ITTO had also given a great deal of attention to sustainable forestry management, as well as improvement in the trade between producing and consuming nations by enhancing transparency in that area. On the issue of climate change, he noted that ITTO has tried to come to grips with the importance of forests as a mitigation solution towards climate change. He underlined the need to promote the understanding of the role of forests, not only in providing biodiversity, but also as an important part of climate change solution. He stated that ITTO has been engaged in the climate change discussion as well as recognizing the new role of forests. He emphasized that climate change must be acknowledged even from the production/trade perspective. He recalled during his tenure as president of Guyana, working on climate change issues at the national level was a very difficult process. He noted that governments have a tendency of being compartmentalized with narrow jurisdictional preferences, guarding each quarters very tightly and that forestry agencies do not often get the opportunity to determine policy, and are looked on merely as implementers.
9. He drew the Council's attention to the fact that many statistics refer to the degradation and destruction of the Amazon forests in the coming years, and that climate change would have a deep impact on forests themselves. He underlined that efforts made in the past decades to preserve forests would be reversed almost instantaneously if the climate issues are not addressed. Climate change gives way to greater intensity in forest disturbances, such as proliferation of invasive species, forest fires, et al., all serving to degrade forests. He called on delegates involved in the trade and production of forests to be concerned with the degrading quality of forests. He showed disappointment at the outcome of the Copenhagen Summit, where members were unable to have a consolidated global agreement to limit temperature rise by 2 degrees, which resulted in missed opportunities. At the next Paris Summit, he anticipated an ambitious agreement that would require steep cuts in emission levels and called on the developed world to take tough domestic and international actions. At the national level, countries would have to decarbonize the energy sector, and change vehicle emission standards and in this

regard, many countries would examine the lowest cost abatement solution. He emphasized that preventing deforestation is the best option in terms of cost, and hoped that this would enhance trade in forest carbon. He indicated that forest carbon as an offset and a new product, would have more value if the Paris target is set high. He underlined the significance of forest carbon and its pricing, addressing the question - at what price does forest carbon become more valuable than trading in the timber itself?

10. He hoped that ITTO would find an opportunity to discuss the forest carbon issue, and cited the example in Guyana. He stated that during his Presidency, before the Copenhagen Summit, he worked hard to have an agreement to keep 99.5% of Guyana's forests intact. He succeeded in overcoming strong resistance at the national level, in arranging an agreement with Norway, for the amount of US\$250 million over a 6-year period, to trade forest carbon at the price of US\$5 per ton. So far, 4 consecutive annual payments had been made, worth US\$150 million. Guyana had since maintained production level and have utilized the money earned to catalyze a series of opportunities that are low in carbon, primarily in the employment of forest dwellers. He hoped that this will give greater acceptance of the model. He further noted that the resources gained have been used for the MRV system, which was beneficial from both climate and sustainable forest management perspective. He called on small countries, particularly where forestry plays a vital role, to look towards catalyzing a series of low carbon initiatives. With regard to the Payment of Ecosystem Services, he applauded ITTO for holding seminars during the Session on this issue, and noted that PES could be mobilized to support forests. In closing, he emphasized the role of forest carbon, PES, as well as the traditional timber trade, and the importance of balancing various interests. He urged the Council to deal with the matter of climate change at the forefront of its agenda and take on new challenges.
11. In his address to the Council, H.E. Mr. Steven Relyveld, Minister of Physical Planning, Land and Forestry Management of Suriname underscored Suriname's appreciation of ITTO's technical documents, workshops, trainings and seminars as important means for improving capacity of the forestry and environment sector. He provided statistics on Suriname's forest, covering more than 90% of the total land area, and within the global threat of climate change, countries like Suriname can have a mitigating effect through carbon dioxide sequestration by forest. Regarding illegal logging, Suriname has set up a Log Tracking System to ensure that all of its timber exports are legally harvested and noted the country's positive experiences with ITTO over the years. In addressing environmental threats, Suriname is party to UNFCCC and UNCBD, and will initiate the process to quantify economic value of ecosystem services for all sectors of the economy. He further noted Suriname's involvement in the ACTO projects, conducting of a national forest inventory, and participation in the REDD+ process. Suriname will develop a Climate Compatible Development Strategy on how forests contribute to the mitigation of climate change. He expressed his confidence in furthering collaboration between Suriname and ITTO through the thematic programmes.
12. In his address to the Council, H.E. Mr. Mathieu Babaud Darret, Minister of Water and Forests of Côte d'Ivoire shared a number of insights regarding his countries forest development in relation to ITTO's objectives. He highlighted major reforms to reverse the country's forestry sector's contribution to GDP, and actions undertaken in support of the conservation and management of forests. New laws and regulations have been implemented in the past few years to enforce the ban on illegal logging, including raising awareness of the general public. He stated that the Government of Côte d'Ivoire has decided to convene a Forest, Wildlife and Water Resources Congress, to propose long-term strategic Plan for 2016-2020 for the rehabilitation of the national forest estate, which will require technical and financial support of all partners for the recovery of the forest sector. He underlined ITTO's unique role as the only body to address issues related to tropical forests. He indicated that Côte d'Ivoire's main focus at the Session was on the election of the new Executive Director, as well as on the ITTO regional representation.
13. In his address to the Council, H.E. Mr. Ngole Philip Ngwese, Minister of Forests and Wildlife of Cameroon, stated that as one of the major countries of the Congo Basin, Cameroon has focused its national forest policy on ITTO's guidelines and policies. He noted that a number of measures taken by the Government during the past years in the forest and wildlife sector have emphasized biodiversity conservation and the sustainable management of natural resources. Cameroon gives priority to the sustainable management of the forest estate, and its policy derives its foundations from the Yaounde Declaration which has positioned Cameroon at the forefront of all reforms initiated in the sub-region. He indicated that Cameroon has recently been involved in a collaborative process to address issues restricting the country from realizing SFM related objectives, while adapting to the specifics of current emerging issues, such as climate change and REDD+ Process. He also highlighted and welcomed the

fact that Cameroon's commitment to sustainable forest management became particularly important following the signing of a Voluntary Partnership Agreement (VPA/FLEGT) in 2010 which would allow legal timber to be exported to the European Union. However, he emphasized the poor mobilization of financial resources as well as the lack of project feasibility studies as the main deterrents. He called on the international community to accelerate on-going discussions in relation to the International Agreement on Forests, with a view to increasing the contribution of forests to the Millennium Development Goals. The Minister expressed his gratitude to all ITTO Member Countries for the trust and support extended to the Executive Director, Mr. Emmanuel Ze Meka, a national of Cameroon, and concluded his address by extending appreciation to ITTO and its main donors for the support, in diverse forms, provided for the sustainable management of the Congo Basin forests.

14. In his address to the Council, H.E. Mr. Henri Djombo, Minister of Forestry Economy and Sustainable Development of Republic of Congo recognized the considerable efforts made by ITTO member countries in the field of sustainable forest management and conservation. He recalled that, in accordance with the ITTA, 2006, Consumer countries have committed to assist Producer countries in the sustainable management of their forests, by implementing the REDD+. He stated that the REDD+ process implementation is complex, and that it should be simplified and become inclusive, in order to allow for the involvement of forest people and local communities. Sustainable forest management, protected area management, forest plantations and other programmes aiming at alleviating poverty in forest areas should be taken into account in the REDD+ process. He urged ITTO to encourage tropical countries to promote forest certification and international market access for their timber, as the sector faces more requirements regarding the legality and sustainability of its sources. He further noted that in the past years, resources for financing projects have considerably decreased, and in this regard, the Secretariat should persevere in its efforts to recover the outstanding assessed contributions to the Administrative budget, while establishing innovative financing mechanisms. Regarding the ITTO regional representation, Congo supports the establishment of ITTO Regional Offices in Latin America and Africa. In closing, he noted that by 2016, all of Congo's forests would have management plans, and expressed gratitude to various donors who have provided support to Congo in its efforts towards sustainable forest management.
15. In his address to the Council, Mr. Basile Mboumba, Deputy Minister of the Ministry of Forests, Environment and Protection of Natural Resources of Gabon, underlined Gabon's commitment to conduct institutional and organizational reforms for improving stakeholder performance and economic competitiveness through enhancing the forest and timber industry. He made reference to the measure prohibiting log exports, which was made possible through the strategic vision of H.E. Ali Bongo Ondimba, President of Gabon's Republic and Head of State, in order to increase local timber processing. He indicated that since the log ban the timber share has increased from 4.5% to 8% of GDP, and creating new employment. Gabon has also taken various measures regarding biodiversity conservation, and has also initiated ecotourism in its national parks to enhance protected areas. He informed that Gabon has established schools and training programmes to build its human capacity, and legislations regarding sustainable development and environment protection and has also ratified the Nagoya Protocol on the preservation of genetic resources. In closing, he reiterated Gabon's determination to pursue the reforms engaged in the forest and timber industry, with the diversified support provided by partners, in particular, ITTO.

#### **ASCERTAINMENT OF THE QUORUM (Agenda Item 2)**

16. The Executive Director reported that the quorum for the Fiftieth Session of the Council had been met. The list of participants is contained in Document ITTC(L)/Info.2(Annex I).

#### **ADOPTION OF AGENDA AND ORGANIZATION OF WORK (Agenda Item 3)**

17. The Chairperson referred to Document ITTC(L)/1 Rev.1 and invited comments on the provisional Agenda. In the absence of any comments, the provisional Agenda was adopted.

#### **REPORT ON MEMBERSHIP OF THE COUNCIL (Agenda Item 4)**

18. The Executive Director informed that with the definitive entry into force of the International Tropical Timber Agreement, 2006 on 7 December 2011, the membership of the Organization stood at, 70, comprising of 37 Consumer Members and 33 Producer Members. Since the last session, 3 new members, Suriname, Vietnam, and the Central African Republic joined the Organization. The Executive Director referred to Document ITTC(L)/3, ITTC(L)/4, and ITTC(L)16 on contribution of the 3

countries to the administrative budget of 2014 and 2015. The list of members of the Council is attached to the Agenda (Annex II).

**REPORT OF THE CREDENTIALS COMMITTEE (Agenda Item 5)**

19. The report of the Credentials Committee was presented by Ms. Meredith Stokdijk (New Zealand), Chairperson of the Committee, drawing attention to Document ITTC(L)/5 Rev.7. The Committee, composed of representatives from Cameroon, European Union, Gabon, Japan, Malaysia, Mexico, New Zealand, and U.S.A. convened to examine the Credentials and attendance of Sixty one (61) countries and the European Union participating in the Fiftieth Session of the International Tropical Timber Council and Sessions of the Associated Committees.
20. The Committee also examined the representation of interest and the delegation of voting rights in accordance with Article 11 paragraph 2 of the International Tropical Timber Agreement, 2006 (ITTA, 2006). The list of member countries delegating their voting rights is as shown below:

List of Member Countries delegating votes

Country	Delegating votes to:
Austria	Germany
France	
Slovenia	
Belgium	Netherlands
Luxembourg	
UK	
Bulgaria	European Commission
Cyprus	
Czech	
Denmark	
Hungary	
Ireland	
Italy	
Latvia	
Lithuania	
Malta	
Poland	
Portugal	
Romania	
Slovakia	
Spain	
Switzerland	
Costa Rica	Mexico
Philippines	Brazil
Papua New Guinea	Indonesia

21. The Committee further examined the voting rights of members with credentials in accordance with Article 19 paragraph 8, and Article 10 paragraph 8 of the ITTA, 2006 on suspension and redistribution of votes. The Secretariat provided information on the status of contributions of member countries to the administrative budget as contained in document CFA (XXIX)/3 Rev.1 dated 3 November 2014.

**RE-DISTRIBUTION OF VOTES FOR ELIGIBLE MEMBER COUNTRIES AS PER ARTICLE 10  
PARAGRAPH 8 OF ITTA, 2006 (AS AT 8 NOVEMBER 2014)**

**PRODUCER MEMBERS**

<u>Africa</u>	
Benin	0
Cameroon	43
Central African Republic	0
Congo	42
Côte d'Ivoire	42
Gabon	0
Ghana	0
Mozambique	42
Togo	42
<u>Asia &amp; Pacific</u>	
Cambodia	25
India	0
Indonesia	104
Malaysia	159
Papua New Guinea <b>(IN)</b>	51
Philippines <b>(BR)</b>	21
Vietnam	23
<u>Latin America/Caribbean</u>	
Brazil	179
Colombia	30
Costa Rica <b>(MX)</b>	14
Ecuador	20
Guatemala	14
Guyana	18
Honduras	0
Mexico	31
Panama	14
Peru	37
Suriname	17
<b>TOTAL:</b>	<b>968</b>

Note: Producer members with voting rights not present at this Session:

Fiji	20
Trinidad and Tobago	12

**(MX) Votes delegated to Mexico**  
**(BR) Votes delegated to Brazil**  
**(IN) Votes delegated to Indonesia**

**CONSUMER MEMBERS**

Australia	16
China	258
<b>European Union</b>	<b>387</b>
Austria <b>(G)</b>	11
Belgium <b>(N)</b>	15
Bulgaria <b>(EU)</b>	11
Cyprus <b>(EU)</b>	10
Czech Republic <b>(EU)</b>	12
Denmark <b>(EU)</b>	12
Estonia	10
Finland	10
France <b>(G)</b>	33
Germany	19
Hungary <b>(EU)</b>	10
Ireland <b>(EU)</b>	14
Italy <b>(EU)</b>	29
Latvia <b>(EU)</b>	10
Lithuania <b>(EU)</b>	10
Luxembourg <b>(N)</b>	10
Malta <b>(EU)</b>	11
Netherlands	32
Poland <b>(EU)</b>	11
Portugal <b>(EU)</b>	15
Romania <b>(EU)</b>	10
Slovakia <b>(EU)</b>	11
Slovenia <b>(G)</b>	10
Spain <b>(EU)</b>	23
Sweden	11
United Kingdom <b>(N)</b>	27
Japan	164
New Zealand	11
Norway	10
Rep. of Korea	67
Switzerland <b>(EU)</b>	12
United States of America	75
<b>TOTAL:</b>	<b>1000</b>

**(EU) Votes delegated to the European Union**  
**(G) Votes delegated to Germany**  
**(N) Votes delegated to the Netherlands**

22. The Committee accepted the credentials of all Members and requested Member Countries that had not submitted their credentials in original form to do so as soon as possible.



**PROPOSED RE-DISTRIBUTION OF VOTES FOR 2013-2014 BIENNIUM (Agenda Item 6)**

23. The Chairperson referred to Document ITTC(L)/1 Rev.1 drawing the attention of Members to the proposed re-distribution of votes for the biennium 2013-2014, in accordance with Article 10(7) of the ITTA, 2006. The Chairperson reminded members that in accordance with Article 19(5) of the ITTA, 2006, the distribution of votes was adopted in 2013 and should remain in effect unless there was a change to the membership of the organization or when any member had its voting rights suspended or restored. The distribution of votes for the assessment of contributions to the Administrative Budget for 2014 and 2015 Biennium is contained in the Annex to the Agenda.
24. In 2014, three new members in the Producer category acceded to the Agreement. These are the Suriname (28 February 2014), Vietnam (10 April 2014) and Central Africa Republic (4 November 2014). The votes within the Producer category were consequently re-distributed.
25. In the absence of any objections or comments, the re-distribution of votes for the assessment of contributions to the Administrative Budget for 2014 and 2015 was adopted.

**ADMISSION OF OBSERVERS (Agenda Item 7)**

26. The Chairperson drew the Council's attention to document ITTC(L)/Info.3 which lists states, inter-governmental and non-governmental organizations applying for observer status and invited comments.
27. The delegate of Malaysia intervened to propose the rejection of the application for observer status of Bruno Manser Funds. The delegates of U.S.A, European Union, and Switzerland expressed concern over Malaysia's proposal, pointing out the importance of openness and inclusiveness within ITTO.
28. The Council admitted all observers with the exception of Bruno Manser Fund, and agreed to review the admission process of observers in general at a future Session.

**STATEMENT BY THE EXECUTIVE DIRECTOR (Agenda Item 8)**

29. In his statement to the Council, Mr. Emmanuel Ze Meka, the Executive Director of ITTO welcomed all delegates and special invitees to the Fiftieth Session. He stated that the Council should be proud to celebrate this important milestone in the development of the Organization. He expressed his gratitude to Mr. Satoshi Imai, Director General of the Forestry Agency of Japan, representing the Government of Japan and all Ministers and members of the Diplomatic corps who had graced the occasion with their presence. He also welcomed the Deputy Mayor of the City of Yokohama and expressed his gratitude for the unflinching support of the City to ITTO. He was particularly thankful to H.E. Dr. Bharrat Jagdeo, former President of Guyana who had kindly accepted the invitation to deliver a keynote speech on the historic occasion of the Fiftieth ITTC Session. He recognized the presence of H.E. Mr. Henri Djombo – Minister of Forest Economy and Sustainable Development of Congo; H.E. Mr. Philip Ngolle Ngwese – Minister of Forestry and Wildlife of Cameroon; H.E. Mr. Mathieu Babaud Darret – Minister of Forestry and Fisheries of Côte d'Ivoire; H.E. Mr. S.S. Relyveld LLC – Minister of Physical Planning, Land & Forestry Management of Suriname and H.E Mr. Basile Mboumba, Deputy Minister of Forests, Environmental Protection of Natural Resources of Gabon.
30. The Executive Director stated that since the establishment of ITTO about 30 years ago, the Council had played very significant roles in the management of tropical forests. He cited the Council's leading role in policy formulation, including the development of ground breaking guidelines in most of the salient aspects of the management of tropical forests that had had critical impact on the conservation and the sustainable management of tropical forests resources for the benefits of local communities and the countries concerned. He also underlined ITTO's pioneering work on criteria and indicators, having far reaching impact on forest management worldwide, including on tropical, temperate and boreal forests. He stated that the ITTO Objective 2000 had guided the work and rallied the international community around the intrinsic link between forest conservation and trade of tropical timber and timber products from sustainably management sources.
31. The Executive Director underscored the fact that achieving sustainable management of tropical forests had not been an easy task. He cited capacity building in developing countries as one of the constraints, and that the Freezailah Fellowship Fund, established by the Council to promote human resource development and strengthen professional expertise in member countries in tropical forestry and related disciplines had been one of the significant achievements of the Council.

32. He also reported on some of the activities undertaken by the Secretariat in the Year 2014, including assisting in piloting the process for the selection of the new Executive Director. He indicated that in addition to monitoring projects, pre-projects and activities under implementation, the continued implementation of the Biennial Work Programme 2013-2014 and special programmes had also been a major undertaking by the Secretariat during the year. He cited the activity to promote resource mobilization and informed the Council about the engagement of the fundraising consultants and their activities undertaken so far. The Executive Director highlighted and expressed his deep appreciation to the Chairperson of the Council for his involvement and support in the implementation of fundraising activities, including visits to the U.S.A., and meetings with the World Bank and some important NGOs to promote ITTO's activities and build partnerships. He also mentioned his engagement with a variety of potential donors, including Governments and Regional Banks.
33. The Executive Director stated that the adoption of the ITTO Voluntary Guidelines for the Sustainable Management of Natural Tropical Forests on 31 July 2014, through the electronic non-objection procedure, in accordance with the Decision 4(XLIX), was also a major undertaking. The guidelines were revised taking into account the development in international policies related to tropical forests since 1990, when the first guidelines were published, and that the new set of guidelines, as well as the suggested actions, would constitute an international reference and provide guidance for managing tropical forests sustainably. He also informed the Council on the joint ITTO/FAO/FONAFIFO international forum on Payment for Environmental Services of Tropical forests organized in April 2014 in San Jose, Costa Rica. He reported that a policy brief had been developed jointly by ITTO and FAO for policy makers and the general public and as a follow up to the PES Forum, ITTO and FAO had been jointly organizing side events.
34. The Executive Director reported on cooperation with CBD and informed the Council that on the occasion of the CBD COP 12 held in October in Pyeongchang, Republic of Korea, ITTO and CBD Secretariat signed a Memorandum of Understanding to extend the duration of the first MoU until 2020. He underlined that one of the most significant achievements made under the first MoU had been the development and implementation of the ITTO-CBD Collaborative Initiative for tropical forest biodiversity. He noted that since the first MoU was signed in 2010, eleven ITTO projects had been implemented in 26 countries with the financial contribution of over USD 15 million. Under the new MoU, ITTO would continue to support the efforts of member countries in promoting biodiversity conservation both in tropical production and protected forests.
35. The Executive Director further reported on Cooperation between ITTO and CITES in assisting Members to implement CITES listings of tropical timber species. He indicated that since the start of the second phase of the Programme in 2012, when the European Commission provided a further grant to the Programme in the amount of US\$6,127,451 (EUR 5,000,000), the programme had continued to build capacity in member countries. He urged other donors to contribute to this important programme by providing matching funds.
36. Other activities that the Executive Director reported on were: (i) development of environmental product declaration (EPD) for three tropical wood products (ii) promoting trade in tropical timber products from sustainably managed and legally harvested sources (iii) ITTO's engagement in the work of the CPF and (iv) Raising the visibility of ITTO in the international arena.

**REPORT OF THE INFORMAL ADVISORY GROUP (IAG) – DECISIONS 3(XXII), 5(XXVI) and 2(XLIX) (Agenda Item 9)**

37. The Chairperson presented the report of the Twenty-eighth meeting of the Informal Advisory Group (IAG) convened on Sunday, 2 November 2014, as contained in Document ITTC(L)/2. Chaired by the Chairperson of the Council, the meeting was attended by the Chairpersons of the Committees, the Spokespersons of the Consumer and Producer Groups, Representative of the Government of Japan and the Executive Director.
38. The following issues were considered by the IAG:
  - i. Brief background of the IAG:
    - Decision 5(XXVI);
    - Report of the IAG at its Twenty-seventh Meeting, 24 November 2013;
    - General observations by the IAG Members;
  - ii. Matters Related to Article 14 of the ITTA, 2006.

- iii. Opening of the Fiftieth Session of the Council and Celebration of the Fiftieth Session of the ITTC.
  - iv. Status of the parties to the International Tropical Timber Agreement, 2006.
  - v. Functions of the Informal Advisory Group.
  - vi. Consideration of draft decisions/elements of decisions, if any, submitted pursuant to ITTC Decision 7(XXXIII)
    - Projects, Pre-Projects and Activities [Decision 1(L)];
    - Matters related to Article 14 of the ITTA, 2006
    - Staff Regulations and Staff Rules of ITTO
    - Draft ITTO Biennial Work Programme 2015-2016.
    - Consideration of Regional ITTO Presence and Representation
  - vii. List of possible decisions for the Fiftieth Session of the ITTC and report to the Council; and
  - viii. Other matters
    - ITTO membership in the World Nature Organization;
    - ITTO position on the WTO Environmental Goods Agreement;
    - ITTO position regarding the IAF;
    - Selection of Vice-Chairperson of the Committee on Reforestation and Forest Management;
    - Selection of Chairperson of the Committee on Economics, Markets and Statistics;
    - Admission of observers.
39. The IAG considered the possible list of decisions to be considered and adopted by the Council at its Fiftieth Session as follows:
- i. Projects, Pre-projects and Activities [Decision 1(L)];
  - ii. Matters related to Article 14 of the ITTA, 2006;
  - iii. Staff Regulations and Staff Rules of ITTO;
  - iv. ITTO Biennial Work Programme for 2015-2016.
40. The full report of the Informal Advisory Group (IAG) is contained in Annex V.
41. The delegate of Switzerland informed on the similarity in the Staff Regulations and Staff Rules of ITTO to those of the International Cocoa and International Coffee organizations. He indicated that the Staff Rules of the aforementioned organizations were under review and suggested postponing decisions on the ITTO's Staff Rules and to wait for the adoption of the Staff Rules of the two organizations and to use their inputs for the future ITTO Staff Rules. The Chairperson noted that the issue would be discussed during the Session of the Committee on Finance and Administration.
42. The Council took note of the IAG report.

**ENHANCING COOPERATION BETWEEN ITTO AND CITES – DECISIONS 3(XVI), 7(XXXIV), 2(XXXVII) and 5(XLVI) (Agenda Item 10)**

**(a) CITES Listing Proposals by Members – Decision 3(XVI)**

43. As per the provisions of Decision 3(XVI), the delegate of Cameroon informed of Cameroon's intention to list bubinga (*Guibourtia* spp.) in Appendix III of CITES. No other proposals to list internationally traded tropical timber species in the CITES Appendices were raised by members.

**(b) Report on the Implementation of the CITES Programme**

44. Dr. Steven Johnson (ITTO Secretariat) presented the report as contained in Document ITTC(L)/6. He informed the Council that this activity was originally included in the ITTO 2006-2007 Biennial Work Programme (BWP) and had continued under subsequent BWPs. The main donor to the ITTO-CITES Program is the European Union (through the European Commission) which had funded 80% of the first phase which ran from 2007-2011, with a total budget of over \$4 million and was currently funding two-thirds of the second phase running from 2012-2016, with a total budget of nearly \$10 million. Other Program donors include the U.S.A., the Netherlands, Switzerland, Japan, Norway, Germany, New Zealand, the private sector and the BPF. The ITTO-CITES Program has been managed by the ITTO Secretariat with assistance from three regional coordinators and the CITES Secretariat, and guided by a Program Advisory Committee which met for the tenth time during the Council Session.

45. Dr. Johnson reported that Phase 2 of the Programme was now at its mid-point, with thirty-six country-specific activities approved and underway (or already completed) in Brazil, Cameroon, Congo, DRC, Guatemala, Indonesia, Madagascar, Malaysia and Peru as of October 2014. These focus on African species *Pericopsis elata* (afroormosia), *Prunus africana* (African cherry), and several *Dalbergia* (rosewood) and *Diospyros* (ebony) species from Madagascar; Asian species *Aquilaria/Gynerops* spp. (agarwood) and *Gonystylus* spp. (ramin); and Latin American species *Cedrela odorata* and *Swietenia macrophylla*. He indicated that demand for Program support continues to substantially exceed available resources, with 16 activities submitted from countries pending additional funding to the Program before they could be implemented. The contract with the European Commission requires that around \$3 million be provided to the Program by non-EC donors; Dr. Johnson reported that such contributions currently totaled about 50% of this amount and called on donors to continue providing support to the Program. He reported that the German government had agreed that part of its funding provided to a large project on forensic identification and tracking of wood in Africa would be counted as a contribution to the ITTO-CITES Program due to the project's complementary objectives to those of the Program. This would be reflected in future Program newsletters and financial reports, but additional contributions are still required to meet the co-financing provisions of the EC contract.
46. The Secretariat further reported that the Program website ([www.itto.int/ITTO](http://www.itto.int/ITTO) at work/CITES/) continued to be updated in 2014 with all activity completion reports regularly posted, together with issues of the quarterly newsletter and other relevant information. He noted that representatives of the ITTO and CITES Secretariats continued to regularly attend and participate in each other's official meetings and thanked the CITES Secretariat for its assistance in implementing the Program.
47. The representative of the CITES Secretariat, Ms. Melina Sosa Schmidt informed that during the early days of CITES only 18 species of trees were included in the Appendices. The number of tree species listed in CITES started to increase in 2002 and that with these listings all range States were confronted with real challenges in implementing the Convention and acknowledged that CITES is not an easy Convention to implement. She stated that during Phase I of the programme, participating range States established their priorities on marking and implementation, including:
  - Design and confirmatory inventories;
  - CITES training courses for Management, Scientific and enforcement officials; and
  - Marking and traceability systems.
48. During those 4 years, 34 activities in 8 countries and 3 regions were implemented, targeting 5 of the main CITES tree taxa including 34 timber species and one medicinal tree species.
49. The need to continue and complete the work done during Phase I got stronger and there was also the need for more tree species to be included in CITES, as the countries realized the benefits of these listings with the support of the programme. She underscored the strength of the ITTO-CITES programme based on the continuity of the work, the outstanding quality of its results, and the sustainability of the activities.
50. She noted that from the original five (5) taxa, the programme had expanded to 7 highly valuable tree taxa comprising around 340 species. She also stated that from the original 8 countries and 3 regions, the programme now involves 14 countries and all four (4) tropical regions.
51. The representative of CITES Secretariat informed on the establishment of a forensic laboratory for timber identification and description in the implementation of legal proceedings and traceability systems for CITES listed products. She noted that the worldwide joint work on timber identification in forensic laboratories was a new field having very strong demand under the ITTO-CITES programme and that Guatemala, Brazil, Madagascar and Switzerland had presented proposals in this field and the CITES Secretariat had been coordinating this work with laboratories of the United States of America, Germany, France and others.
52. She underlined that during Phases I and II, participating countries had made enormous progress on generating information and capacities to sustainably harvest and transparently control the trade on the most internationally traded species. However, in certain cases that the listing in CITES were at a higher taxonomic level, such as the case of the genus *Gonystylus*, the work done until now had focused on *Gonystylus bancanus*, the main species in trade – and that the work carried out had not been sufficient to implement CITES for the whole genus. She indicated that range States still had the challenge to continue making progress on the other 29 species of ramin included in CITES. She urged

donors to continue funding the ITTO-CITES programme in order to finish the work on all species of each genus.

53. She informed that as result of the outputs of Phase I of the ITTO-CITES programme, there had been more than 100 technical publications of all sorts (peer reviews, chapters in books, technical publications and reports).
54. The representative of CITES Secretariat stated that the Secretariat was very proud of the joint programme with the ITTO Secretariat and hoped to have the opportunity to continue with a Phase III of this invaluable cooperation programme.
55. The representative of the European Union expressed gratitude to the Secretariats of ITTO and CITES, and as the main donor, considered the ITTO-CITES cooperation a success. He indicated that the EU would like to see more partnership and will definitely support further work in this field. He called on other donors to provide additional funding in order to ensure there was no gap in future activities of the programme.
56. The delegate of Cameroon expressed his support for this initiative. He stated that Cameroon benefited from 3 activities under the programme. The CITES agency helps to support species under pressure of international trade, and Cameroon has recently added a new specie, Bubinga, to be managed under this programme.
57. The delegate of Norway stated that it has been actively engaged in this programme, and commended the cooperation of ITTO and CITES. She noted that this partnership also creates synergies through close cooperation and collaboration with CBD and REDD+.
58. The delegate of Malaysia expressed appreciation to both Secretariats of CITES and ITTO, and noted that it had implemented 8 activities under this programme, with a total budget of US\$ 777,525 for the period 2008-2010. These activities were further complimented by the new programme cycle from 2010-2014. Malaysia acknowledges the importance of ITTO-CITES programme in improving the country's capacity to implement the CITES listing of tropical timber species.
59. The delegate of Indonesia expressed gratitude to donor countries and the private sector and stated that CITES programme had been helpful in providing the country with data and technology for the conservation of 2 species – agarwood and ramin. He indicated that the overall objective for the country is to delete the 2 species from the CITES listing in the future, and that would be proof of the programme's success.
60. The delegate of Congo showed appreciation to ITTO and CITES for the financial and technical support to Congo's conservation efforts of afrormosia. Referring to the trade sanctions on afrormosia, Congo has had to reduce its export volume, and continues to submit annual reports regarding this species. He noted that the country has had to bear heavy financial losses as a result, and indicated that much of the 100 million hectares of production forests is left untouched. He emphasized the importance of the contribution of natural resources to help the country in tackling the issue of poverty. He urged CITES to help struggling countries maximize and manage their potential. He also stressed the need for other international organization to come to the rescue.
61. The delegate of Peru indicated that ITTO-CITES programme shows an excellent example of synergy, and expressed its appreciation for the facility and financial support to help develop activities to conserve mahogany and cedar. He noted that Peru was making efforts in regeneration and reforestation of these species.
62. The delegate of U.S.A. noted that the ITTO-CITES programme exemplified productive partnership that can enhance action on the ground. The U.S.A. was encouraged by the European Union's pledge to consider Phase III of the programme.

**BIENNIAL REVIEW AND ASSESSMENT OF THE INTERNATIONAL TIMBER SITUATION IN 2013-2014  
(Agenda Item 11)**

63. The Chairperson introduced the Agenda item and invited the consultant to present the Biennial Review and Assessment of the International Timber Situation in 2013 – 2014.

64. Elements for the 2013 - 2014 Biennial Review and Assessment of the International Timber Situation were presented by Ms. Frances Maplesden (Consultant). The report is contained in Document ITTC(L)/7. The presentation focused on:
  - i. The country responses to the 2013 and 2014 joint forest sector questionnaires and the quality of information provided to the Secretariat;
  - ii. A preliminary look at the analysis of the tropical trade data, both primary and secondary products; and
  - iii. Some of the market drivers likely to influence the tropical trade in the longer term.
65. She underlined that although the presentation and analysis of the tropical timber market situation was being undertaken every 2 years, countries were still expected to provide data to the Secretariat on an annual basis via the Joint Forest Sector Questionnaire, a joint venture with FAO, UNECE and Eurostat.
66. In 2014, roughly two-thirds – 48 member countries - returned the questionnaire either fully or partially completed – 29 Consumers and 19 Producers. Only 9 countries fully completed the JQ representing only 13% of the membership. Seven Consumer countries and 13 Producer countries did not submit a JQ in 2014, although the results were an improvement on the 2012 and 2013 responses. She noted, however, that the quality of responses was still disappointing - with many providing incomplete, unusable or inconsistent data. She expressed concern about some producer countries that had not supplied a JQ and having no secondary data sources, such as Gabon, the Democratic Republic of Congo and Viet Nam. She urged those member countries that had not provided data in 2014 to do so promptly.
67. Regionally, most of the tropical log production in 2013 and 2014 was from the Asia-Pacific region, showing a general rise since 2009, but some levelling off since 2012. She noted that due to insufficient submission of data, this analysis might be reviewed. In 2013, the major tropical log trade was restricted to the Asian region with some supply from Africa. China and India consolidated their positions as the major importers, with the largest trade flows being from Papua New Guinea and the Solomon Islands to China, and Malaysia and Myanmar to India. Historically, tropical log exports had been trending downwards because of supply restrictions in producer countries although there was a slight resurgence in 2013 and 2014, in response to sustained demand levels in China and India. PNG's exports grew considerably in response to growing Chinese demand and limited wood processing in PNG. And although Myanmar's log exports grew, they would be expected to taper off in 2015, following the imposition of log export restrictions introduced earlier in 2014.
68. There had been a dramatic demand shift over the last 15 years with regard to tropical log imports, with the dominant importers being Japan and the EU countries until the late 1990's, then replaced by China and India. The trade almost exclusively focused on those markets, with the more recent addition of Viet Nam. The effects of the global economic slowdown were evident in 2009, although imports had recovered strongly since then. However, more recently there had been evidence of slowing demand and overstocking in China with a dampening effect on log prices, although this was not evident in the trade statistics.
69. For tropical sawnwood, the major trade flows in 2013 showed the importance of the Asia-Pacific trade, with China dominating imports and Thailand and Malaysia dominating exports, although there continued to be a significant trade between the African suppliers and the EU. In 2013, there were significant discrepancies recorded for the tropical sawnwood trade from Malaysia to Thailand and Taiwan POC; from Thailand, the Philippines and Indonesia to China; and from Peru and Brazil to the U.S.A. Côte d'Ivoire, Cameroon, Myanmar and Gabon did not report any export data for 2013. Over time, the destinations of tropical sawnwood had been changing from largely EU markets to China. China's imports had grown quite dramatically since 2009 due to the increasing log export restrictions in supplier countries and a reduction in China's competitiveness in sawnwood processing compared with some other producer countries. In the EU markets, the direct impact of the EU Timber Regulation on trade was difficult to discern because imports had been trending downwards well before the introduction of the regulation in March 2013.
70. Looking at the export trends over the last 20 years, about 70% of exports were supplied by Asian producers and Thailand's exports had grown since 2009, while exports had been fairly static or declining in many of the other major supplying countries. Gabon's exports had doubled since 2011 following the restriction of log exports and some expansion of sawmill capacity but it was not as large as expected in relation to the previous volume of log exports.

71. For tropical plywood, the trade again focused heavily on the Asian region and on only a few major players, although the main centers of production had changed significantly over the last 20 years in response to the relative competitiveness of plywood producers. Malaysia and Indonesia continued to be the major suppliers, and although Japan is still the dominant market, there was an increasing trade to Middle Eastern countries. Tropical plywood exports continued to plunge quite significantly mainly due to reduced access and rising prices of peeler logs in the tropical plywood industries which had pushed up production costs, in addition to reduced demand caused by considerable substitution by other products in both structural and appearance grade end uses.
72. Japan was the major tropical plywood importer, although demand was considerably less than in the 1990s and had generally been trending downwards, mostly because of the availability of very competitive substitute products, including softwood plywood and a number of other products. Japanese demand was expected to slow in 2014 and the costs of Japan's imports had been increasing in response to a weakening yen and rising log, labour and energy costs in the producer countries, which had been putting upward pressure on plywood prices. Stricter quality and environmental product standards in the consuming countries had also been influencing the plywood trade.
73. With regard to Secondary Processed Wood Products (SPWP), any analysis of the tropical trade was somewhat limited because the trade classifications did not specify products as tropical, and items could include a combination of species and materials, making it difficult to track tropical wood flows in the SPWP value chain. Even though consumption patterns were beginning to change and consumption was increasing in the secondary product producer countries, the final destination for secondary product exports continued to be the U.S.A., EU countries and Japan. The major markets had recovered strongly from the downturn in 2009, particularly in the US, and in other parts of the world. However, in EU markets, imports had risen post-crisis in response to demand for lower cost imports, particularly from China and Viet Nam but they dropped again in 2012 and had more recently been affected by rising labour and manufacturing costs in Asia, volatile freight rates and improving cost competitiveness of European manufacturers. Wooden furniture was the major secondary product imported in all the major markets.
74. China accounted for nearly one-third of world exports of wooden furniture by value and a very large proportion was exported to the U.S.A., showing some evidence of the recovery in consumer confidence and housing activity in 2012 and 2013 in that market. But there had also been growth in the other major markets, including Middle Eastern countries. There were indications that China's cost competitiveness in furniture manufacture was rising but Chinese producers were also moving up the value chain and focusing on higher value products. The US also imported significant quantities of wooden furniture from other tropical suppliers, particularly Viet Nam but also Mexico, Malaysia and Indonesia. The recovery in housing starts and growing consumer confidence was expected to continue to push up US demand for wooden furniture and parts and other secondary products. However, in the EU, construction activity overall had remained subdued although there were differences in trends by member states, with consumption of secondary processed wood products expected to remain at relatively low levels in 2014.
75. The report was approved by the Council

**MATTERS RELATED TO ARTICLE 14 of the ITTA, 2006 – DECISIONS 3(XXV), 5(XLII), 2(XLVI) and 3(XLIX) (Agenda 12)**

76. The Co-Chairperson of the Panel, Ms. Ellen Shaw (U.S.A.), presented the report, as contained in Document ITTC(L)/8. The Panel established pursuant to Decision 3(XLIX) to consider matters related to Article 14 of the ITTA, 2006 was convened in Yokohama from 9 to 11 June 2014. The twelve-member Panel comprised six producer and six consumer members. The Panel was established to examine all applications for the post of Executive Director of ITTO which would fall vacant on 6 November 2015, and to agree on an indicative short list of eligible candidates of not more than six persons.
77. The Panel agreed to present for the consideration of the Council, the indicative short list of six candidates, and invited them to address the Council. The candidates were:

Dr. Gerhard Dieterle (Germany)  
Dr. James K. Gasana (Switzerland)  
Mr. John Jack Hurd (United States)

Mr. Eduardo Mansur (Brazil)  
Ms. Sheamala Satkuru (Malaysia)  
Dr. Ivan Tomaselli (Brazil)

78. In his candidacy address to the Council, Dr. Gerhard Dieterle (Germany), stated his current position as Program Manager and Advisor for Forestry at the World Bank, and has worked in all forest regions with overseas assignments in Indonesia and Togo. He also served at the European Commission, the German Forest Service as well as the Embassy of Germany to FAO. He holds a Ph.D. in forest harvesting and processing systems. He presented some strategic aspects that would shape the future of ITTO in close collaboration with all Members, including: changing context for tropical forest management and the institutional challenges for ITTO. He indicated that the ITTA goals respond directly to many of the Sustainable Development Goals, and if selected as the new Executive Director, he would undertake sustained efforts to strengthen its influence as an established actor capable of influencing the global forest regime. He noted that the role of productive forests and forest products has been largely underestimated in global efforts to address climate change. He would work with the ITTC to promote the need for enhancing the role of productive forest in the international forest and climate dialogue. He suggested three selected priorities to lead ITTO into a sustained financial and institutional future: to explore new funding opportunities; to strengthen ITTO's visibility – revitalize communication, outreach and strategic partnerships; and to address operational efficiency. In summary, he was committed to the following: to establish a trustful and collaborative relationship with Producer and Consumer Members; to honor the privileges generously allocated by the Government of Japan and the City of Yokohama; to devote his full energy to represent ITTO efficiently within the international forest regime and to raise funds; and to be an efficient manager of the organization and a good leader for colleagues at ITTO.
79. In his candidacy address to the Council, Dr. James K. Gasana (Switzerland), outlined his commitments in three broad categories: i) to stimulate the reflection on positioning ITTO in the emerging post-2015 development context, as a partner of choice of its Members in their efforts to make tropical forests and SFM contribute to environmental sustainability and to inclusive development; ii) to strive to achieve the objectives of SAP 2013-2018 and prepare SAP II(2019-2025), informed by lessons learned from the current plan; and iii) to mobilize adequate financing for the organization's programmes. He stated that he sees ITTO as an organization that supports Member's efforts in responding to the challenges and opportunities in global environmental change as they relate to tropical forests and SFM. In order to achieve these, he stressed the need to: align SFM to the new global challenges and opportunities; promote value addition and market access for tropical forest products; strengthen knowledge management and innovation systems; and enhance institutional efficiency and accountability through information and communication technologies. He further underlined the importance of fundraising. His personal merits included high level experience in public administration, a wide range of diplomatic experience, fluency in three official languages, and sound knowledge of ITTO.
80. In his candidacy address to the Council, Mr. John Jack Hurd (United States), outlined the following opportunities and his visions for ITTO. In the context of global policy dialogue, he would lead ITTO to draw on the experiences generated through its own field-oriented programs, interpret the results, synthesize findings, and then utilize its status as a commodity organization to provide input on both the economic and trade dimensions. With regard to timber trade and forest management, he would lead ITTO to help analyze what was taking place in the market, identify blockages and determine how some legislations were affecting the industry and its people. With regard to ecosystem services, he would position ITTO to enhance its engagement in innovative programs designed to harness the value of ecosystem services. Concerning small-holder/community relations, he would like to see ITTO enhance efforts to combine targeted technical assistance with creative financing. With regard to stakeholder engagement, he noted that ITTO could have an important leadership role to play in codifying best practices. He then identified organizational attributes such as financial resources, human resources, partnerships, and effective constituencies for change and action that he observes to be critical for success. In closing, he described his experiences in generating financial resources, providing strategic leadership, and building and managing organizations and initiatives, would enable him to lead ITTO in its global effort.
81. In his candidacy address to the Council, Mr. Eduardo Mansur (Brazil), summarized his experience in the last 33 years in the forestry sector, mainly in international organizations, both as a UN officer and other organizations such as IUCN and ITTO. He stressed that the vision for ITTO must be focused on the achievement of the objectives of ITTA, 2006. He further stated the significance of increasing the value of forests, as essential to guarantee forest benefits in perpetuity. He noted that the implementation of the ITTA, 2006 was even more relevant and timely, in light of the UN development



agenda beyond 2015 and the Sustainable Development Goals. On challenges to achieve SFM, he illustrated the need to combat illegal logging as the first step to achieving good governance in forestry. He stated that new technologies would help ITTO in making available reliable and transparent information, which would then promote sustainable forest management and raise consumer confidence. He commented that ITTO should play a more central role in the field of reforestation, as well as in the field of planted forests. The role of tropical forests in the bio-economy was not sufficiently visible, and he stated that the opportunity of storing carbon in long-lasting tropical timber products and the role of woody biomass were not yet clearly understood and explored. In outlining his strategies for a renewed ITTO, he noted that ITTO should improve its resources mobilization, explore new opportunities, step up its fundraising efforts, streamline procedures, and address the gender issue.

82. In her address to the Council, Ms. Sheamala Satkuru (Malaysia), made reference to the equilibrium needed to be achieved between ecosystem and the human system, and noted that ITTO is at a critical junction, facing pressure on what remains to be implemented on the ground, fast-dwindling funding, and execution of ITTO Strategic Action Plan. Challenges remain, in terms of market access and building confidence and trust among Producer and Consumer countries. She noted that it would be difficult to find new areas to attract the attention of donors, as well as sustaining the interest of producing countries. ITTO is required to find a new way of working, and to this she identified several key areas to consider: focus on the international trade in sustainable and legally harvested products; capacity building, sharing technical knowhow, contributing to value adding production chain, generating revenue for countries heavily dependent on timber trade; establishing more synergies, identifying more synergies in the future related to current global concerns, such as education, poverty etc., She noted that since the forestry sector is linked to many global initiatives, it can eventually lead to additional sources of funding; strengthening connection with donor countries, and possibly widening the pool of countries, donor communities, private sector, and foundations. Sustainable forest management must eventually be self-funded, and not rely solely on subsidized funding; optimize ITTO's consensual approach, and bridge both sides to better define the wants and needs and harmonize the interests of both groups; embark on a higher level communication, marketing, and promotion campaign by working with other organizations; and recognizing the role of the Trade Advisory Group and the Civil Society Advisory Group, as they play critical roles in realizing the organization's objectives. She believed that her experiences in both the developing and developed worlds had equipped her with the ability to bridge between the two groups.
83. In his address to the Council, Dr. Ivan Tomaselli (Brazil), noted that independent candidates like himself would allow the identification of new options and create new perspectives for ITTO. In the academic field, he had published or co-published more than 200 papers on a broad range of research, most of them relevant to tropical forests. He informed on his experience in the private sector as the founder of STCP, a consultancy business, which had given him passion over the past three decades. He was also actively involved in ITTO activities during that period, which had given him a strong understanding of forestry contexts in the three tropical regions. He underlined that the knowledge he had gained over the years on ITTO's role, position in the international landscape, capacities and mandate, and the skills in organizational management position him to propose a new management approach for ITTO. If elected, he would establish a results-focused, modern administration that takes full advantage of the accumulated knowledge and experience of the organization to promote the sustainable trade of tropical forest products. He emphasized that his private sector background equips him well to take the hard decisions necessary to take a close look at all of ITTO's costs and outputs to ensure that the organization is optimizing the limited resources. He highlighted the following priorities: advocate a stronger focus on thematic programmes; consult closely with stakeholders and improve cooperation; increase funding options; and ensure the efficiency of the management team. He stressed that he would bring broad knowledge of tropical forests, and help make ITTO better by contributing his understanding of stakeholders, his experience as a business manager, and his multicultural and multilingual abilities.
84. The delegate of Brazil expressed his country's commitment to ITTO, and formally announced the candidacy of Mr. Mansur from Brazil. He indicated that he was aware of issues being raised by Members, and reiterated Brazil's commitment to pay its assessed contributions to the Administrative Budget in due course. Referring to ITTO Rules of Procedure, he stated that the Council must look for a consensus to elect a new ED. He stressed the need to make efforts to reach an agreement for a new ED.
85. The Chairperson invited comments on how to proceed with the election process.

86. The Spokesperson of the Consumer caucus (Finland), underscored the need for the Council to work together as a body and indicated that the new ED must be elected at the Session. She noted that the Organization had invested a lot time and effort into the process and that there was a reputational risk if decision was not made at the Session. She called for an initial vote to reduce the number of candidates, and which might also give an indication on the likely candidate.
87. The Spokesperson of the Producer caucus (Cameroon), underlined the election of the new ED as a key item for the Session. He indicated that the Producers had had numerous correspondences on the issue, and had been inspired by the 2006 Agreement. He indicated that the Producer Group had read over the ITTA, 2006 and the Rules of Procedure of the Organization and were aware of the fact that the election of the new ED should be made preferably by consensus and in the absence of a consensus by a Special Vote. He expressed appreciation for the screening panel's hard work and sought more details, regarding the modalities for a Special Vote. He also sought clarification on the difference between simple majority vote and a Special Vote. He expressed concern that the Rules might be violated.
88. The Chairperson sought clarification on the 'initial vote', as requested by the Consumer Spokesperson to which the Consumer Spokesperson reiterated that there was a need to work together as a body, which has always been the essence and spirit of the organization, and therefore, there was the need to find a way to narrow the number of candidates. Inquired by the Chairperson on how to narrow the number of candidates, the Consumers' Spokesperson requested an initial vote to provide an indication. The Chairperson sought details on the initial vote, and whether to have the voting in the Council or in a Working Group. The Consumers' Spokesperson stated its stance on working along the rules, and to have a formal vote in the Council.
89. With regard to the Producers inquiry on the voting modalities, the Secretariat indicated that Voting References had been circulated to all Members before the Session and referred to Rule 25, Chapter V of the Rules of Procedure on "Redistribution of Votes" which states inter-alia:

"In order to enable the Council to revise, and where appropriate, redistribute the votes in accordance with Article 10, paragraphs 7 to 9, of the Agreement, the Executive Director shall prepare the necessary documents which, on the basis of the rules laid down in that Article, shall specify the number of votes held by each member."
90. The Secretariat referred to the report of the Credentials Committee as contained in Document ITTC(L)/5 dated 4 November 2014 and indicated that Annex II of the document contains the redistribution of votes in accordance with Article 10 paragraph 8 of the ITTA, 2006. The Secretariat further provided information on the electronic system of voting.
91. The delegate of Brazil expressed appreciation to the Secretariat for the thorough explanation. He raised the issue of consensus, noting that the Council had not yet demonstrated efforts to reach consensus. He reiterated that the Rules stipulate that the Council shall try to reach consensus first, before deciding otherwise.
92. The delegate of U.S.A. sought clarification on the difference between a special vote and a simple majority vote. The Secretariat provided the clarification as stipulated in the ITTA, 2006.
93. The delegate of U.S.A. further expressed gratitude to both Spokespersons, and shared the view that the election of a new Executive Director was of highest importance. She reiterated the fact that there was a reputational risk should the Council fail to appoint a new ED. She stated that 2015 would be a watershed year for many pressing issues on forests, and emphasized that ITTO needs to consider a serious way forward.
94. The delegate of China supported the views expressed by the U.S.A., and stressed the need for the Council to make a decision during the Session. He underscored that the tradition and spirit of ITTO is consensus building on the basis of solidarity and unity. He urged Council to reach consensus, and echoed comments made during the Consumer caucus, which was to seek guidance from the Chairperson on how to build consensus. He emphasized that voting should be the last resort. This was supported by the delegate of Brazil, who referred to the rules that outline that voting is done only when consensus could not be reached.
95. The representative of EU stated that voting is an effective way of achieving an initial screening of candidates, while agreeing that all efforts should be made to reach consensus. He stressed the need

to focus on a limited number of candidates by having an initial vote. This view was supported by Ecuador, the Philippines, Switzerland, Mexico, New Zealand, Korea, and Cambodia.

96. The Chairperson proposed the establishment of a Contact group of both Caucuses to discuss how to reach consensus.
97. The delegate of U.S.A. expressed appreciation for the suggestion to move the discussion forward, but stated that there must be some time limits set, as discussions could continue without reaching consensus.
98. The representative of the EU showed support for the intervention by the U.S.A., and noted that there had already been extensive discussions in the margins of the meeting, confirming that there was no consensus on a single candidate. He agreed that there should be a clear step to establish the fact that there was no consensus. A contact group could be established to examine the issue, but in light of time constraints, he proposed to have a vote to narrow down the list and to continue the discussion. This view was shared by delegates from Ecuador and the Philippines, who stated that a shortened list of candidates would be a more practical way to reach consensus. The delegates of Switzerland, U.S.A., and Mexico showed support for the intervention of the EU, and seconded the motion to have a vote to shorten the list of candidates.
99. The delegate of Peru welcomed the suggestion to reduce the number of candidates. However, he stated that the procedure should not be by a vote. He called on both caucuses to have separate meetings and to come up with their respective consensus candidates, which was supported by Brazil, China, Vietnam, Guyana, Guatemala, Mozambique, Suriname, Columbia, Panama, and Ghana.
100. The delegate of New Zealand intervened to stress the need to clarify the Council's understanding of consensus. She suggested a contact group to shortlist the candidates by consensus, and if consensus was not reached, the Council should proceed to voting in order to reduce the number of candidates and then proceed to discuss. This was seconded by the delegate of the Philippines, Korea, and Cambodia.
101. The UNCTAD Legal Advisor explained the term 'consensus' and the voting process from a legal perspective. 'Consensus' means adoption of a decision. Consensus is only possible if there is no objection from a single Member country. Furthermore, he stated that 'indicative voting' is not recognized in the Agreement, therefore suggested having an indicative vote in an informal meeting. He stressed that the Rules of the Agreement clearly state that the Executive Director must be appointed by consensus or a Special Vote. Elimination of candidates, as discussed among Members, was outside the scope of the Rules, and would require the Council's decision.
102. The Chairperson announced that a Working Group be organized to reach an agreement on shortlisting candidates.
103. The Consumers Spokesperson stated that both groups had not been able to reach consensus on the candidate or on the process during the contact group meeting, and requested the Council to proceed to a Special Vote. The EU and U.S.A. showed support, noting that it was self-evident from discussions that consensus could not be reached. The Producers' Spokesperson disagreed, stating that sufficient efforts had not been made to reach consensus.
104. The delegate of Brazil indicated that consensus building had just begun, and that the efforts of the Producers to reach consensus on shortlisting must be reciprocated by the Consumers. He stressed that no efforts had been made by the Consumers to build consensus together with the Producers.
105. The Chairperson concluded that there was no consensus and therefore the Council should proceed to a vote. The delegate of Philippines requested that the voting be carried out by secret balloting. The Chairperson opened the special vote by a secret ballot.

106. Results of the 1<sup>st</sup> round of Special Voting:

	Name	Group	No. of Countries	No. of Votes
Choice 1	Mr. Gerhard Dieterle	Producer	6 / 21 = 28.6%	234 / 968 = 24.2%
		Consumer	29 / 34 = 85.3%	578 / 1000 = 57.8%
Choice 2	Mr. James K. Gasana	Producer	2 / 21 = 9.5%	72 / 968 = 7.4%
		Consumer	1 / 34 = 2.9%	12 / 1000 = 1.2%
Choice 3	Mr. John Jack Hurd	Producer	0 / 21 = 0.0%	0 / 968 = 0.0%
		Consumer	1 / 34 = 2.9%	75 / 1000 = 7.5%
Choice 4	Mr. Eduardo Mansur	Producer	12 / 21 = 57.1%	503 / 968 = 52.0%
		Consumer	3 / 34 = 8.8%	335 / 1000 = 33.5%
Choice 5	Ms. Sheamala Sakturu	Producer	1 / 21 = 4.8%	159 / 968 = 16.4%
		Consumer	0 / 34 = 0.0%	0 / 1000 = 0.0%
Choice 6	Dr. Ivan Tomaselli	Producer	0 / 21 = 0.0%	0 / 968 = 0.0%
		Consumer	0 / 34 = 0.0%	0 / 1000 = 0.0%

107. The results of the first round of voting indicated that the necessary number of votes and members required for the Council to reach a decision was not simultaneously fulfilled in both producer and consumer groups by any of the candidates, and therefore, no decision was reached in that particular round.

108. The Chairperson informed the Council of Dr James Gasana's withdrawal of his candidacy.

109. The Consumer Spokesperson (Finland) called for the second round of voting with five candidates following the withdrawal of Dr James Gasana. The motion was seconded by the representative of the European Union.

110. The Chairperson subsequently opened the second round voting. The delegate of Guyana called for voting to be conducted by secret balloting.

111. Results of the 2<sup>nd</sup> round of Special Voting:

	Name	Group	No. of Countries	No. of Votes
Choice 1	Mr. Gerhard Dieterle	Producer	7 / 21 = 33.3%	285 / 968 = 29.4%
		Consumer	31 / 34 = 91.2%	665 / 1000 = 66.5%
Choice 2	***	Producer	0 / 21 = 0.0%	0 / 968 = 0.0%
		Consumer	0 / 34 = 0.0%	0 / 1000 = 0.0%
Choice 3	Mr. John Jack Hurd	Producer	0 / 21 = 0.0%	0 / 968 = 0.0%
		Consumer	0 / 34 = 0.0%	0 / 1000 = 0.0%
Choice 4	Mr. Eduardo Mansur	Producer	13 / 21 = 61.9%	524 / 968 = 54.1%
		Consumer	3 / 34 = 8.8%	335 / 1000 = 33.5%
Choice 5	Ms. Sheamala Sakturu	Producer	1 / 21 = 4.8%	159 / 968 = 16.4%
		Consumer	0 / 34 = 0.0%	0 / 1000 = 0.0%
Choice 6	Mr. Ivan Tomaselli	Producer	0 / 21 = 0.0%	0 / 968 = 0.0%
		Consumer	0 / 34 = 0.0%	0 / 1000 = 0.0%

112. The results of the second round of voting indicated that the necessary number of votes and members required for the Council to reach a decision was not simultaneously fulfilled in both producer and consumer groups by any of the candidates, and therefore, no decision was reached in that particular round.
113. The Chairperson invited comments on how to conclude the Agenda item in case there was no consensus, and whether to postpone to the next Council Session in Kuala Lumpur or to have a Special Session. He indicated that in case of a stalemate, the item will automatically be decided in the next Fifty-first Session.
114. From a legal perspective, Mr. Moreno from UNCTAD indicated that the item could be postponed to the next Session, or if agreed by consensus or by Special Vote, a Special Session of the Council could be convened. The Chairperson would chair Sessions held within the 2014, and the incoming Chairperson would chair any Sessions held in 2015.
115. The Producers' Spokesperson expressed gratitude to the Chairperson for his patience in the discussions. He stated the Producers' request to postpone the Agenda item to the Fifty-first Session of the Council to be convened in Kuala Lumpur, Malaysia. He underlined that it was the desire of Producer members to elect a new Executive Director during the Session, but unfortunately, this was not made possible. He indicated that members of Producers caucus had sought new instructions from their capitals, but unfortunately no country was in the position to shift its stance. He also referred to the proposal to convene a Special Session, and indicated that upon examining the details and the implications, namely cost, it was decided among Producer members to object to the idea. He reiterated that for many Producing countries, attending the Sessions involves many days of travel and significant financial burden. He noted that ITTO was experiencing difficult times, with not enough funding for projects. He also commented on the proposal to convene a Special Session at locations of the UN such as Geneva, New York, or Rome, and agreed that although the costs could be lower, there would be a risk of not having a quorum. He reiterated his call to postpone the election to the next Session of the Council in Malaysia. He requested for more information on how the Special Session would be funded and its impact on the reserve fund of the organization, if the proposal was to utilize funds from the Working Capital Account.
116. The Consumers' Spokesperson expressed gratitude to the Chairperson, and indicated that it was unfortunate that consensus could not be reached during the Session. She requested a Special Session of the Council to be convened to continue the election of a new Executive Director.
117. The representative of the EU expressed disappointment for not having made any progress. He stated that in the absence of a decision a Special Session was the best and only option. He stressed the need to ensure continuity in the management of the Organization. He underlined the risk of losing the excellent candidates, if the election was postponed to the next Session to be convened in Kuala Lumpur in 2015. He also underscored that if that should happen the consequences would be to put in place a new selection process. With regards to the cost of convening a Special Session, he proposed the use of the Working Capital Account to finance the Special Session. He also stated that the Council could agree in principle to convene the Special Session at the location of a UN office, where all delegations could be represented by their respective Embassies. It was supported by the delegate of the U.S.A.
118. The Spokesperson of the Producer caucus indicated that for many Producers, attending the Fiftieth Session was already a major constraint. Geneva, for instance, although has the infrastructure, attendance would involve cost in many other aspects. He indicated that it would not be only Ambassadors who would have to attend the Session, but also officers and experts from member countries. He reiterated that the Council would need a quorum before it would be able to conduct a special vote and there was the risk that if a Special Session was convened a quorum might not be achieved
119. The delegate of Togo proposed that since there were clearly two leading candidates, there should be practical proposals to enable the Session to move forward. He emphasized the need to have a good orientation before a Special Session or the next Session. He suggested rotating the ED among the Producer and Consumer categories. This was supported by Peru, U.S.A., Mexico, and the EU. The EU and U.S.A. suggested starting with a Consumer candidate, which was rejected by Brazil.

120. The delegate of Brazil supported the views against holding a Special Session, and called for the Council to search for ways to have progress on the dialogue.
121. The Producers' Spokesperson stated that since the Headquarters of the Organization is in Consumer territory, the Executive Director should come from a Producer country. He called on the Council to respect this gentleman agreement and to elect the Producer candidate as the next Executive Director.
122. The delegate of Peru stated that the organization was not sending a positive signal to the global community.
123. Mr. Moreno from UNCTAD notified the Council on the options in the case of no consensus. A Special Session could be held in New York or Geneva, which must be decided by consensus or by Special Vote in the Council.
124. The Producers Spokesperson called for the election to be suspended until the next Council Session, and that the term of the existing Executive Director be extended until the new ED is elected. He was supported by the delegate of Congo and Brazil.
125. The Chairperson proposed the organization of a Special Session on the issue of the election of the new Executive Director, to decide on: 1) a rotation of candidates, 2) which candidate assumes the role first, and 3) duration of term. He was supported by Indonesia and U.S.A., but objected to by the delegate of Ghana, stating that if rotation was implemented, there would be many complications which would require thorough consideration.
126. The delegate of Brazil and EU respectively proposed candidates from their regions to start the rotation. Togo, Indonesia and Côte d'Ivoire called for a simple majority vote to decide on which candidate should start the rotation. This was denied by the Chairperson on the basis of the Rules that require either consensus or special vote for the election of the new ED. The Chairperson further stated that it was unfortunate to conclude that no consensus had been reached and noted that there had been objections to the proposal to convene a Special session, and therefore, Agenda item 12 could not be finalized, and would have to be moved to the next Session in Kuala Lumpur.
127. The delegate of U.S.A. called for a special vote.
128. The delegate of Peru suggested establishing a special Working group to examine the rotation from both angles. This was concurred by the delegate of Ghana, to have a Working Group to investigate how the rotation would work. The delegate of Brazil supported this idea, and suggested the discussions should take place in the context of the next Session. This was supported by Côte d'Ivoire.
129. The representative of the EU stated that the Consumer caucus had requested a special session, and based on the rules, if a majority of Producer or Consumer or a majority of members request a special session, this should be organized. However, the delegate of Ghana emphasized and reminded that Peru and Brazil had articulated the view of the Producers, and proposed the establishment of a working group to suggest how to proceed and that further discussions would continue at the next Session in Kuala Lumpur.
130. The Chairperson noted and acknowledged the three issues before the Council as: special vote proposed by the USA, Special Session proposed by the Consumers' spokesperson, and the establishment of a Working group proposed by Peru.
131. The UNCTAD Legal Advisor referred to Article 9 paragraph 2 of the ITTA, 2006, and stated that the Council shall meet in Special session whenever it so decides or at the request of any member of the Council in agreement with Chair and Vice-Chair of the Council, and requires (a) A majority of producer members or a majority of consumer members; or (b) A majority of members. In this case, the Council shall meet in Yokohama. However, if the Council decides to convene a Special Session outside the Headquarters, it must be decided by a special vote.
132. The Consumers Spokesperson requested a Special session to be convened in Yokohama.
133. The delegate of Brazil requested clarification on the venue of the Special session, as the initial proposal by the Consumer Group was Geneva or New York.

134. The Chairperson notified the Council that without interpretation in all the official languages of the Organization, no formal decision could be taken by the Council. The Chairperson noted that the Council had not reached consensus on how to proceed further and closed the discussions on the Agenda item and announced that issues that remained unresolved would be discussed at the Fifty-first Session in Kuala Lumpur.

**ITTO BIENNIAL WORK PROGRAMME DECISION 9(XXXIV) (Agenda Item 13)**

**(a) Progress Report in the Implementation of the ITTO Biennial Work Programme 2012-2013**

135. Dr Gerhard Breulmann (ITTO Secretariat) presented the progress report on the implementation of the ITTO Biennial Work Programme 2013-2014 as contained in Document ITTC(L)/9 Rev. 1.
136. The Biennial Work Programme (BWP) 2013-2014 as approved in Council Decision 2(XLVIII) includes fifty-four activities grouped in accordance with the strategic priorities identified in the ITTO Strategic Action Plan 2013-2018 plus routine, administrative and financial activities. The activities are under the responsibility of the Council, the Committees and the Secretariat, including sixteen activities under 'regular session's work' with no cost implications, five activities funded from core operational budget, one activity funded by programme support (Activity 36, Expert Panel), one activity (Activity 26) funded by the TMT Thematic Programme and thirty-one activities seeking voluntary contributions.
137. The funding sought under the BWP 2013-2014 was US\$9,766,590, divided into US\$1,241,254 from the core budget, \$280,000 from programme support, \$15,626 from unearmarked funds, \$8,209,710 from voluntary contributions and \$20,000 from BPF. US\$4,726,961 of the budget sought under the BWP had been received, including US\$3,170,081 (38.6%) in voluntary contributions. Out of the thirty-one activities seeking voluntary contributions, three (9.67%) have received full funding, fifteen (48.4%) have received partial funding and thirteen (41.9%) remain unfunded.
138. The Secretariat highlighted the implementation status of a number of activities including;
- Demonstration and adoption of credit schemes for SMFEs,
  - Collaborating and contributing to the Congo Basin Forest Partnership in Gabon
  - Enhancing ITTO-CITES cooperation
  - Re-examination of information infrastructure and redevelopment of website, including synchronization of different IT systems
  - Promoting the study on Environmental Product Declarations
  - Monitoring the progress in the application of ITTO C&I
  - Organization of the PES forum in Costa Rica with FAO and FONAFIFO
  - Establishment of learning sites in forest landscape restoration
  - Implementation of the fellowship programme
139. The representative of European Union commented that a large number of activities had not received any or minimum funding in the previous year, and called for reviewing the priorities of such activities. He underlined that ITTO's ability to mobilize resources and meet fundraising targets were far from ideal and that he was looking forward to next year's report on these activities.

**b) Biennial Work Programme 2015-2016**

140. Dr. Gerhard Breulmann (ITTO Secretariat) presented the draft Biennial Work Programme 2015-2016, containing proposed activities for 2015-2016, taking into account the ITTA, 2006, the Strategic Action Plan 2013-2018 (SAP), the Progress Report on the Implementation of the ITTO Biennial Work Programme for 2013-2014 [Document ITTC(L)/9] and inputs received from the Member Countries, the Trade Advisory Group (TAG) and the Civil Society Advisory Group (CSAG).
141. The BWP 2015-2016 comprises of forty-nine (49) activities, of which twenty-eight (28) activities seek voluntary contributions, six (6) activities from core operational costs, and fifteen (15) activities that require no cost implications. Voluntary contributions totaled US\$ 7.6 million for 2015-2016, while core operational costs amounted to US\$ 1.773 million.
142. The Secretariat highlighted activities seeking voluntary contributions including,
- Activities related to ITTO guidelines/tools

- Studies and demonstration activities
  - Knowledge management and outreach tools
  - Partnership facilitation
  - Training and capacity building
  - Workshops and seminars
  - Organization of conferences
  - Side-events and conference attendance
  - ITTO programmes/initiatives
143. The delegate of Switzerland expressed appreciation for the progress report, indicating that the draft BWP 2015-2016 should have followed the same logic in analyzing priorities. He was concerned with the difficulty to assess the priorities of the activities, and noted that the current system was more activities-focused rather than outcome-focused.
144. The delegate of Brazil noted that activities requiring voluntary contributions had not been prioritized, and stressed the need to discuss the criteria for prioritization. He sought clarification on Activity 20, which required US\$250,000 for communication and branding activities, which should be covered in the core operational costs. He also sought clarification on Activity 24, on the development of Environmental Product Declaration, and whether it was relevant to the strategic priorities of ITTO.
145. The representative of the European Union commended the Secretariat on the structure of the new BWP 2015-2016. He agreed with Switzerland on how activities should be linked to outcome, and the merits of having a more results-oriented approach specifically outlining key priorities of ITTO. He referred to the list of activities as a long shopping list. He raised concern for activities that did not get funding the last year, and indicated the need to identify rationale for their failure to mobilize funding and whether they represent the priorities for the Organization. Referring to Activity 20 and 21, on branding and knowledge management, he noted that these activities should not rely on voluntary funding. Referring to Activity 23, on building a web-based platform to share information, he welcomed this activity as being beneficial to both Producer and Consumer countries. He offered a word of caution on clarifying how and who would be responsible for the information published through this platform, and that primary responsibilities should fall upon the countries. He expressed regret at the incorrect reference to the EU timber regulation, which does not only refer to importers of timber but to all players in the market, and sought for correction.
146. The delegate of New Zealand expressed gratitude for the report. She noted that the draft should be made clearer to identify how each activity would collectively advance the strategic priority of ITTO. She agreed with the delegates of Brazil and Switzerland with regard to the prioritization of activities. Looking at the balance of funding in the SAP 2013-2018, she noted that the voluntary contribution was out of line and stressed that ITTO should not end up in 2018 without having focused on the right activities and the right priorities.
147. The Secretariat expressed appreciation to the delegates for suggestions on revising the format. In response to Brazil's questions on voluntary funding for knowledge management, he mentioned that the outcome of implementation in 2014 was positive. In response to the EPD issue raised by Brazil, the Executive Director noted that the Trade Advisory Group had proposed follow-up on the EPD study on three additional species, as the study improves competitiveness of wood by showcasing the life cycle analysis to determine how environmental the product is. He commented that such a study gives competitive advantage to wood, for instance, as a constructional material. Referring to the observations made by EU and the U.S.A., he noted that the issues would be discussed in the Committees, to make the work programme more comprehensive. On the fundraising issue, he indicated that ITTO must still rely on outside consultants to help with capacity building, as fundraising requires continuous effort over the long term. The prioritization issue would be discussed during the Sessions of the Committees. He agreed with the EU on correcting the information regarding EU Timber regulation as described in Activity 23.

#### **ITTO THEMATIC PROGRAMMES (Agenda Item 14)**

148. Dr. Gerhard Breulmann (ITTO Secretariat) presented the report as contained in Document ITTC(L)/11.
149. Under the Thematic Programmes 74 projects have been approved for funding, i.e. 29 under TFLET, 31 under REDDES, 5 under CFME and 9 under TMT. 30 projects have been completed, 33 projects are ongoing, 8 projects are 'pending agreement' and 3 (all from Thailand) have gone into 'sunset'.



150. The report noted since 2007, a total of US\$21,963,449 was received, including US\$ 9,079,307 for TFLET, US\$9,532,742 under REDDESS, US\$1,100,000 under CFME and US\$2,251,400 under TMT. The thematic programme on Industry Development and Enterprises (IDE) has not yet received any pledges from donors. Also, the thematic programme on Community Forest Management and Enterprises (CFME) has not received any new pledges since the 46th ITTC in December 2010 and only one call for proposals was launched under that programme in 2010. Recalling Decision 4(XLVIII) on 'Strengthening the Thematic Programmes', Operative Clause 4 to 'urge members to contribute to the Thematic Programmes Sub-Account in order to fully implement ongoing Thematic Programmes as soon as possible', the Council may wish to re-emphasize the urgent need for additional financial pledges for the implementation of all thematic programmes.
151. In February 2014, eight proposals were approved for funding, from Australia under TFLET (in close collaboration with Indonesia), Guatemala, Guyana, Indonesia, Mali, Panama, and PNG. The limited funding available for projects under the Thematic Programmes, which was under the US\$1 million threshold, did not allow the launch of any new calls for proposals in 2014.
152. The Secretariat highlighted the following activities:
- (i) Monitoring deforestation, logging and land use change in the Pan Amazonian Forest;
  - (ii) Quantifying the REDD+ effect of ITTO projects;
  - (iii) Advancing REDD+ in Ghana: preparation of REDD+ pilot schemes in off-reserve forests and agro-forests;
  - (iv) Analysis of Economic Impact of Governmental Procurement Policies on Tropical Timber Markets; and
  - (v) Strengthening of the forest information system of Guatemala to improve market and trade transparency and decision-making in the forest sector.
153. The Thematic Programme section of the ITTO website had been revised and directly linked to the online database through the newly launched project search tool to ensure timely updates of information and documentation posted in the database.
154. An important ongoing activity was the 'stock taking exercise on REDDES & TFLET' funded under BWP Act. 22 - Knowledge Management. The study would synthesize the aggregated achievements of the projects under each programme towards the programmatic objectives. The report was supposed to be ready for the Council. However, during the study it became apparent that an expansion of the scope of the study was necessary to provide a comprehensive report. The report would be finalized by the end of December 2014.
155. The delegate of Indonesia expressed appreciation for the contribution to the TFLET and REDDES programmes from which Indonesia has benefited. She noted that very little funding for TMT and CFME and no funding for the IDE programme. She urged Member countries, especially donor countries, to give more attention to IDE. She emphasized the need to use only legally harvested timber, and the need to promote Non Timber Forest Products. She stated that the timber industry should not be understood as an environmentally damaging activity. She underscored the need to assist Producer countries with human training, to ensure efficiency and sustainability in the timber industry as well as in the non-timber forest products industry.
156. The representative of the European Union thanked the Secretariat for the report and expressed its support for the Thematic Programmes. He noted that ITTO can enhance its impact through the TP and allow more resources to be mobilized. He raised concern over the decline in the number of pledges made and expressed his hope that more resources would be channeled through Thematic Programmes. The EU urged the Council and the Secretariat to examine the reason for the recent decline in pledges.
157. The delegate of Brazil showed support for the TP and expressed appreciation to all the donors for their contributions. He expressed concern over the imbalance in funding for different programmes, as mentioned by Indonesia, and agreed with EU to analyze the current ITTO strategy to overcome the funding issues. He sought details on the timing for a new call for proposal. The Secretariat responded that there would be a limited call for proposal, with a reduced size, under the TMT.

158. The delegate of Peru expressed gratitude to donors for their contribution to the various projects, all of which genuinely contributed to effectively develop various policies beneficial to forestry in Peru. He concurred with EU, that TP was not receiving full funding, and emphasized the importance of technological development and industrial development. He urged members to recognize the need to articulate regional approaches.
159. The delegate of Guatemala expressed gratitude to the donors and noted that Guatemala had benefited from 6 proposals submitted under the Thematic Programmes. He agreed with other Producer countries on the issue of funding imbalance and called for more funding for IDE.
160. The delegate of Cameroon thanked the donor countries, and agreed with the other Producer countries on the importance of projects that make it possible to share experience and better sustainably manage tropical forests. He was concerned that the budgets for TP was not growing, and supported the view of Brazil on analyzing the reasons behind funding difficulties.

**DEVELOPMENTS IN THE UNFCCC REGARDING FORESTS AND THEIR POTENTIAL IMPLICATIONS FOR TROPICAL FORESTS AND THE WORLD TROPICAL TIMBER ECONOMY – DECISION 2(XXXIX) and 1(XLI) (Agenda Item 15)**

161. The report was presented by Dr. Jurgen Blaser (Switzerland) He referred to Document ITTC(L)/12.
162. This document is to follow up on ITTC Decisions 2(XXXIX) and 1(XLI) requesting updated information on major developments in tropical forests related issues in the decisions and related discussions under the United Nations Framework Convention on Climate Change (UNFCCC) and in the Intergovernmental Panel on Climate Change (IPCC). The report covers progress made since the Forty-ninth Session of the ITTC in November 2013. Specifically, it updates ITTC on recent developments in IPCC, particularly on the 5th Assessment Report (AR5) 2013/14 which is made up of full reports prepared by 3 Working Groups. The present report also updates the ITTC on REDD+ finance & markets and REDD+ policy process in UNFCCC (SBSTA 39, COP 19 and SBSTA 40) including decisions of the 'Warsaw framework for REDD+'. The report also includes a section presenting REDD+ related activities undertaken by the Secretariat since November 2013.
163. Dr. Blaser referred to the IPCC report that noted the following:
  - Deforestation is the cause of 1/3 of anthropogenic CO<sub>2</sub> emissions since 1750. Today, about 10% of CO<sub>2</sub> emissions come from land-use change, mainly tropical deforestation;
  - Emissions from land-use change are compensated by growth of established forests, mainly in the temperate and boreal regions. The world's forest are a net sink of carbon, re-absorbing about 1/3 of anthropogenic CO<sub>2</sub> emissions;
  - Forests are vulnerable to projected climate change. Cases of increased tree mortality due to droughts have been observed on all continents. 70% of tree species are operating close to their limits of waterstress tolerance;
  - Late successional trees belong to the species with longest generation time and slowest distribution velocity. Genetic adaptation and migration might not keep track with even moderate scenarios of climate change; and
  - By the end of the 21st century, climate change will be the main disturbance factor and forests might become a net source of carbon.
164. The report also mentioned the Warsaw REDD+ agreement which represented considerable progress despite the fact that the financing of REDD+ was not yet sufficiently addressed. However, countries can no longer claim there is a lack of framework for REDD+ over the coming years. If the Green Climate Fund could be mobilized to support REDD+ implementation, a major step towards effective progress would be made. With a well-designed and well-supported REDD+ system, there was a realistic chance to effectively progress with the overall aim of sustainable forest management. In this respect, ITTC and ITTC member countries could play an important role in bringing REDD+ and SFM closer together.
165. He made reference to the Green Climate Fund, and underlined its significance in the financing for REDD+/SFM. The Green Climate Fund is a fund that supports mitigation and adaptation of climate

change. The Fund is currently open for pledges, setting its target at raising US\$100 billion per year by 2020. The approval process goes through seven different stages; allocation of resources, accountability and redress, accreditation framework, proposal approval process, investment and risk management framework, structure of the fund and modalities for mitigation and adaptation windows and private sector facility, initial results management framework. He noted that the REDD + logical framework for the Green Climate Fund was agreed upon.

166. On the subject of REDD+ Fast-Start Financing, he indicated that US\$ 8.6 billion was made available, mainly from Norway, U.S.A., Germany, Japan and the UK. He further stated that 47 countries are engaged in the readiness funding, and Letter of Intent had just been signed with DRC and Costa Rica for the carbon fund.
167. He noted Norway's active engagement in the REDD+ initiative, and reflected on (i) how to deal with adaptation issues in tropical forests, (ii) capitalization, (iii) New York Declaration on Forests, (iv) the way to Paris and linkages of REDD+ to forest NAMAs, (v) post-2015 International Arrangement on Forests, and (vi) the role of SFM tropics and ITTO.
168. The delegate of Mexico showed appreciation to countries for setting up the fund, especially to Norway, for giving impetus to this initiative. She noted that this initiative allowed Mexico to focus on sustainable development on a South-South basis.
169. The delegate of Columbia stated that as a developing country, Columbia is committed to sustainable development, and stressed the need for a national plan for carbon in connection with REDD+. Columbia, with the United Kingdom, has obtained funds for the reforestation of the Columbian Amazon, and hoped to achieve substantial results by 2020. He hoped that Colombia would recover all the degraded forest areas by 2020 and called for other countries to join this initiative to tackle the issue of forest degradation on a global basis.
170. The delegate of Japan expressed gratitude to the Secretariat, and commented on the importance of sharing the latest information on climate change among the Member countries. He stated that the private sector investment would be promoted through the utilization of funding and lessons learned from the ITTO projects related to REDD+, and stated that those actions would help promote ITTO's role in the relevant forums.
171. The delegate of the Democratic Republic of Congo expressed his country's commitment to REDD+, and announced that DRC was in the process of preparing the carbon sales agreement and thanked countries for assisting the DRC with the implementation of this process. He reminded countries not yet part of REDD+, that this involved a complex mechanism, requiring the involvement of ITTO. He showed concern about the low level of funding in African countries.
172. The delegate of Côte d'Ivoire stated that Côte d'Ivoire is also involved in REDD+, and that countries require further information on forest investment programmes to resume reforestation in order to manage the entire forest areas. Côte d'Ivoire requested funding for this, but as Dr. Blaser noted, it was a closed programme with seven countries, but currently being discussed for re-opening.
173. The delegate of Vietnam, thanked donor countries and showed its commitment to REDD+. She especially extended appreciation to Norway and Japan, which are the main donor countries. She noted that Vietnam had approved a national programme on REDD+, and currently focusing on improvement of monitoring and evaluation regarding MRV, environmental safeguards, and capacity building. She indicated the willingness of Vietnam to share its experience of REDD+ with other Member countries.

**ITTO/CBD COLLABORATIVE INITIATIVE TO CONSERVE TROPICAL FOREST – DECISION 6(XLVI)  
(Agenda Item 16)**

174. The report was presented by Mr. John Leigh (ITTO Secretariat). The report is contained in Document ITTC(L)/13.
175. In the framework of the International Year of Biodiversity 2010 and the International Year of Forests 2011, the International Tropical Timber Organization (ITTO) and the Convention on Biodiversity (CBD) signed a Memorandum of Understanding to strengthen collaboration in the pursuit of their common objectives of conserving and sustainably managing tropical forest resources. In October and

December 2010, respectively, the governing bodies of CBD and the ITTC adopted decisions welcoming the ITTO/CBD collaboration (CBD Decision X/36 and ITTC Decision 6 (XLVI)).

176. The overall objective of the ITTO/CBD Initiative is to enhance biodiversity conservation in tropical forests with the direct participation of local stakeholders and addressing the main drivers of biodiversity loss in tropical forests: deforestation and forest degradation.
177. The initiative aimed at achieving four key outputs, with the assistance of donors and with the close collaboration of partners in producer member countries:
  - Enhanced local capacity for biodiversity conservation in production forests and for the rehabilitation of degraded and secondary forests;
  - Improved conservation and management of protected areas, especially in association with buffering protected areas, and transboundary conservation;
  - Safeguarding tropical forest biodiversity in forestry interventions, including in REDD+ related projects; and
  - Improved welfare of local communities and indigenous groups through biodiversity conservation and sustainable use of natural resources.
178. The expected outputs of the initiative would be achieved through the promotion of sustainable forest management (SFM), with particular emphasis on biodiversity protection; forest monitoring and adaptive management to generate multiple benefits on a sustainable basis; protection against invasive species; and enhancing the value of natural tropical forests to avoid land use change. The Initiative focuses both on production and protection forests. The report further noted that the ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Timber Production Forests (2009) reflect the clear importance in promoting biodiversity conservation outside protected areas, through the long-term sustainable use of forest resources for the sustainable livelihoods of local communities. Also, the ITTO Guidelines for the Restoration, Management and Rehabilitation of Degraded and Secondary Tropical Forests (2002) provides the elements to recover the biodiversity conservation capacity of degraded forests in the tropics.
179. The report stated that ITTO would lead the implementation of the proposed initiative in close consultation with the CBD Secretariat, donors, other partners and especially the beneficiary countries. Interested countries were invited to submit a concept note to the ITTO Secretariat indicating their intention to develop a project or specific activity in the framework of this initiative. The CBD and ITTO Secretariats would assess the pertinence of the request together with the relevant stakeholders of the proposing country and would support the formulation of a full project proposal. Donors would be invited to allocate funds to a specific project of the initiative, or as an unearmarked contribution to the initiative. The estimated budget for the initiative is US\$15 million for an initial period of 4 years (2012-2015), covering the three tropical regions of ITTO. The implementation of the initiative would benefit from the experience gained by ITTO in implementing projects and programs in the tropics (over 1,000 projects, pre-projects and activities in the last 25 years, amounting to ca. US\$400 million. Also, the ITTO/CBD Initiative would benefit from the experience gained in ITTO programme development, including the ITTO/CITES Programme since 2007; and the ITTO Thematic Programmes. The following projects are being implemented under this Initiative with a total budget of over US\$ 13 million, out of which Japan (main donor), Switzerland, Belgium, U.S.A. and the Republic of Korea have contributed a total of US\$ 9,441,972 as of late 2013:
  - Management of the Emerald Triangle Protected Forests Complex to Promote Cooperation for Transboundary Biodiversity Conservation Between Thailand, Cambodia and Laos;
  - Capacity Building for Sustainable Management of Tropical Rainforests and Biodiversity Conservation in the ITTO Congo Basin Countries;
  - Building Capacities of ACTO Member Countries in Ecologically Responsible Forest Management and Biodiversity Conservation in Managed Forests of the Amazon;

- Study for the Rehabilitation and Sustainable Management of Sacred Forests on RAMSAR Sites 1017 and 1018 in Benin;
- Promoting Biodiversity Conservation in Betung Kerihun National Park (BKNP) as the Trans-boundary Ecosystem between Indonesia and State of Sarawak Malaysia - Phase III;
- Buffer Zone Management for Pulong Tau National Park with Involvement of Local Communities in Management, Sarawak, Malaysia;
- Integrated Management of Natural Resources and Biodiversity in the Tacaná Volcano and Its Range of Influence in Mexico and Guatemala;
- Strengthening Mangrove Ecosystem Conservation in the Biosphere Reserve of Northwestern Peru;
- Community Based Restoration and Sustainable Management of Vulnerable Forests of the Rewa Delta, Viti Levu;
- Promoting Conservation of Selected High-value Indigenous Species of Sumatra; and
- Building the Capacity for Biodiversity Conservation in Trans-boundary Conservation Areas (TBCAs) in the Congo Basin Countries through Sustainable Forest Management (SFM) Practices and the Use of Satellite and Radar Imagery.

180. Additional projects currently approved and under consideration for funding include the following:

- “Capacity Building for Strengthening Transboundary Biodiversity Conservation of the Taninthayi Range in Myanmar” submitted by the Government of Myanmar with an ITTO budget of US\$3,093,976 [ITTO Ref. No.: PD 723/13 Rev.1 (F)];
- “Biodiversity Conservation with Collaboration of Local Communities in Traditionally Owned Forest Areas of South Western Ghana” submitted by the Government of Ghana with an ITTO budget of US\$489,194 [ITTO Ref. No.: PD 684/13 Rev.3 (F)];
- “Enhancing the Implementation of Landscape Management of Giam Siak Kecil-Bukit Batu Biosphere Reserve (GSK-BR) in Riau Province of Sumatra Island, Indonesia (Indonesia)” submitted by the Government of Indonesia with an ITTO budget of US\$498,154 [ITTO Ref. No.: PD 712/13 Rev.2 (F)];
- “Initiating the Conservation of Ebony Species (*Diospyros Celebica* Bakh) Involving Local Stakeholders in Sulawesi (Indonesia)” submitted by the Government of Indonesia with an ITTO budget of US\$402,550 [ITTO Ref. No.: PD 739/14 Rev.1 (F)]; and
- “Local Capacity Building for the Management of Secondary and Residual Primary Forests in the Provinces of Coronel Portillo and Padre Abad, Department of Ucayali, Peru” submitted by the Government of Peru with an ITTO budget of US\$522,637 [ITTO Ref. No.: PD 742/14 Rev.1 (F)].

181. The delegate of Japan expressed that it is an honor for Japan to have contributed from 2010-2014 more than US\$10 million to the 11 projects.

182. The delegate of Benin welcomed the initiative between ITTO and CBD, which has enabled Benin to take some actions on the conservation of its biodiversity, as funding for small forests projects had been difficult to obtain from other sources. He supported the continuation of the collaboration.

183. The delegate of Norway congratulated the signing of the Memorandum of Understanding. She noted that the ITTO and CBD exemplify commitment of continued collaboration. She referred to the Global Biodiversity Forum and indicated that there was still more substantial work to be done to reach the Biodiversity targets.

184. The delegate of Malaysia expressed gratitude for the report and noted that Malaysia benefitted from the collaboration. Malaysia fully supports ITTO/CBD collaborative initiative for tropical forests as it is in line with the CBD objective and for the achievement of Aichi Targets.

185. The delegate of Mexico expressed gratitude to the Secretariat for the report and recommended that analysis of the impact of the initiative be conducted. He endorsed examining the results of the initiative to determine how the biodiversity targets could be achieved. The Secretariat responded to this recommendation by indicating that a joint report put out by CBD was available on the CBD and ITTO websites and updated on an annual basis.
186. The delegate of Panama sought clarification on the submission of interest for support through the ITTO-CBD collaborative initiative. In response the Secretariat requested the delegate to contact ITTO or CBD Secretariats directly, or to complete the online application form.
187. The delegate of Guatemala welcomed this initiative and emphasized the importance of maintaining this programme.

**CONSIDERATION OF REGIONAL ITTO PRESENCE AND REPRESENTATION DECISION 7(XLIV)  
(Agenda Item 17)**

188. The report was presented by the Executive Director. The report is contained in Document ITTC (L)/14. Pursuant to ITTC Decision 7(XLIX), the Secretariat requested member countries to submit views on the possible role and objectives, feasibility, and budgetary implications of strengthening ITTO's regional presence. The Committee on Finance and Administration in 2001 had recommended establishing regional presence in remote regions of Africa and Latin America. The Council indicated the amount of US\$270,000 may be sourced from the Working Capital Account to finance two officers in these regions.
189. The report noted that Gabon and Brazil were chosen as host countries for the regional officers and the officers began operating in 2002. After the initial pilot phase of one year, the Council agreed with the recommendation of the Committee of Finance and Administration to increase the percentage charge for the Programme Support by an additional two percent (2%), increasing the Programme Support charge from 6% to 8% to finance the Regional Officers' position. In 2005, ITTO hired a consultant to evaluate the Regional Officer System, who suggested three options. 1) To strengthen the Regional Officers System to a Regional System, 2) To continue with the present state, and 3) To discontinue the Regional Officers System.
190. The report indicated that the Committee on Finance and Administration recommended to the Council to continue the system, and since then the system had been financed through the Programme Support. The ITTO regional representation has continued to work, but consideration must be given to the decline in the number of projects since the start of the system, and also take into account changes in the financial situation of ITTO.
191. The delegate of Philippines asked whether it was possible to receive further information on the regional officers accomplishments at the next Council Session, to ensure that there was no duplication of efforts by the regional officers.
192. The Producers' Spokesperson (Cameroon) expressed gratitude for the thorough report and inquired if it was possible to have sufficient time to discuss and to come up with consensus on the issue. This was supported by the delegate of Côte d'Ivoire.
193. The Executives Director indicated that the Regional Officers serve mainly to monitor projects in their respective regions, and that some sensitive projects were also monitored by Headquarters staff. He noted that Regional Officers have much more ability to represent the organization in their regions. This is not only from a pure cost saving view point, but also because there are many forestry related meetings being held in the regions. The visibility of ITTO in the remote regions is declining, and there was a growing need to be present at the regional level. He underlined the role of the Regional Officers as having the ability to assist the countries in the formulation of projects.
194. The representative of the European Union recognized the importance of the regional offices but voiced concern over the unclear goals and functions in these Officers. He indicated that the ITTO was facing declining number of projects and noted that with limited resources following the restructuring process of the Secretariat, establishing regional offices might take up the resources from the Headquarters, weakening its functions. In general, he supported the existing arrangement, and noted that establishing full-fledged regional offices might not be the wisest option.

195. The delegate of the U.S.A expressed gratitude for the report, and noted that the ITTO regional presence was improving field operations. However, the U.S.A. shares financial concerns expressed by the EU, and stated that regional representation should continue under the current arrangement. She indicated that there was no convincing argument to support establishing offices in these regions, under the current budget constraints of ITTO.
196. The delegate of Japan stated that there should be emphasis on the projects and on improving the effectiveness and efficiency of the Secretariat. He also underlined the necessity to clarify the role of regional officers and the manner in which they divide labour with headquarters, and the importance of maintaining or even increasing the number of projects, making sure that the establishment of a new office would not prove be a financial hindrance for projects funding.
197. The Spokesperson of the Producer caucus (Cameroon) expressed his support for the regional representation. He stressed that a clear definition of the Terms of Reference (TOR) for the regional offices, staffing, size of office, and mandate be given by the Secretariat. He called for the recruitment of a consultant to undertake a cost-benefit analysis of regional representation. This was supported by the delegate of Côte d'Ivoire, who stated that establishing offices in Latin America and Africa would strengthen ITTO's presence in the regions, and these offices should be provided with technological autonomy to support forest policies in the regions. He indicated that financial support by the host countries would be indispensable for regional representation. The delegate of Guatemala recalled that the issue had been postponed repeatedly and emphasized that Producer countries require strengthened presence and urged for a concrete proposal on defining the regional offices. The delegate of Peru agreed with this proposal, but showed understanding for the concerns expressed by the Consumer countries and called for an appointment of a consultant to examine the concerns of both caucuses.
198. The delegate of Switzerland underscored the enormous funding difficulties for the Thematic Programmes. He called on the Secretariat to conduct a study to analyze the effectiveness and cost cutting benefits of having regional offices. This was supported by the delegates of U.S.A. and the EU. The EU also suggested working with existing international organizations in those regions and to consider different offers by hosting countries.
199. The delegate of Brazil expressed its readiness to contribute to the establishment of a regional office, which was supported by the delegate of Malaysia.
200. The Chairperson closed the item and proposed the establishment of a contact group comprising representatives of EU, Switzerland, U.S.A., Japan, Guatemala, Malaysia, Peru, Brazil, and Côte d'Ivoire.

#### **ITTO FELLOWSHIP PROGRAMME – DECISION 4(XXVII) (Agenda Item 18)**

##### **(a) Progress Report on the ITTO Fellowship Programme**

201. Dr. Chisato Aoki (ITTO Secretariat) presented the report as contained in Document ITTC(L)/15. This year marks the Twenty-fifth anniversary of the Fellowship Programme. The Programme started in 1989, with a focus on forest industry and timber trade. In the second phase, its scope was expanded to promote activities that would help achieve ITTO's year 2000 objective. In 2000, The Freezailah Fellowship Fund was created to receive voluntary contribution earmarked for the fellowship programme. The objective of the fellowship programme is to develop human resources and enhance professional expertise in member countries in tropical forestry, tropical timber industries and related disciplines.
202. The programme is promoted through the ITTO website and the TFU. To list some achievements in 2014, a social media platform of the Fellowship Network was implemented, with a total registration of 353 members, comprising of 60% Members, 10% associates, and 30% guests. Commemorating the Twenty-fifth anniversary of the programme and Fiftieth anniversary of ITTC, a success story survey was conducted and published in the brochure.
203. The Fellowship Programme, which began in 1989, has enabled 1,273 young and mid-career people from 49 countries working for governments, universities, research institutions, NGOs and the private sector to pursue their professional development and improve their career prospects. Forty-one percent of the fellowships have been awarded to people from Asia-Pacific, 32% to people from Africa,

24% to people from Latin America/Caribbean, and 3% to people from developed consumer countries, who carried out their activities in producer member countries. Seventy one percent of the fellowships awarded were in the field of Reforestation and Forest Management, 21% in Forest Industry and 8% in Economics, Statistics and Markets.

204. The Programme mainly supports short-term activities, such as short training courses and internships (30%), participation in international conferences and workshops (18%), and study and demonstration tours (9%). In addition, it also helps people to prepare manuals and monographs (14%) and provides small grants for post-graduate study (29%). The Programme encourages capacity development of women foresters, and has supported 374 women to undertake fellowship activities, accounting for 30% of the total number of fellowships. In fact, more than half of the fellowships were awarded to women at the 2014 Spring Cycle of the Fellowship Selection Panel. Eighty-four percent of the fellowships have already been completed, while 10% are still operational and 6% terminated for unavoidable reasons.

**(b) Report of the Fellowship Selection Panel**

205. The report was presented by Dr. B.C.Y. Freezailah, Chairperson of the Panel. The report is contained in document ITTC(L)/17. The selection panel was composed of representatives of Côte d'Ivoire, Fiji, Mexico, China, Japan, and New Zealand. The Selection Panel considered a total of 108 applications made up of 53 applications from Africa, 21 from Asia/Pacific, 29 from Latin America and Caribbean region and 5 from Europe and North America. Ten percent of the applications were in the field of Economic Information and Market Intelligence (EIMI); 13% in the field of Forest Industry (FI) and 77% in the field of Reforestation and Forest Management (RFM). Thirty five percent of the applications were submitted by female applicants.

206. While reviewing these 108 applications, the Panel used the following selection criteria:

- (i) Consistency of the proposed activities with the ITTO fellowship programme's objective and priority areas;
- (ii) Qualifications of the applicants to undertake the proposed fellowship activities;
- (iii) Applications and benefits of the skills and knowledge to be acquired or advanced under the fellowship activities; and
- (iv) Reasonableness of costs in relation to the proposed activities.

207. The Panel took into account the balance among the three subject areas and regions as well as the opportunity to promote the participation of women. The Panel recommended to the Council to award twenty-three fellowships, subject to the availability of funds, at a total cost of US\$150,780. Women accounted for 35% of the recommended applicants. Forty-four percent of the recommended applicants are from Africa, 22% from Asia/Pacific, 30% from Latin America and Caribbean region and 4% from a consumer country. Dr. Freezailah extended appreciation to the donor countries for helping to finance this important programme.

208. The delegate from U.S.A. congratulated the 25<sup>th</sup> anniversary of the Fellowship Programme and noted that it was extremely well managed and popular, and important in preparing the next generation.

209. The report was approved by the Council.

**ANNUAL REPORT FOR 2013 (Agenda Item 19)**

210. The Annual Report for 2013 was presented by Mr. Ramon Carrillo (ITTO Secretariat). The report highlighted the work of the Organization in 2013.

211. The report outlined the following;

- ITTO timeline of key achievements
- Summary of the 49<sup>th</sup> Session of ITTC
- Markets, trade and industry
- Annual market discussion and CSAG event
- Reforestation and forest management
- ITTO thematic programmes
- Fellowships
- ITTO's involvement in international cooperation and collaboration



- Knowledge management, publications and outreach
- Financial highlights
- Completed projects, funded project and member states and votes

212. Guatemala thanked the Secretariat for an improved reporting format and requested the report in the Spanish language, which the Secretariat noted as forthcoming on the website.

#### **SPECIAL ACCOUNT AND BALI PARTNERSHIP FUND (Agenda Item 20)**

##### **(a) Pledges to the Special Account (Thematic Programme Sub-Account and Project Sub-Account) and the Bali Partnership Fund**

213. The delegate of the U.S.A. announced a pledge of US\$100,000 to the TMT Thematic Programme.

##### **(b) Report of the Panel on Sub-Account B of the Bali Partnership Fund (BPF)**

214. The report was presented by Vice-Chairperson of the Committee on Finance and Administration, as contained in Document ITTC(L)/18. The Panel was composed of representatives of Japan, Switzerland, U.S.A., Panama, Côte d'Ivoire, Indonesia and the Executive Director. The panel was informed that the total funds received in the Sub-Account B of the Bali Partnership Fund since its establishment, amount to US\$19.72 million, out of which US\$19.58 million had been allocated. The available fund balance as of 7 November 2014, amount to US\$142,612.23.

215. The Secretariat further informed the panel that the current estimated funds available in the "Unearmarked Funds" as of 7 November 2014 amount to US\$254,041.07 after taking into account the total allocations of US\$13.37 million, made at the previous Sessions held from November 2003 to November 2013.

216. The Secretariat distributed the list of Projects, Pre-Projects and Activities pending finance to the Panel members. The Panel, together with inputs from the Secretariat, examined the list and suggested that the following Activities be funded from the Sub-Account B of the Bali Partnership Fund and/or the Unearmarked Fund of the Special Account:

- Activity no. 4(a) (PP-A/49-292) "Promote the publication, dissemination and application of the ITTO Voluntary Guidelines for the Sustainable management of Natural Tropical Forests"  
Estimated Cost:\$100,000.00, Proposed funding: \$100,000.00
- Activity no. 20 (PP-A/50-302) "Improve branding, positioning and marketing of ITTO."  
Estimated Cost: \$250,000.00, Proposed funding: \$50,000.00
- Activity no. 26 (PP-A/50-304) "Consider advice from and facilitate involvement of the Trade Advisory Group (TAG) and the Civil Society Advisory Group (CSAG)."  
Estimated Cost for 2015-2016: \$80,000.00 Proposed funding: \$20,000.00
- Activity no. 28 [PD 99/99 (I)] "Decide on eligible fellowship applications in 2015 and 2016 based on the recommendations of the Fellowship Selection Panel."  
Estimated Cost for one year: \$400,000.00 Proposed funding: \$100,000.00
- Activity no. 29 (PP-A/50-306) "Enhance the technical capacity of member countries, particularly developing member countries, to meet the statistics and reporting requirements."  
Estimated Cost for 2015-2016: \$100,000.00 Proposed funding: \$25,000.00
- Activity no. 32 (PP-A/50-307) "Improving forestry extension schemes to ensure the implementation of sustainable forest management (SFM) and contribute to the conservation of tropical forest ecosystems."  
Estimated Cost: \$300,000.00 Proposed funding: \$100,000.00

217. After allocating the funds to the Activities above, the remaining balances under the Sub-Account B of the Bali Partnership Fund and the Unearmarked Fund will become \$1,653.30 and \$nil, respectively.

218. The report of the Panel was approved by the Council.

## REPORTS OF THE ASSOCIATED SESSIONS OF THE COMMITTEES (Agenda Item 21)

### Joint Session of the Committees

219. The Joint Session of the Committees was chaired by Dr. B.C. Y. Freezailah (Malaysia), Vice-Chairperson of the Council.

### Report of the Expert Panel for Technical Appraisal of Project Proposals

220. The Joint Session considered the reports of the Expert Panel for Technical Appraisal of Project Proposals at its Forty-seventh and Forty-eighth Meetings held on 3-7 February 2014 and on 4-8 August 2014 in Yokohama, Japan as contained in documents ITTC/EP-47 and ITTC/EP-48, respectively. The reports were presented by Mr. Mario Rafael Rodriguez Palma (Guatemala), Chairperson of the Expert Panel for Technical Appraisal of Project Proposals at both meetings.

221. The presentation highlighted the following:

- A total of sixty-nine proposals were appraised in 2014, including 62 project proposals and 7 pre-project proposals;
- The great majority of proposals (78%) were submitted under RFM, 13% under EIMI and 9% under FI;
- Twenty eight (28) proposals were accorded category 1, twenty eight (28) proposals were category 2, two (2) proposals were accorded category 3 and eleven (11) proposals were accorded category 4;
- A high number of proposals included elements linked to the implementation of the ITTO/CBD Collaborative initiative for tropical forest biodiversity;
- A large number of proposals were related to tropical forest restoration specifically to mangroves; and
- Information on gender issues is increasingly provided in project proposals.

222. The presentation also highlighted general findings and recommendations of the Expert Panel at its Forty-seventh and Forty-eighth meetings, particularly regarding proposal preparation and project design to be addressed by the proponents, regarding strengthening of the role of Focal Points in member countries and the need for training on proposal preparation by the Secretariat.

### Reports on Ex-post Evaluations

223. To facilitate the sharing of experiences and lessons learned, the Joint Session considered the following ex-post evaluation reports in the field of Economics, Statistics and Markets:

PD 406/06 Rev.1 (M)      Establishment of the National Forest and Timber Marketing Statistics System (Ecuador)

A presentation was made by the consultant, Dr. Luiz Carlos Estraviz Rodriguez (Brazil), on the results of his ex-post evaluation on the project. The consultant noted that the specific objectives of the project were achieved through the following outcomes:

- A system for the management of forest resources at the national level from field level use to final consumption;
- Information feeds a central database enabling consolidation, organization and consultation;
- Adequate technological solution enables connectivity, good coordination and effective participation of all stakeholders;
- A regulatory legal framework that persuades stakeholders to participate;
- Good quality communications and outreach material.

Lessons learned from this project were as follows:

- A well-orchestrated set of previously planned activities led to the success of the project, including other governmental initiatives that were external to the project and strong participation of the private sector;
- Adequate evolution of the legal framework and policies, promoting the rational use of forest resources and services, contributed significantly to the achievement of the outcomes;

- Perseverance and dedication of governmental officials working together with targeted beneficiaries including all main representatives of the private sector helped to ensure success.

The following recommendations were made by the consultant:

- Governmental responsibilities on monitoring forest plantations should be transferred from the Ministry of Environment (MAE) to the Ministry of Agriculture and Livestock (MAGAP);
- A system should be developed by MAGAP to deal specifically with forest plantations;
- The decision splits the responsibilities of managing forest resources and is not expected to affect the way forest information is being managed on one single database;
- The SAF (run by MAE to monitor the use of native forests) and the new system (run by MAGAP to monitor forest plantations) should be further developed in parallel, streamlining bureaucracy and sharing the same database.

The consultant concluded that the Ecuadorian experience in developing a national forest and timber marketing statistics system was successful and Ecuador needs to maintain this successful case study as an example to the rest of the world.

224. Following the presentation, the representative of Ecuador expressed appreciation to the consultant and the ITTO Secretariat for conducting the ex-post evaluation of the project. He confirmed the SAF system which was established through the project was sustainably running and the other system for forest plantation monitoring was also in place. The two systems which were being run by the Ministry of Environment and the Ministry of Agriculture and Livestock would contribute to improving timber traceability and monitoring, thereby increasing the potential for sustainability.

225. The Joint Session considered the following ex-post evaluation reports in the field of Forest Industry:

PD 40/00 Rev.4 (I) Utilization of Small-Diameter Logs (SDL) from Sustainable Source for Bio-Composite Products (Indonesia)

A presentation was made by the consultant, Prof. Zhou Yongdong (China). The project, stemming from earlier studies conducted in Indonesia, was urgently needed to help sustaining wood-based industry which was experiencing a continuing shortfall in supply of large diameter logs. The consultant noted that the specific objectives of the project were achieved through delivery of seven outputs for which 18 activities had been fully implemented within the sanctioned budget and work plan, including 13 months of extension without additional funding. The evaluation found that the executing agency satisfactorily completed all outputs. The project was implemented in an effective manner in full compliance with the project agreement and established ITTO rules and procedures; the required documents had been prepared in accordance with existing ITTO manuals and submitted in a timely manner to ITTO; and adequate management and monitoring of activities were critical to the success of this project. Several post project developments showed positive indications of sustained project outcomes in the longer term. Some positive policies were issued in West Java Province (Indonesia) to ease the transportation of logs from plantation forests, and to allow state-owned forest farms to provide planting technologies to local communities. These developments encouraged the development of local plantation forest and wood industries. Project implementation has strengthened the capacity of collaborating institutions through provision of basic facilities and competent professionals to carry out future studies on SDL utilization; and the establishment of a network between research institutions and wood industries through project activities.

226. The representative of Indonesia expressed his gratitude to the consultant and the ITTO Secretariat for conducting the ex-post evaluation of the project, to the donor (the CFC) for funding the project, and to the collaborating countries: Malaysia, the Philippines and PNG. He confirmed Indonesia's commitment to the sustainability of the project outputs and requested further ITTO support for the crucial activities initiated under the project for the benefit of the forest industry sector in Indonesia, the Philippines, Malaysia and PNG. He also noted that the recommendation regarding lowering taxes on SDL might be difficult to implement since it could lead to over-harvesting. Indonesia will need time to ensure relevant agencies coordinate to come up with workable policies and regulations that are consistent with the goal to promote sustainable forest management.

PD 334/05 Rev.2 (I) Demonstration and Application of Production and Utilization Technologies for Rattan Sustainable Development in the ASEAN Member Countries (Philippines)

A presentation was made by the consultant, Prof. Yu Yan (China). The project aimed to strengthen ASEAN collaboration on sustainable management and utilization of the region's rattan resources. This was to be achieved through field-applied demonstration of rattan production and utilization technologies, with the goal of improving the socio-economic status of local rattan producer communities. The project was initially scheduled to last 48 months but lasted for 54 months, with one approved 6-month no-cost extension. The main project outputs were:

- Twenty training workshops conducted on rattan production and utilization technologies in ASEAN member countries (Cambodia, Indonesia, Lao PDR, Myanmar, Philippines, Thailand and Vietnam), with 500 participants and five training modules prepared and distributed during the different workshops
- Eight small research projects completed on topics and relevant results presented in the project technical reports and in a regional rattan conference
- 222 hectares of rattan plantation plots established and maintained (versus 200 hectares as originally planned)
- Seven Rattan Newsletter issues published
- A Regional Conference on Production and Utilization Technologies for Rattan (an additional output from the original proposal) held in the Philippines from the 29 August to 1st September, 2010, where two publications were launched entitled 'A Field Guide to Philippine Rattans' and 'The ASEAN Rattans'
- A project website ([www.aseanrattan.com](http://www.aseanrattan.com)) and a database on rattans have been launched

PD 523/08 Rev.1 (I)      Operational Strategies for the Promotion of Efficient Utilization of Rubber Wood from Sustainable Sources in Indonesia

A presentation was made by the consultant, Mr. Amha bin Buang (Malaysia), on the results of his ex-post evaluation on the project. The implementation of the project activities had contributed in some measure to the achievement of the planned outputs. However, there were gaps in the attainment of some of the outputs even on the basis of the revised indicators, casting some doubt as to whether all planned outputs had in fact been achieved in full. Despite of the gaps in the achievement of some of the outputs and objectives, the effects and impacts of the project were quite considerable, particularly in relation to the big rubber companies, rubber smallholders, policy review and enhancement, investment and appropriate technologies for rubberwood utilization. The project had been implemented without any significant adverse impact on the environment while its impact on the local communities which constitute one of the key project stakeholders and target beneficiaries was salutary.

227. The representative of Indonesia expressed his gratitude to donors (the Government of Japan, Korea, and Japan Lumber Importers Association) and ITTO for funding the project, and for the excellent work of the consultant. He confirmed that the recommendations made in the report would be implemented to further promote the utilization of rubberwood harvested from replanting areas which would benefit especially small holders and farmers.
228. The Joint Session considered the reports of the following ex-post evaluations by thematic groups in the field of Reforestation and Forest Management:

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)

The Committees took note of the presentation of the synthesis of the evaluations as contained in document CRF(XLVIII)/4 Rev.1, for the completed project PD 66/01 Rev.1 (F), by the Team Leader of the evaluation team, Dr. Marc Dourojeanni (Peru). The synthesis was prepared with the information and data analyzed in the full report prepared by the Team Leader and the national consultant, Mr. Etienne Nkomo. He informed the Committees that the project was not considered as successful, but not as a failure, because most its outputs were not fully achieved during its implementation due to, among others, the delay in formalizing the establishment of the Mengine Gorilla Sanctuary. He reminded the Committees of the importance of establishing the Mengine Gorilla Sanctuary as a contribution of this project to the conservation of biodiversity in this particular part of the Congo Basin, as the situation of biodiversity would be even worse without the current main project outcomes. He

highlighted the major lessons learned and recommendations for similar future projects as well as the improvements in the management of this project:

- Projects that include financing in protected areas management must be conditioned to their previous legal establishment ('gazetting process').
  - A different case is when the project is exclusively oriented to assist in the preparation of the documentation (scientific justification research, delimitation studies, public consultation, draft decree or resolution, etc.) necessary for the country to establish a new protected area.
  - Transboundary or bi-nationally managed protected areas, as well as international ecological corridors, are unquestionably necessary but their possibility of success is limited and very difficult to achieve
  - Careful attention must be given to the implications of logistics in remote or isolated areas
  - The assessment of the socio-economic and cultural reality of the region must be well known and taken into consideration in project design
  - Activities related to economic incentive programs for communities should form part of project design
  - Mid-term evaluations are always very useful tools
  - Flexibility on Project deliverables should be allowed especially when currency fluctuations outside of the Project control significantly increase costs
  - Economic sustainability for protected areas is almost a dream, but it is possible to be partially achieved
  - Political willingness or support and country's bureaucracy must be carefully evaluated and prudently considered in project design
229. Following the presentation, the delegate of Cameroon expressed gratitude to the governments of Japan, Switzerland and U.S.A. for financing the project. The Delegation of Cameroon commended the evaluation team for the findings, lessons learned and recommendations provided in its report and assured the Committees that these were useful elements to be capitalized for the preparation of a second phase of the project.
230. The delegate of Switzerland expressed its appreciation for the response to its request in previous Sessions for the inclusion of management responses to the ex-post evaluation full report and executive summary. It was noted that the management response was missing in the reports distributed to the Committee. The Secretariat responded that there was a mistake in compiling the report, but that the management response was provided and that it would be corrected.

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 |

The Committees were informed that the results of the ex-post evaluation of the thematic Group Evaluation on Community Participation in SFM will be reported at the 49th CRF Session in 2015

Thematic Group Evaluation: Plantation Establishment

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

The consultant, Dr. Zhuang Zuofeng (China) made a presentation on his ex-post evaluation report on this project as contained in document CRF(XLVIII)/5. He indicated that the project was successfully implemented with the two specific objectives achieved through developing, adopting and demonstrating technical guidelines on 'Strategy, Legal Framework and Institutional Arrangement of Collaborative Plantation Forest Management' and 'Practical Mechanism of Conflict Resolution on Plantation Forest Development in Indonesia' in Jambi and South Kalimantan provinces. The project has also contributed to improving the capacity of farmer groups through various trainings and MOUs on collaborative plantation forest management between farmer groups and plantation forest

concessionaires working for the activities in the demonstration site. The consultant made the following recommendations:

- Key stakeholders and partners should be identified from the very beginning and their roles and responsibilities should be clarified at different phases in the project management cycle
- Effective collaboration mechanisms should be developed to motivate and encourage the local forest authorities and professionals to actively join the project implementation and follow-up actions
- Capacity building should be continuously provided for the villagers under the government capacity building programs. Technical supports from local forest authorities still needed to help farmer groups to develop forest management plans for the collaborative plantation forests

231. The delegation of Indonesia commended the consultant for his report and presentation. He also thanked the donors (Japan, Norway) for their support and informed the Committees about the ongoing conflict resolution related activities in plantation forests in Indonesia and that note has been taken of all recommendations made.

Thematic Group Evaluation: Forest Fire

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

The Committees were informed that the results of the ex-post evaluation of the thematic Group Evaluation on Forest Fire will be reported at the 49th CRF Session in 2015.

Thematic Group Evaluation: Forest Governance

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

The Committees were informed that the results of the ex-post evaluation of the thematic Group Evaluation on Forest Governance will be reported at the 49th CRF Session in 2015.

232. The Chairperson introduced an effort undertaken by the Secretariat to enhance the sharing of project information and the development of a project search function, which provides a very useful and user-friendly interface. The tool was briefly introduced by Mr. Ramon Carrillo from the ITTO Secretariat.

233. The delegate of Guatemala congratulated the Secretariat for the development and implementation of this very useful and practical tool.

234. The delegate of Japan expressed the usefulness of the new tool for Japan. He stated that Japan contributes to a large number of projects which require internal audits and that the project search function would provide very useful and convenient means for extracting necessary project reports.

235. The delegate of Mexico also thanked and congratulated the Secretariat for the development of this very useful tool and stated that this tool would also make it easier to make available and circulate lessons learned from project on a global scale.

#### **Annual Market Discussion 2014:**

236. The Annual Market Discussion – 2014, was held in the Joint Session of All Committees on 5 November 2014. The theme of the Market Discussion was ' Domestic and Emerging International Markets – A Changing Market Landscape'. Mr. Shingi Koto, Chairperson of CEM, chaired the meeting and Mr. Barney Chan (TAG Coordinator) served as the moderator of the Market Discussion.

237. The following feature presentations were made during the Market Discussion:

Mr. Isac Zugman  
Vice President, ABIMCI  
Chairman, Lavrasul SA

Evolution of the Brazilian Timber Sector –  
High Value Exports and Imports

Mr. Jirawat Tangkijngamwong  
Chairman, Thai Timber Association

Thailand, Opportunities for Timber Exporters

Director, Deesawat Industries Co., Ltd./  
Deesawat Design Co., Ltd.

Mr. Roy Southey  
Chairman, The Wood Foundation South  
Africa  
Executive Director,  
Sawmilling Southey's South Africa

South Africa – the Emerging Market  
Opportunity, What We Have and What We  
Need

Ms. Cindy Squires, Esq.  
Executive Director  
Intl. Wood Products Association

Global Timber Forum Update and How Can  
We Go About Creating New Markets for Old  
Products – a Carrot vs Stick Approach

Mr. Enzo Barattini  
Retired Deputy Head, European  
Commission

EU Experience with Working with the Private  
Sector – Lessons for ITTO and the Trade  
Advisory Group

Mr. Gordon Gresham  
Marketing Advisor

25 Years of Observing ITTO

238. The TAG tentatively proposed the topic 'Raising the Profile of Tropical Timber in the Market Place' for the 2015 Market Discussion.

#### **Committee on Economics, Statistics and Markets**

239. Mr. Shingi Koto (Japan), Chairperson of the Committee on Economics, Statistics and Markets, presented the report of the Committee, as contained in Document CEM-CFI(XLVIII)/6. The Committee met in Joint Session with the Committee on Forest Industry.
240. The Committee reviewed the progress in the implementation of eight (8) ongoing projects and pre-projects plus three (3) projects pending financing.
241. The Committee considered the following issues and activities under its policy work: (i) market access; (ii) forest and timber certification; (iii) selected data and analysis from ITTO Biennial Review and Assessment of the World Timber Situation; (iv) analyze the economic impact of governmental procurement policies on tropical timber markets; and (v) independent market monitoring of FLEGT-licensed timber.
242. The Committee unanimously elected Dr. Teguh Raharjo (Indonesia) as the Chairperson of the Committee for 2015.
243. The report of the Committee was approved by the Council. The full report is contained in Annex IV.

#### **Committee on Reforestation and Forest Management**

244. Mr. Jorge Malleux (Peru), Chairperson of the Committee on Reforestation and Forest Management, presented the report of the Committee, as contained in Document CRF(XLVIII)/7.
245. The Committee adopted the sixteen (16) items on the Agenda with the exception of items 4, 6, and 8, which were reviewed in the Joint Committee.
246. The Committee considered the reports on seven (7) completed projects and four (4) completed pre-projects and declared these as duly complete.
247. On Ex-post evaluation, the Committee reviewed one (1) project from the thematic group on Biodiversity Conservation, three (3) projects on Community Participation in SFM, two (2) projects on Plantation Establishment, and one (1) from Forest Governance
248. On Policy Work, the Committee considered the following issues;
- (i) Promoting the understanding of the contribution of environmental services to the sustainable management of tropical forest;

- (ii) Promoting the publication, dissemination and application of the revised ITTO guidelines for the sustainable management of natural forest activities;
  - (iii) Promoting the implementation of guidelines for the management of secondary tropical forest, the restoration of degraded forest and the rehabilitation of degraded forest land;
  - (iv) ITTO contribution to United Nations International Strategy for Disaster Reduction (UNISDR) and support to regional fire networks activity;
  - (v) Strengthening cooperation between ITTO and ACTO countries on C&I and related topics, including the outcome of a regional workshop to harmonize ITTO C&I and the Terapoto process;
  - (vi) ITTO collaboration with the International Partnership for the Satoyama Initiative (IPSI); and
  - (vii) Organization of a regional workshop on SFM and forest education in Latin America.
249. The Committee adopted the CRF Biennial Work Plan 2015-2016, and approved the report on the review of implementation of approved projects. The report noted thirty-nine (39) projects were in the process of implementation, five (5) projects and pre-projects were awaiting the signing of an agreement, twenty-nine (29) projects were awaiting financing, and five (5) projects under the sunset process.
250. Mr. Taivo Denks (Estonia) and Dr. Nurudeen Iddrisu (Ghana) were elected as Chairperson and Vice-Chairperson respectively for 2015.
251. The report of the Committee was approved by the Council. The full report is contained in Annex IV.

#### **Committee on Forest Industry**

252. Mr. Bjorn Merzell (Sweden), Chairperson of the Committee on Forest Industry presented the report of the Committee as contained in document CEM-CFI(XLVIII)/6. The Committee met jointly with the Committee on Economics, Statistics and Markets.
253. The Committee noted the work carried out under one (1) completed project in Indonesia, supporting the sustainable utilization of Non Timber Forest Products for improved livelihood of local people surrounding the protected areas in Nusa Tenggara provinces, Indonesia. Under the agenda item on Ex-post Evaluation, the Committee noted the impacts, conclusions, and lessons learnt from three (3) ex-post evaluations:
- |                     |   |
|---------------------|---|
| PD 40/00 Rev.4 (I)  | Utilization of Small-Diameter Logs from Sustainable Source for Bio-Composite Products   |
| PD 334/05 Rev.2 (I) | Demonstration and Application of Production and Utilization Technologies for Rattan Sustainable Development in the ASEAN Member Countries |
| PD 523/08 Rev.1 (I) | Operational Strategies for the Promotion of Efficient Utilization of Rubber Wood from Sustainable Sources in Indonesia                    |
254. The Committee further reviewed the progress in implementation of nine (9) ongoing projects and seven (7) projects and two (2) pre-projects that were pending finance, plus one (1) project approved for an extension of the sunset period.
255. On policy work, the Committee considered an activity in the field of matching the needs of forest industry with innovations, technologies, and know-how developed through ITTO that had been partly funded and implemented to develop a web-based database for Lesser Used Species in Latin America and the Caribbean region. The Committee recommended that the Council provide additional funding to allow this important database development to continue in other regions to benefit all member Countries.
256. The Committee also recommended to the Council four (4) new project proposals submitted by member countries for approval and immediate financing.



257. Mr. Miguel R. Mendieta (Honduras) was elected as Chairperson for 2015 and Mr. Satoshi Teramura (Japan) was elected as Vice-Chairperson.
258. The report of the Committee was approved by the Council. The full report is contained in Annex IV.
259. The delegate of Honduras expressed appreciation to the Committee and noted that the Ministry of Finance in Honduras has just confirmed its financial commitment to the Administrative Budget of ITTO.

#### **Committee on Finance and Administration**

260. Dr. Gilbert Kaya (Congo), Vice-Chairperson of the Committee on Finance and Administration presented the report of the Committee, as contained in Document CFA(XXIX)/9.
261. The CFA approved the Biennial Administrative Budget for the Year 2015, in the amount of US\$7,689,505. The Committee reviewed Contributions to the Administrative Budget by members and noted that the arrearages in contributions to previous years' budgets from Producing Members amount to US\$4,010,168.17 and arrearages from Consuming Members amount to US\$126,065.00.
262. The Committee examined the Current status of the Administrative Account and noted that the estimated total expenditures for the financial year 2014 would amount to US\$6,269,315.95. 23. The resources of the Working Capital Account was estimated to increase from the opening balance of US\$3,830,996.00 at the beginning of 2014 to US\$5,531,258.64 by the end of the year 2014.
263. The Committee noted that under Sub-Account B of the Bali Partnership Fund, the total funds received were US\$19.72 million and the allocations made were US\$19.58 million leaving a fund balance of US\$142,612. The Committee reviewed the Auditor's Report for the Financial Year 2013 and noted that the Auditors had provided their satisfactory opinion on ITTO's financial statements. The audit was carried out by BDO-Toyo and Co, Tokyo.
264. On ITTO Staff Regulations and Rules, the Secretariat received enriching suggestions from members and delegates, it was concluded that it was necessary for the Secretariat to continue work on this item by adding more information to the report provided to the Committee.
265. The Dates and Venues of the Thirtieth and Thirty-First Sessions of the Committee were noted.
266. The CFA recommended the following to the Council:
- (i) To endorse Administrative Budget for the Financial 2015 the amount of US\$7,689,505;
  - (ii) To adopt the Report of the Independent Public Accountants on the Accounts of the Organization for the Financial Year 2013;
  - (iii) To authorize the Executive Director to utilize funds not exceeding US\$40,000.00 from the Working Capital Account to cover the expenses to ensure the smooth transition of the Organization;
  - (iv) To authorize the Executive Director to utilize funds not exceeding US\$25,000.00 from the Working Capital Account to engage a consultant to explore impacts to this Organization of having Regional Offices; and
  - (v) To examine and take actions to secure the needed resources to achieve the objectives of the Organization.
267. The Committee elected Dr. Gilbert Kaya of Republic of Congo, as Chairperson and Mr. Rob Busink of the Netherlands was elected Vice-Chairperson of the Committee for 2015.
268. The report of the Committee was approved by the Council.

#### **ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON OF THE COUNCIL FOR 2015 (Agenda Item 22)**

269. Mr. Ngo'o Bitomo Adrian (Cameroon), on behalf of the Producer Group, nominated Ms. Jennifer Conje (U.S.A.) as Vice-Chairperson of the Council for 2015.
270. Ms. Marjukka Mahonen (Finland), on behalf of the Consumer Group, nominated Dr. B.C.Y. Freezailah (Malaysia) as Chairperson of the Council for 2015.
271. The Council unanimously approved both nominations.
272. Dr. Freezailah, Chairperson-elect expressed gratitude to the Council for electing him as Chairperson of the Council for 2015. He noted that he has been involved with the organization since its inception, and involved with the ITTA, 2006. He stated that he is very encouraged with the election of Ms. Conje as Vice-Chairperson, and was looking forward to working with her. He hoped the Council would be able to elect a new Executive Director before his assumption of office as Chairperson of the Council. He noted that ITTO would be facing new challenges in 2015 and indicated that the success of the Organization's work in 2015 would depend heavily on the solidarity and cooperation of all Member countries. He noted that the tropical timber and tropical forestry had been the focus of the world from various perspectives, and therefore, as a commodity development organization, there is a great deal of work to be carried out by ITTO in order to promote sustainability of tropical timber forests and the legality of the timber trade.

**DATES AND VENUES OF THE FIFTY-FIRST AND FIFTY-SECOND SESSIONS OF THE COUNCIL AND THE ASSOCIATED SESSIONS OF THE COMMITTEES (Agenda Item 23)**

273. The delegate of Malaysia invited the Council to hold its Fifty-first Session in Kuala Lumpur, Malaysia, on 16-21 November 2015.
274. The delegate of Japan invited the Council to convene its Fifty-second Session in Yokohama, Japan on 7-12 November 2016.
275. The delegate of Peru, on behalf of the Government of Peru, offered to host the Fifty-third Session of the Council and Associated Sessions of the Committees in Lima, Peru.
276. The Council would convene its Fifty-first Session in Kuala Lumpur, Malaysia, on 16-21 November 2015, and its Fifty-second Session in Yokohama, Japan on 7-12 November 2016.

**OTHER BUSINESS (Agenda Item 24)**

**Panel Discussions on the Future Directions for ITTO**

277. The Panel on Future Directions for ITTO was convened on 5 November 2014 as part of the commemoration activities of the 50<sup>th</sup> Session of the International Tropical Timber Council. The Panel was chaired by the Chairperson of the ITTC, Mr. Rob Busink (Netherlands).
278. The Panelist were:
- Dr. Markku Simula (Finland), Chairperson of ITTC, 1990.  
Ms. Stephanie Caswell (USA), Chairperson of ITTC, 1998;  
Mr. Jorge Malleux (Peru) Chairperson of the CRF, 2014  
Mr. Gordon Gresham, (UK) former ITTO Market News Service Coordinator  
Mr. Chen Hin Keong, (Malaysia) current Civil Society Advisory Group coordinator.

***Dr. Markku Simula***

279. Dr. Markku Simula highlighted that unlike several other commodity organizations which have vanished, ITTO has become a strong international body with a clear mandate and addresses the global priorities of sustainable development, biodiversity and climate change. He noted that SFM has become more complex with the growing need to integrate social aspects and environmental services into forest management. At the same time trade flows have radically changed and new sources of supply as well and markets in producer countries have become extremely important.
280. He underlined that the full valuation of tropical forest resources is necessary to justify its conservation by governments and stakeholders and that ITTO has argued for this for more than a quarter of a

century. He noted that many parties have called for a leadership role for ITTO in the forest-climate interface. He referred to the recent NY Declaration on Forests during the UN Climate Summit which called for a revolution of the world's commodity supply chains towards sustainable production and consumption, which is directly related to ITTO's trade mandate. He noted that improving market transparency, promoting tools for demonstrating legality and sustainability, strengthening governance, integrating the informal sector, developing intra-regional trade, developing further processing and generating information on climate impacts of the tropical timber life-cycle are examples of areas to which ITTO should continue to make strong contribution.

281. He underlined that ITTO has not been successful to adequately engage civil society organizations and the private sector broadly in its work in spite of frequent calls to this end. He urged stakeholders to be more vocal in expressing what they want ITTO to do and that new forms of partnership could make a strong contribution to ITTO's future. With regard to ITTO's role in the evolving International Arrangement on Forests (IAF), the Organization should participate in a more pro-active manner in the IAF.
282. Dr. Simula stated that in spite of ITTO's proven track record and its work in highly relevant areas including, addressing the current international priorities related to tropical forests, availability of financial resources for projects has decreased substantially and ITTO urgently needs to look into the causes of this decrease. He indicated that the Thematic Programmes were an innovation for mobilizing additional financial resources and providing a more strategic and focused approach. However, the promising start of TFLET and REDDES has not resulted in a stable, predictable flow of funds to enable their sustained implementation. Of particular concern was the lack of funding for the IDE Thematic Programme.

***Ms. Stephanie Caswell***

283. Ms. Stephanie Caswell noted ITTO's special characteristic as a commodity agreement, combining trade and SFM and also as the only International Organization focusing exclusively on tropical forests. She indicated that 2015 would be a special year in the UN in terms of forests and sustainable development as the UN would decide on the future International Arrangement on Forests (IAF) and on the post 2015 development agenda, including SGDs and targets, providing an excellent opportunity to mainstream ITTO. She called on the Organization to focus on SDG areas such as energy, water, economic growth, climate change, sustainable consumption and production, land tenure and rule of law in order to raise ITTO's profile internationally.
284. She indicated that the 'green economy' initiative could potentially provide a great opportunity to breathe life into the Thematic Programme on Industry Development and Efficiency (IDE). She also urged ITTO to rethink the structure of Producer and Consumer caucuses. She stated that the producer and consumer caucus' concept is not enshrined in the ITTA and that it might have outlived its usefulness since the tropical timber world is no longer neatly divided into producers and consumers. Instead she called for the strengthening of producer – consumer partnership and that ITTO might benefit from a more bipartisan approach to revealing interests and developing consensus. She stated that the caucus structure is opaque and neither group understands the nature of the internal discussions in each group and therefore counter-productive.
285. Ms. Caswell also suggested greater involvement of TAG and CSAG in ITTO priority-setting and the expansion of ITTO's approach to leveraging project financing. She noted that voluntary contributions had gone down in recent years and might not return to former levels. She proposed that ITTO could branch out – by helping countries to develop project proposals for submission to other Organizations, particularly GEF.

***Mr. Jorge Malleux Orjeda***

286. Mr. Jorge Malleux Orjeda emphasized ITTO's rich institutional experience and the large body of knowledge produced and shared. He noted that ITTO has positioned and consolidated itself as a key

player in the world's forestry and environmental arena, contributing to the promotion and development of an open and fruitful dialogue between tropical timber producers and consumers. He indicated that timber harvesting and management operations must be based on integrated socioeconomic planning to ensure sustainability and the provision of benefits to the surrounding communities whose livelihoods depend on ecosystems that must continue to be fully functional on an ongoing basis. It is therefore essential to develop strategies based on rules and regulations that are the result of the commitment and goodwill of natural resource owners/holders and users or, in other words, producers and consumers. He said this was precisely the main driving force behind the global agreement for the formulation and adoption of principles, criteria and indicators that ITTO has developed and promoted with great vigour, capacity and efficiency. He noted that the achievement of SFM requires cross-sectoral and inter-disciplinary approaches and efforts, which ITTO has been able to achieve through implementation of multiple projects promoted by both, producers and consumers. In parallel, through the Thematic Programmes ITTO has implemented a more integrated and holistic approach focusing on issues of global interest.

287. Mr. Malleux urged ITTO to have more visibility and increased efficiency in its projects and programmes. He indicated that this could be achieved through the restructuring and decentralization of the Secretariat, working more intensively in the field, directly with forest ecosystem users and project beneficiaries.
288. He called on the Organization to establish priorities and more objectively define the purpose of the institution – which currently has a scope of thematic areas that go beyond its very origin and operational capacity – in order to focus on more specific thematic areas with greatest impact potential, such as:
- The valuation and enhancement of forests and forest ecosystems, so as to achieve the political and financial support of the States and provide benefits for the communities that are most directly involved.
  - The development of production chains and the integration of forests with highly competitive industries.
  - The development of national markets that will contribute to the optimization of forest management practices and to the national economy and population, making them less dependent on external factors.
  - The restoration of hundreds of millions of hectares of deforested and degraded areas and payment for environmental services for the conservation of forests for the benefit of the communities or users who are committed to their management and care.
  - The training of professional and technical teams, so as to guarantee a critical mass of technical and professional staff to develop science, technology and competitiveness.

**Mr. Gordon Gresham**

289. Mr. Gordon Gresham noted the uniqueness of ITTO due to its mandate and mission statement which require equal representation for its consumer and producer members. He indicated that in spite of all its achievements, ITTO has not reached its full potential and opined that the Organization has diversified quite far beyond the concept of a tropical timber organization and moved into subjects that have their own specialised authorities. He referred to the very large number of ITTO projects with many diverse objectives, and proposed that it might be worthwhile to consider slimming down the number of relatively smaller projects in individual countries with rather little or no cumulative effect internationally. Instead, the organization could concentrate resources on fewer but larger major projects involving industry jointly with forestry so as to spread the added value of ITTO's activities more evenly and widely to member countries.
290. He indicated that there was the need to add international impact, relevance and above all recognition, to the work of ITTO. In addition, ITTO should strengthen its communication and outreach, highlighting tropical timber as one of the few renewable and sustainable resources which provides for the livelihood

of millions of people worldwide.

291. Referring to the ITTO Fellowship programme, he called for more exchange working visits of awardees from consumer and producer countries to learn more about the realities of production and consumerism of tropical timber.

**Mr. Chen Hin Keong**

292. Mr. Chen Hin Keong stated that ITTO continues to build on its strong foundation including policy guidelines, management information systems, including statistics, communications work, and projects on the ground. He noted that ITTO faces a number of head winds resulting from the current economic, political and climatic changes which have been building up over the years and that the Organization has a major struggle on its hands to remain relevant. Those challenges and issues could be grouped into external and internal. He cited external challenges to include global market integration, timber trade flows, intra- and inter-regional trade flows, economic integration, good forest governance, legality and transparency of the forest sector, climate change and other international agreements. Internal challenges and issues include administration, management and the ITTO structure with Council and National Focal Points. He noted that Council workings, especially the caucuses, could be a strength but also a weakness and indicated that caucus discussions were not transparent and without a mechanism for cross fertilization of ideas. He indicated that innovation and progress would help to expand the horizon to seek new understanding, solutions and tools and that the civil society was ready to advise and assist and work with ITTO member states and the Council.
293. Mr. Chen noted that for many ITTO member countries, trade associations are often members of the delegation of countries. However, it was seldom for civil society, especially environmental and social NGOs to be part of countries' delegations. He also referred to the Annual Market Discussions organized by the Trade Advisory Group and funded from the Core Operational Costs of the Administrative Budget and indicated that there was no such provision for the Civil Society Advisory Group (CSAG) and underlined that the CSAG has not been given the same space. He pointed out the importance of Environmental and Social NGOs and stated that they are not well represented in ITTO's project design and implementation.
294. Mr. Chen referred to illegal logging and illegal timber trade and indicated that they have remained a high priority for ITTO. He noted that a lot of money has been put into the FLEGT thematic programme and pointed out that illegal logging and illegal timber trade cuts across borders and how ITTO members should address this challenge in the light of the huge value of the trade and the importance to job security, development and livelihood issues. He further noted that collaboration between neighbouring countries was still not the norm except perhaps for transboundary protected areas. He called on the Organization to reinvigorate itself in the light of the various global initiatives. He pledged the civil society's readiness to advise and assist and work with ITTO member states and the Council.
295. Following the presentations by the panelists, the Chairperson opened the floor for comments on some of the common themes raised. One common theme was the idea of reducing the role of caucuses in ITTO, given the blurring of distinctions between who is a producer or consumer of timber. Panelists felt that the current role of caucuses in ITTO could be having an overall negative impact in terms of transparency and in achieving the objectives of the Organization in an effective manner. It was important to enter into a discussion about what defines a producer or a consumer of tropical timber, especially, given the increasing demand for timber in many developing tropical countries.
296. Another common theme was how to increase the visibility and influence of ITTO. The Organization has not generally been strong in setting the agenda in international forestry debates. Exerting influence on the international agenda is not only a matter of participating in international processes but in being proactive. ITTO's work is not well known and more needs to be done to disseminate it, including by undertaking initiatives with industry. More work needs to be done to integrate information on the outputs of projects into a digestible and easily understood format. ITTO's work on criteria and

indicators was a good example of an area in which ITTO's contribution has been well-recognized.

297. The finalization of the UN Sustainable Development Goals (SDGs) in 2015 offered an opportunity to mainstream forests in the international development agenda. This and other significant developments in 2015 (including consideration of a future International Arrangement on Forests) could serve as platforms for ITTO to further promote its work and objectives. ITTO has a lot to offer to these processes but it is still not well known. The Council might attract more interest and attention from relevant quarters by considering a change of name for the Organization to the International Tropical Forest Organization.
298. In closing, the Chairperson invited members of the Council to further consider the many important and provocative proposals raised by the panelists.

#### **Statement by the Food and Agriculture Organization (FAO)**

299. Ms. Eva Mueller, of the Food and Agriculture Organization (FAO) of the United Nations addressed the Council on behalf of Mr. Eduardo Rojas Briales, Assistant Director-General of FAO's Forestry Department. She congratulated ITTO for the Fiftieth anniversary of the ITTC, noting the remarkable progress achieved towards the sustainable management of the world's tropical forests. She underlined that the election of a new Executive Director had come at a crucial time for international forestry, with a number of decisions coming up that would shape international forestry in the future, including the debate on the post 2015 development agenda and the sustainable development goals as well as the ongoing review of the international arrangement on forests. ITTO and FAO are both active members of the Collaborative Partnership on Forests (CPF) and have made significant contributions individually as well as collectively with other CPF members. She expressed appreciation for the continuous excellent working relationships between FAO and ITTO, both at the bilateral and multi-lateral levels under the umbrella of the CPF.
300. She made reference to the joint organization of the International Forum on Payments for Environmental Services in Tropical Forests by ITTO and FAO, which was a highly successful event. FAO and ITTO also continue their successful collaboration in organizing workshops with countries to improve their collection and dissemination of forest products statistics, as well as improving the classification of tropical timber in international trade statistics, covering the 600 most commonly traded tropical timber species. Ms. Mueller highlighted the FAO and ITTO partnership in the Collaborative Forest Resources Questionnaire (CFRQ), which had reduced the reporting burden for countries and improved the consistency across forest resource data providers/managers. She also noted ITTO's membership of the Steering Group of a new initiative by FAO to strengthen socio-economic indicators of SFM.
301. In conclusion, she commended ITTO for its important work in addressing the numerous issues confronting the world's forests and thanked the Executive Director and his team for their personal contribution in making the collaboration a success.

#### **Statement by the Civil Society Advisory Group (CSAG)**

302. The representative of the Civil Society Advisory Group (CSAG), Ms. Cécile Njebert, paid tribute to the memory of the late Mr. Yati Bun from PNG, who was one of the stalwarts of CSAG and a regular participant to Sessions of the Council who passed away on 14 February 2014 in Oaxaca, Mexico. She urged Council to quickly develop and adopt a transparent and clear procedure for the admission of observers to future Council session. On the subject of the selection of the next Executive Director, she urged Council to decide exclusively on the basis of the capacities and ideas of the candidates, in order to elect the right person to lead the organization in the coming years in the light of the struggles facing ITTO. She emphasized the need to develop a proper procedure and mechanism for the election of an Executive Director in the future. She stated that in CSAG's view, ITTO was at a cross road, and to rise to new heights, the organization has to be able to lead. In closing the statement, she urged the Council to consider re-organizing the structure and way of working to ensure effective and efficient implementation, and also ensure its position in the international context to attract the synergistic and complementary partnerships required for necessary funding.

#### **Statement by the United Nations Forum on Forests (UNFF)**

303. Dr. Manoel Sobral Filho, Director of UNFF, and Ms. Afsa Kemitale-Rothschild, Secretariat of UNFF expressed congratulations to ITTO on the occasion of the Fiftieth anniversary of the ITTC. The UNFF commended ITTO for playing an important role in the Collaborative Partnership on Forests, as well as its niche as the only legally binding instrument on tropical forests.
304. Ms. Kemitale-Rothschild provided an update on the review of the International Arrangement on Forests (IAF) process. The performance of the IAF was recently assessed by a team of consultants and now posted on the UNFF website. The assessment analyzed the achievements, relevance, efficiency and effectiveness of the IAF since 2002. It also assessed the impact of UNFF's work and the sustainability of actions, and made recommendations for a future arrangement. The assessment team concluded that the current IAF had effectively raised the profile of forests as a solution to climate change, and also recognized as an integral part of the sustainable development agenda, and highly placed among the proposed Sustainable Development Goals (SDGs). The team had identified areas of improvement for a more effective arrangement beyond 2015. The team had proposed a post-2015 IAF equipped to deliver two central functions: i) securing effective stewardship of forests in the global sustainable development agenda at the policy-making level; and ii) being the umbrella/coordination/global framework, promoting and facilitating sustainable management of all types of the world's forests.
305. Following are four options proposed by the team:
- 1) An enhanced post-2015 IAF based on current arrangements, but includes updating the Forest Instrument through an Addendum, the establishment of a UN Forest Assembly to succeed UNFF, with Regional Fora, the creation of UN Forest as a science-policy interface, the appointment by the Secretary-General of a Special Envoy on Forests. The enhanced post-2015 IAF also included "UNFA-DESA" Secretariat equipped with increased human and financial resources and the development and strengthening of the UN Trust Funds;
  - 2) Include the elements of proposed option 1 and the creation of a strong self-standing UN institution in charge of the science-policy-implementation interface with a mandate to generate knowledge, independently inform forest policy making and support implementation of SFM;
  - 3) Build on the elements of proposed option 1 and include a parallel political track for Member States that voluntarily commit to the Forest Instrument and for other Member States that commit to a legally-binding treaty with country-based targets to achieve SFM for all forest values; and
  - 4) Variant of option 3 and includes a global level arrangement and regional level agreements.
306. The assessment will be officially presented during the Ad Hoc Expert Group (AHEG2) on the IAF(12-16 January 2015). In this regard, she urged delegates to submit their views and proposals on the IAF based on which the AHEG2 will put forth its recommendations on the future of the IAF to UNFF11. UNFF11 is expected to have two outcomes, a resolution on the future of the IAF beyond 2015, and a ministerial declaration.
307. Forests are addressed directly under the Sustainable Development Goals, and the proposals of the Open Working Group on SDGs will be the basis for integrating SDGs into the post-2015 development agenda, and its convergence with discussion on the future of the IAF presents a unique opportunity to integrate multiple values of forests in the broader context of the development agenda.
308. In preparation for the UNFF11 Session, she called upon the Council to assist with secondment of staff to the UNFF Secretariat, as well as to assist in providing funds for the participation of developing countries in transition to the forthcoming AHEG, and more importantly, to the UNFF11 Session in May 2015. In closing her statement, she expressed gratitude to the Executive Director for his strong support to the UNFFS.

## **DECISIONS AND REPORT OF THE SESSION (Agenda Item 25)**

309. The Chairperson referred to Documents ITTC(L)/19 – ITTC(L)/21 comprising of the three (3) Decisions for consideration and adoption by the Council.
310. The Council approved all the three (3) Decisions. The texts of the three decisions adopted by the Council are contained in Annex III.

## **CLOSING OF THE SESSION (Agenda Item 26)**

### **Closing Statement by the Executive Director**

311. In his closing statement, Mr. Emmanuel Ze Meka expressed gratitude to the Council, and noted that his last Council Session as Executive Director coincides with the celebration of the Fiftieth anniversary of the Council. As was noted in his opening statement to the Council, he had had the privilege of witnessing the improvement of sustainable management of tropical forests. He joined ITTO when he was still a young professional, rising from project manager, to Assistant Director and finally to the position of Executive Director in 2007. He thanked Dr. Freezailah, the first Executive Director of ITTO and Dr. Manoel Sobral Filho who gave him the opportunity to continue to nurture experience in the international forestry arena.
312. Mr. Ze Meka also noted that over the years in ITTO, he had had the privilege to encounter exceptional people, first in the ITTO Secretariat, in the Sessions of the Council, during visits to Member Countries, in international events and wherever he had the privilege to represent ITTO. The contacts and friendships that he had established during these occasions represent great treasure and wealth.
313. Through the three International Tropical Timber Agreements of 1983, 1994, and 2006, he had seen the refinement and expansion of the agenda of ITTO towards the promotion of sustainable development. The linkage of this agenda with the major world concerns, such as biodiversity protection, climate change, sustainable trade, community development, poverty reduction, etc., had made the work in ITTO even more exciting. The organization has put in place solid infrastructure to tackle these challenges, including its successive Agreements, its Guidelines covering the major aspects of tropical forest management, the ITTC Decisions on important matters related to the management of tropical forests, well established mechanism to translate policy decisions into concrete field actions, and reliable monitoring and delivery systems.
314. The Executive Director expressed regret that these efforts had not been properly valued through the provision of sufficient financial resources to expand and disseminate the experience gained by the Organization in the implementation of sustainable management of tropical forests. ITTO is still far from achieving its full potential in contributing to sustainable development.
315. In closing, he indicated that he would continue to do his best to serve ITTO until the end of his mandate, and showed his appreciation to the Council.
316. The Council unanimously expressed appreciation to Mr. Ze Meka with an applause and a standing ovation.

### **Closing Statement by the Chairperson**

317. In his closing address, the Chairperson expressed regret for the failure of the Council to appoint a new Executive Director, but remained positive on some of the very important steps that were made. He noted that the joint caucus meeting was an example of working together that should be used more often.
318. Reflecting on outcomes achieved during the Session, he highlighted the funding of several important activities in the Biennial Work Programme and expressed gratitude to all donors for their contributions to new projects that would help move the work of ITTO forward.
319. He referred to the progress made in revising the Staff Rules, as essential in helping to maintain the motivation of the Secretariat, and on the subject of the Admission of Observers, he noted that consensus was not reached but it was agreed to develop clear rules for admission of observers and on what activities they would be allowed to undertake during future Sessions.



320. The Chairperson expressed his appreciation to the Executive Director, and proposed to the Council that Mr. Ze Meka's contribution to the organization be officially recognized during the next Council Session.
321. The Chairperson officially closed the Fiftieth Session of the International Tropical Timber Council.



## **ANNEX I**

### **LIST OF PARTICIPANTS**

**Document: ITTC(L)/Info. 2**



Distr.  
General

ITTC(L)/Info.2  
10 November 2014

English/French/Spanish

FIFTIETH SESSION  
3 – 8 November 2014  
Yokohama, Japan

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Mr. Yoshio Nishioka	President
Mr. Yuichiro Ishizaki	Director
Ms. Misako Kondo	Researcher

### INTERNATIONAL WOOD PRODUCTS ASSOCIATION (IWPA), U.S.A.

Ms. Cindy L. Squires, Esq.	Executive Director
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### JAPAN TROPICAL FOREST ACTION NETWORK

Mr. Akira Harada	Director
Dr. Toyoyuki Kawakami	Steering Committee Member
Mr. Takayuki Nakatsuka	Steering Committee Member

### MALEBI, CÔTE D'IVOIRE

Ms. Delphine Ahoussi	President
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### MORINGA PARTNERSHIP, FRANCE

Mr. Jean Guénolé Cornet	Executive Director
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**REFACOF, CAMEROON**

Ms. Cécile Ndjebet  
Ms. Ngono Hortense spouse Nga Onana

Africa Focal Point  
Program Officer

**SARAWAK CAMPAIGN COMMITTEE, JAPAN**

Mr. Thomas Eskildsen

Steering Committee Member

**TRAFFIC INTERNATIONAL, MALAYSIA**

Mr. Hin Keong Chen  
Ms. Keiko Wakao  
Ms. Hiromi Shiraishi

Global Forest Trade Programme Leader  
Head of Japan Office  
Programme Officer

**UNIVERSIDAD DEL TOLIMA, COLOMBIA**

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Mr. Luis Alfredo Lozano Botache

Líder del Grupo de Investigación en  
Biodiversidad y Dinámica de E.T.  
Decano Facultad de Ingeniería Forestal

**Private Sector**

**ASUMADU PTY LTD, AUSTRALIA**

Dr. Kwame Asumadu

Director

**APP JAPAN LIMITED**

Mr. Tan Ui Sian  
Mr. Takao Terasaki

Representative Director CAO  
Advisor

**McCARTHY & ASSOCIATES (FORESTRY), U.S.A.**

Mr. Richard McCarthy

Managing Director

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Dr. Jürgen Blaser  
Mr. Amha Bin Buang  
Ms. Lyndall Bull  
Ms. Stephanie Caswell  
Mr. Marc Dourojeanni  
Dr. Luiz Carlos Estraviz Rodriguez  
Mr. Gordon Gresham  
Mr. Jack Hurd  
H.E. Dr. Bharrat Jagdeo  
Mr. Eduardo Mansur  
Ms. Frances Maplesden  
Dr. Markku Simula  
Dr. Ivan Tomaselli  
Dr. Yan Yu  
Dr. Zhou Yongdong  
Mr. Zuofeng Zhuang

Ms. Daniela Pauletto  
Dr. Paul Bosu  
Dr. San Win

Mr. Enzo Barattini	Market Discussion Speaker
Mr. André de Boer	Market Discussion Speaker
Mr. Roy Southey	Market Discussion Speaker
Mr. Jirawat Tangkijngamwong	Market Discussion Speaker
Mr. Isac Chami Zuzman	Market Discussion Speaker

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## **OFFICERS OF THE INTERNATIONAL TROPICAL TIMBER COUNCIL AND ASSOCIATED COMMITTEES**

### **Council**

Chairperson	Mr. Rob Busink
Vice-Chairperson	Dato' Dr. B.C.Y. Freezailah

### **Economic Information and Market Intelligence**

Chairperson	Mr. Shingi Koto
Vice-Chairperson	Dr. Teguh Rahardja

### **Reforestation and Forest Management**

Chairperson	Mr. Jorge Malleux
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### **Forestry Industry**

Chairperson	Mr. Björn Merzell
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### **Finance and Administration**

Chairperson	Ms. Ellen Shaw
Vice-Chairperson	Dr. Gilbert Kaya

### **Spokespersons**

Producers	Mr. Adrian Ngo'o Bitomo
Consumers	Ms. Marjukka Mähönen

## ITTO SECRETARIAT

Mr. Emmanuel Ze Meka  
Executive Director

Dr. Steven E. Johnson  
Assistant Director, Trade and Industry

Mr. Edmond Collins Ahadome  
Assistant Director, Division of Operations

Mr. Takeshi Goto  
Assistant Director, Forest Management

Mr. John J. Leigh  
Conservation Officer, Forest Management

Dr. Gerhard Breulmann  
Planning, Monitoring and Evaluation Officer

Dr. Tetra Yanuariadi  
Projects Manager, Trade and Industry

Dr. Hwan Ok Ma  
Projects Manager, Forest Management

Mr. Li Qiang  
Systems Analyst

Mr. Polycarpe Masupa-Kambale  
Projects Manager, Forest Management

Mr. R. M. Manohar  
Finance/Administrative Officer

Mr. Ramon Carrillo Arellano  
Outreach and Communication Officer

Dr. Chisato Aoki  
Fellowship Coordinator

Ms. Kanako Ishii  
Secretary / Program Assistant

Ms. Maiko Suzuki  
Senior Finance/Administrative Assistant

Ms. Naho Tamura  
Secretary

Ms. Manako Hanawa  
Secretary

Mr. Jean-Christophe Claudon  
Statistical Assistant

Ms. Hitomi Kudo  
IT Assistant/Administrator

Mr. Simon Kawaguchi  
Finance Assistant

Ms. Masako Sakai  
Secretary

Ms. Lingyun Yang  
Secretary

Ms. Etsuko Kagawa  
Finance Assistant

Mr. Kenneth Sato  
Communications Assistant

Ms. Adriana Sugihara  
Secretary / Programme Assistant

Ms. Sachiko Kato  
Secretary

Ms. Kumiko Tanaka  
Secretary

Ms. Shoko Suzuki  
Assistant

Mr. Tomoya Inoue  
Driver

\* \* \*

**ANNEX II**

**AGENDA**

**DOCUMENT: ITTC(L)/1 Rev.1**





Distr.  
GENERAL

ITTC(L)/1 Rev.1  
5 November 2014

Original: ENGLISH

FIFTIETH SESSION  
3-8 November 2014  
Yokohama, Japan

## PROVISIONAL AGENDA

1. Opening of the Session
2. Ascertainment of the Quorum
3. Adoption of Agenda and Organization of Work
4. Report on Membership of the Council
5. Report of the Credentials Committee
6. Proposed Re-distribution of Votes for 2013 – 2014 Biennium
7. Admission of Observers
8. Statement by the Executive Director
9. Report of the Informal Advisory Group (IAG) – Decisions 3(XXII), 5(XXVI) and 2(XLIX)
10. Enhancing Cooperation between ITTO and CITES – Decisions 3(XVI), 7(XXXIV), 2(XXXVII) and 5(XLVI)
  - (a) CITES Listing Proposals by Members – Decision 3(XVI)
  - (b) Report on the Implementation of the CITES Programme
11. Biennial Review and Assessment of the International Timber Situation in 2013 – 2014
12. Matters Related to Article 14 of the ITTA, 2006 – Decisions 3(XXV), 5(XLII), 2(XLVI) and 3(XLIX)
13. ITTO Biennial Work Programme– Decision 9(XXXIV)
  - (a) Progress Report on the Implementation of the ITTO Biennial Work Programme 2013 – 2014
  - (b) ITTO Biennial Work Programme 2015 – 2016
14. Progress Report on the Implementation of the ITTO Thematic Programmes
15. Developments in the UNFCCC regarding Forests and their Potential Implications for Tropical Forests and the World Tropical Timber Economy – Decisions 2(XXXIX) and 1(XLI)
16. ITTO/CBD Collaborative Initiative to Conserve Tropical Forests – Decision 6(XLVI)
17. Consideration of Regional ITTO Presence and Representation Decision 7(XLIX)
18. ITTO Fellowship Programme – Decision 4(XXVII)
  - (a) Progress Report on the ITTO Fellowship Programme

- (b) Report of the Chairperson of the Fellowship Selection Panel
- 19. Annual Report for 2013
- 20. Special Account and Bali Partnership Fund
  - (a) Pledges to the Special Account (Thematic Programme Sub-Account and Project Sub-Account) and the Bali Partnership Fund
  - (b) Report of the Panel on Sub-Account B of the Bali Partnership Fund (BPF)
- 21. Reports of the Associated Sessions of the Committees
- 22. Election of Chairperson and Vice-Chairperson of the Council for 2015
- 23. Dates and Venues of the Fifty-first and Fifty-second Sessions of the Council and the Associated Sessions of the Committees
- 24. Other Business
- 25. Decisions and Report of the Session
- 26. Closing of the Session

## ANNOTATIONS TO THE PROVISIONAL AGENDA

### **Item 1 - Opening of the Session**

The Fiftieth Session of the Council will be opened by the Chairperson of the Council.

### **Item 2 - Ascertainment of the Quorum**

The Executive Director will report to the Council on the state of the quorum requirement for the start of the Session.

### **Item 3 - Adoption of Agenda and Organization of Work** [Document ITTC(L)/1]

The Council may decide to consider and adopt its Agenda. On the schedule of meetings, the Council may consider the draft schedule distributed under Decision 5(XXII), the advice of the Informal Advisory Group (IAG) and undertake due consultations in the Chairperson's Coordinating Bureau, issuing the time-table daily and at more frequent intervals as necessary.

### **Item 4 - Report on Membership of the Council** [Document ITTC(L)/3, ITTC(L)/4 and ITTC(L)/16]

The Executive Director will report on the status of membership of the Council.

### **Item 5 - Report of the Credentials Committee** [Document ITTC(L)/5]

The Council may consider and adopt the Report of the Credentials Committee and approve the credentials of delegations.

### **Item 6 - Proposed Re-distribution of Votes for 2013 – 2014 Biennium** [Document ITTC(L)/1 Annex]

The proposed re-distribution of votes for the 2013 – 2014 biennium, in accordance with Article 10(7) of the ITTA, 2006, is shown in the Annex of the Provisional Agenda (Document ITTC(L)/1). The distribution of votes for the current biennium was adopted in 2013 and in accordance with Article 10(7) shall remain in effect for the rest of the biennium, except whenever the membership of the Organization changes or when any member has its voting rights suspended or restored, in which case the Council shall redistribute the votes within the affected category or categories. In 2014, two new members in the Producer category acceded to the Agreement. These are the Suriname (28 February 2014), and Vietnam (10 April 2014). The votes within the Producer category have consequently been re-distributed. The Council may wish to adopt the re-distributed votes.

In accordance with Article 19(6) of the ITTA, 2006, the assessed contributions of Suriname and Vietnam shall be on the basis of the number of votes to be held by them and the period remaining in the 2013-2014 biennium, but the assessment made upon other members for the same biennium shall not be altered.

### **Item 7 - Admission of Observers** [Document ITTC(L)/Info.3]

The Council may decide to admit those States and Organizations which request admission to the Session as Observers. Two lists of such applicants will be submitted at the Session for consideration and decision. The first such list shall contain the names of all States and Organizations which have previously been admitted to the Council Sessions and the second those States and Organizations who are applying for admission on the first occasion at this Session.

**Item 8 - Statement by the Executive Director**

The Executive Director will address the Council and report on activities of the Organization and other developments of relevance to the Organization.

**Item 9 - Report of the Informal Advisory Group (IAG) – Decisions 3(XXII), 5(XXVI) and 2(XLIX)**  
[Document ITTC(L)/2]

Pursuant to Decisions 3(XXII), 5(XXVI) and 2(XLIX), and in order to organize its work for the Session, the Council may consider the report of the Twenty-eighth Meeting of the Informal Advisory Group (IAG), to be convened on Sunday, 2 November 2014.

The report of the Twenty-eighth Meeting of the IAG will be presented to the Council by the Chairperson.

**Item 10 - Enhancing Cooperation between ITTO and CITES – Decisions 3(XVI), 7(XXXIV), 2(XXXVII) and 5(XLVI)**  
[Document ITTC(L)/6]

- (a) Pursuant to its Decision 3(XVI) the Council may arrange consultations on Members' proposals to list internationally traded tropical timber species in the CITES Appendices which have been reported to the Secretariat since the last Session.
- (b) The Council will receive a report on the implementation of the ITTO-CITES programme to improve country capacity to implement CITES listings of tropical timber species.

**Item 11 - Biennial Review and Assessment of the International Timber Situation in 2013 – 2014**  
[Document ITTC(L)/7]

The Council may wish to base its discussion on this item on the following:

(i) Elements for the 2013 and 2014 Biennial Review and Assessment of the International Timber Situation

This is prepared by the Secretariat and comprises statistics and available data on production, imports and exports of timber products, emphasizing tropical timber products, and an analysis of economic and market developments. The Elements for the 2013 and 2014 Biennial Review will be partly based on information extracted from national responses to the ITTO/UNECE/FAO/EUROSTAT Joint Forest Sector Questionnaire and partly from other sources.

(ii) A General Introductory Statement by the Secretariat

Using various sources of information including the Elements for the 2013 and 2014 Biennial Review, the Statement will give an overview of the world timber situation, focusing on tropical timber, including recent developments and the short-term outlook based on available forecasts.

The Council may also decide after due discussions the type of statistics and information and the format of presentation members shall furnish on timber, its trade and the activities aimed at achieving sustainable management of timber producing forests as stipulated in Article 27(3) of the ITTA, 2006.

**Item 12 - Matters Related to Article 14 of the ITTA, 2006– Decision 3(XLIX)**  
[Document ITTC(L)/8]

Pursuant to its Decision 3(XLIX), the Council will receive the report of the Panel established to examine the applications for the position of Executive Director. The Council will discuss the indicative short list of candidates prepared by the panel and proceed to select the next Executive Director, if not by consensus, by Special vote in accordance with Articles 12 and 14 of the ITTA, 2006.

**Item 13 - ITTO Biennial Work Programme – Decision 9(XXXIV)**

[Documents ITTC(L)/9 and ITTC(L)/10]

- (a) The Council will receive the progress report on the implementation of the Biennial Work Programme for 2013–2014 as contained in Document ITTC(L)/9
- (b) The Secretariat will present to the Council the ITTO Biennial Work Programme 2015 – 2016 as contained in Document ITTC(L)/10

**Item 14 - Progress Report on the Implementation of the ITTO Thematic Programmes**

[Documents ITTC(L)/11]

The Council will receive the progress report on the status of implementation of the ITTO Thematic Programmes as contained in Document ITTC(L)/11.

**Item 15 - Developments in the UNFCCC Regarding Forests and their Potential Implications for Tropical Forests and the World Tropical Timber Economy – Decisions 2(XXXIX), 1(XLI) and 2(XLIII)**

[Document ITTC(L)/12]

Pursuant to its Decisions 2(XXXIX), 1(XLI), and 2(XLIII), the Council will be updated on developments in the UNFCCC regarding forests.

**Item 16 - ITTO/CBD Collaborative Initiative to Conserve Tropical Forests– Decision 6(XLVI)**

[Document ITTC(L)/13]

Pursuant to its Decision 6(XLVI), the Council will be updated on developments in the ITTO/CBD Collaborative Initiative to conserve tropical forests.

**Item 17 - Consideration of Regional ITTO Presence and Representation Decision 7(XLIX)**

[Document ITTC(L)/14]

Pursuant to its Decision 7(XLIX), the Council requested the Secretariat to invite member countries to submit to the ITTO Secretariat views on the possible role and objectives, feasibility and budgetary implications of strengthening ITTO's regional presence. The Secretariat will present to the Council compilation of members' submission together with a concise background paper summarizing ITTO's experience with regional representation (Document ITTC(L)/16).

**Item 18 - ITTO Fellowship Programme – Decision 4(XXVII)**

[Documents ITTC(L)/15 and ITTC(L)/16]

The Council may consider: (a) the progress report prepared by the Secretariat on the implementation of the ITTO Fellowship Programme, as called for in Decision 4(XXVII) [Document ITTC(L)/15]; and (b) the report of the Fellowship Selection Panel presented by its Chairperson [Document ITTC(L)/16]. The Council will announce the final selection of awards based on the Chairperson's report.

**Item 19 - Draft Annual Report for 2013**

The Secretariat will present to the Council the draft Annual Report for 2013.

**Item 20 - Special Account and Bali Partnership Fund**

[Document ITTC(L)/17]

- (a) Pledges to the Special Account and the Bali Partnership Fund.

The Council may invite Members and Observers to announce any new contributions they may wish to pledge to the Special Account and the Bali Partnership Fund.

- (b) Report of the Panel on Sub-Account B of the Bali Partnership Fund.

The Council will have before it the report of the Panel on Sub-Account B of the Bali Partnership Fund established under Decision 4(XXX) to consider actions/activities, pre-

projects and projects that are eligible for funding under Sub-Account B. The Council may consider and adopt the recommendations contained in the report [Document ITTC(L)/17].

**Item 21 - Reports of the Associated Sessions of the Committees**

The Council will have before it the Reports of the Associated Sessions of the Committees presented by the respective Chairpersons. The Council may consider and adopt the recommendations contained in each of the Reports.

**Item 22 - Election of Chairperson and Vice-Chairperson of the Council for 2015**

The Council may decide after due consultations, to elect a Chairperson and Vice-Chairperson for 2015. Under Article 8 of the ITTA, 2006, the Council is required to elect a Chairperson and Vice-Chairperson for each calendar year. Under Article 8, paragraph 2, the Chairperson and the Vice-Chairperson, one from among the representatives of producer countries, and the other from among the representatives of the consumer countries, are required to alternate each year between the two categories of Members, provided, however, that this shall not prohibit the re-election to either or both under exceptional circumstances by Special Vote of the Council.

**Item 23 - Dates and Venues of the Fifty-first and Fifty-second Sessions of the Council and the Associated Sessions of the Committees**

In order to maintain the established practice of setting Session dates and venues eighteen months or more in advance to facilitate logistical arrangements, the Council may wish to set the dates and venues of its Fifty-first and Fifty-second Sessions.

At its Forty-ninth Session convened in Libreville, Gabon, the Council decided that its Fifty-first Session would be convened in Kuala Lumpur, Malaysia on 16 – 21 November 2015. The Council may wish to confirm the dates and venue of the Fifty-first Session and set the dates and venue for its Fifty-second Session to be convened in 2016.

**Item 24 - Other Business**

The Council may consider any matters brought under this item.

**Item 25 - Decisions and Report of the Session**

The Council shall consider the proposed Decision(s) and adopt it/them accordingly. In accordance with Rule 33 of the Rules of Procedure, a report on the proceedings shall be prepared by the Executive Director and shall be circulated to all Members as soon as possible.

Through Decision 7(XXXIII) the Council adopted the following procedures for its decision making:

- (a) The Council will give guidance to the Executive Director through the Council Chairperson on routine or non-controversial matters not having financial implications. This guidance will be included in the Report of the Session, not reflected as decisions of the Council.
- (b) In order for draft decisions by Members to be considered by the Council, the following procedures will be adopted:
  - In relation to the Provisional Agenda, Members submit proposals for Council decisions to the Executive Director for circulation to all Members not less than two weeks prior to the Council Session. Each proposal contains three elements: the subject, the purpose of the decision, and the proposed action, including any financial implications. The Executive Director will not circulate incomplete proposals.
  - Minus Day 1: The IAG considers the proposals for Council decisions from Members, as well as proposals from the Executive Director.
  - Council Day 1: The Chairperson presents the proposals to Council as part of the IAG report.

- Day 2: The proposals for draft decisions are discussed in Caucuses and via informal consultations.
- Day 3: The Council decides the topics it will consider for decision; then the Chairperson, assisted by a small group and the Executive Director, develops preliminary draft decisions for circulation to and consideration by all Members.
- Day 4: The Chairperson's Open-Ended Drafting Group convenes to discuss and finalise draft decisions.
- Noon, Penultimate Day: Final decisions are submitted for translation. Decisions still under negotiation are deferred to the next Council Session.

The Council may wish to review the above procedures.

**Item 26 - Closing of the Session**

Following any final statements by Delegates, the Chairperson will close the Fiftieth Session of the Council.

Annex

**PROPOSED DISTRIBUTION OF VOTES FOR 2014**

**PRODUCER MEMBERS**

	<b><u>2013</u></b> <b><u>No. of Votes</u></b>	<b><u>2014</u></b> <b><u>No. of Votes</u></b>
<b>Africa</b>		
Benin	25	23
Cameroon	26	24
Central African Republic	-	23
Congo	25	24
Côte d'Ivoire	25	24
Democratic Republic of the Congo	26	24
Gabon	26	24
Ghana	25	24
Liberia	25	23
Mali	25	23
Mozambique	26	24
Togo	25	23
<b>Asia &amp; Pacific</b>		
Cambodia	21	19
Fiji	18	16
India	32	30
Indonesia	83	80
Malaysia	126	123
Myanmar	53	50
Papua New Guinea	41	39
Philippines	18	16
Vietnam	-	18
<b>Latin America/Caribbean</b>		
Brazil	143	138
Colombia	26	25
Costa Rica	13	12
Ecuador	19	18
Guatemala	13	12
Guyana	17	16
Honduras	13	12
México	27	25
Panamá	14	12
Peru	32	30
Suriname	-	15
Trinidad and Tobago	12	11
TOTAL:	1,000	1,000



**CONSUMER MEMBERS**

	<b><u>2013</u></b> <b><u>No. of Votes</u></b>	<b><u>2014</u></b> <b><u>No. of Votes</u></b>
Albania	10	10
Australia	16	16
China	253	253
European Union	<b>395</b>	<b>395</b>
Austria	11	11
Belgium	15	15
Bulgaria	11	11
Cyprus	10	10
Czech Republic	12	12
Denmark	12	12
Estonia	10	10
Finland	10	10
France	32	32
Germany	19	19
Greece	11	11
Hungary	10	10
Ireland	14	14
Italy	28	28
Latvia	10	10
Lithuania	10	10
Luxembourg	10	10
Malta	11	11
Netherlands	32	32
Poland	11	11
Portugal	15	15
Romania	10	10
Slovakia	11	11
Slovenia	10	10
Spain	23	23
Sweden	11	11
United Kingdom	26	26
Japan	157	157
New Zealand	11	11
Norway	10	10
Republic of Korea	66	66
Switzerland	12	12
United States of America	<u>70</u>	<u>70</u>
<b>TOTAL:</b>	<b>1,000</b>	<b>1,000</b>



**ANNEX III**

**TEXT OF THE DECISIONS**

**ADOPTED BY THE COUNCIL AT ITS FIFTIETH SESSION**

**DOCUMENT: ITTC(L)/19  
DOCUMENT: ITTC(L)/20  
DOCUMENT: ITTC(L)/21**



Distr.  
GENERAL

ITTC(L)/19  
8 November 2014

Original: ENGLISH

FIFTIETH SESSION  
3 - 8 November 2014  
Yokohama, Japan

## DECISION 1(L)

### PROJECTS, PRE-PROJECTS AND ACTIVITIES

The International Tropical Timber Council,

Having considered at its Fiftieth Session the recommendations of the three Committees on Projects, Pre-Projects and Activities, as contained in documents CEM-CFI(XLVIII)/6 and CRF(XLVIII)/7; and the report of the Twentieth Meeting of the Panel on Sub-Account B of the Bali Partnership Fund as contained in document ITTC(L)/18;

Noting that the time-bound electronic no objection procedures to accept Expert Panel Ratings for Projects and Pre-Projects and requests for their funding were conducted during the project cycle for Spring and Autumn 2014;

1. Decides to:

(i) Endorse the approval obtained through the time-bound electronic no objection procedure for the following Projects and Pre-Projects:

(a) Spring project cycle for 2014:

- |                      |  |
|----------------------|--|
| PPD 169/13 Rev.2 (F) | Identification of Project for the Reforestation and Management of the Large Ndjock-Lipan Forest Complex in the Bondjock, Department of Nyong et Kélé · Central Cameroon (Cameroon)<br>ITTO Budget: \$93,285.00 |
| PPD 170/13 Rev.2 (F) | Identification of a Project in Support of Natural Regeneration and the Establishment of Forest Plantations in the Mbam-and-Kim Department (Cameroon)<br>ITTO Budget: \$90,804.00                               |
| PPD 177/14 Rev.1 (F) | Inventory of Mangrove Ecosystem and Development of a Management Plan for Gabon (Gabon)<br>ITTO Budget: \$95,928.00   |
| PD 684/13 Rev.3 (F)  | Biodiversity Conservation with Collaboration of Local Communities in Traditionally Owned Forest Areas of South Western Ghana (Ghana)<br>ITTO Budget: \$489,194.00  |
| PD 690/13 Rev.3 (F)  | Bamboo for Life: An Alternative for the Rehabilitation of Degraded Forests and Sustainable Rural Development in the Peruvian Amazon Region (Peru)<br>ITTO Budget: \$601,037.00                                 |
| PD 709/13 Rev.2 (I)  | Enhancing Bali Wooden Handicraft Industry by Improving the Quality of Planted-Wood Raw Materials and Complying to Legality Standard (Indonesia)<br>ITTO Budget: \$540,008.00                                   |

- PD 712/13 Rev.2 (F) Enhancing the Implementation of Landscape Management of Giam Siak Kecil-Bukit Batu Biosphere Reserve (GSK-BR) in Riau Province of Sumatra Island, Indonesia (Indonesia)  
ITTO Budget: \$498,154.00
- PD 713/13 Rev.2 (F) Operationalizing the Policy on Sustainable Management of Sandalwood Resource through Improved Livelihood and Increased Participation of Local Communities (Indonesia)  
ITTO Budget: \$592,155.20
- PD 717/13 Rev.2 (F) Enrichment of Young Forest Plantations with Selected NTFPs for Livelihood Improvement and Support of Forest Fringe Communities in Atwima Mponua District of Ghana, in Order to Secure and Protect the Resources on a Sustainable Forest Management Basis (Ghana)  
ITTO Budget: \$414,904.00
- PD 719/13 Rev.2 (I) Competitiveness and Business Strengthening for a Carpenter Group in Region VII (Huehuetenango-Quiché), Guatemala (Guatemala)  
ITTO Budget: \$149,968.00
- PD 721/13 Rev.2 (F) Building a Participatory and Inclusive Sustainable Forest Management Process for the Reduction of Deforestation and Forest Degradation in the Ixil Forest Areas of the Municipality of Nebaj, Quiché (Guatemala)  
ITTO Budget: \$441,238.50
- PD 725/13 Rev.2 (F) Rehabilitation of Degraded Forest Land in the Ahua Forest Reserve by the Women Members of Association Malebi in Compensation for the Forest Resources Removed to Meet the Need for Fuel Wood (Charcoal and Fire Wood) (Cote d'Ivoire)  
ITTO Budget: \$149,408.00
- PD 736/14 Rev.1 (F) Enhancing Conservation and Sustainable Production of Indonesian Rosewood (*Dalbergia* spp.) (Indonesia)  
ITTO Budget: \$414,792.00
- PD 737/14 Rev.1 (I) Developing Supply Capacity of Wood-Based Biomass Energy through Improved Enabling Conditions and Efficient Utilization of Degraded Forest Lands Involving Local Communities in North Sumatra Province of Indonesia (Indonesia)  
ITTO Budget: \$594,832.00
- PD 739/14 Rev.1 (F) Initiating the Conservation of Eboni Species (*Diospyros celebica* Bakh) Involving Local Stakeholders in Sulawesi (Indonesia)  
ITTO Budget: \$402,550.00
- PD 742/14 Rev.1 (F) Local Capacity Building for the Management of Secondary and Residual Primary Forests in the Provinces of Coronel Portillo and Padre Abad, Department of Ucayali, Peru (Peru)  
ITTO Budget: \$522,637.00
- PD 747/14 Rev.1 (F) Strengthening Community Forest Management Through The Implementation of Forest Training and Extension In Guatemala (Guatemala)  
ITTO Budget: \$572,292.00

(b) Autumn project cycle for 2014:

- PPD 180/14 Rev.1 (F) Pre-Project for the Rehabilitation and Sustainable Management of the Mangrove Forests in the Coastal Area of Cote d'Ivoire (Cote d'Ivoire)  
ITTO Budget: \$99,994.00

PPD 181/14 Rev.1 (F)	Feasibility Study on the Payment of Ecosystem Services Provided by Forests in Benin (Benin) ITTO Budget: \$71,098.00
PD 720/13 Rev.3 (I)	Strengthening of Two Community Associations to Improve the Forest Industry in the Department of Huehuetenango, Guatemala (Guatemala) ITTO Budget: \$129,371.00
PD 733/14 Rev.2 (F)	Promoting Forest Restoration through Multiple-use of Degraded Forest Lands within Anwhiaso East Forest Reserve in Ghana (Ghana) ITTO Budget: \$416,246.00
PD 735/14 Rev.2 (F)	Enhancing Partnership Efforts to Restore Peat Swamp Forests in Sumatra (Indonesia) ITTO Budget: \$453,684.00
PD 740/14 Rev.2 (F)	Sustainable forest management through REDD+ mechanisms in Kampong Thom Province (Cambodia) ITTO Budget: \$484,792.00
PD 741/14 Rev.2 (F)	Capacity Building for the Sustainable Management of Tropical Dry Forests on the North Coast of Peru (Peru) ITTO Budget: \$480,077.00
PD 746/14 Rev.2 (M)	Strengthening the Production, Marketing and Conservation of Pinabete in Guatemala (Guatemala) ITTO Budget: \$508,872.00
PD 752/14 Rev.1 (F)	Restoring Mangrove Forest Landscapes: an Opportunity for Social Development at the Alvarado Lagoon System (ALS) Ramsar Site, Veracruz, Mexico (Mexico) ITTO Budget: \$482,391.00
PD 756/14 Rev.1 (M)	Development of a Business Management Services Program for Forest MSMEs (Micro, Small And Medium Enterprises) in Guatemala (Guatemala) ITTO Budget: \$149,341.00
PD 764/14 Rev.1 (F)	Enabling Customary Landowners to Participate Effectively in Community Forest Management Schemes Within 6 Pilot Areas of PNG (Papua New Guinea) ITTO Budget: \$663,829.00

- (i) To reinstate the approved status of the following project as of the date of adoption of the report of the Forty-eighth Session of the CEM-CFI and that funding be made available for its implementation;

PD 608/11 Rev.2 (I) Life Cycle Assessment-Based Initiative for Carbon Foot Print Reduction and Improved Utilization of Tropical Timber Products from Malaysia

- (ii) Authorize the financing for immediate implementation of the Projects, Pre-Projects and Activities as listed in the Annex 1 to this Decision; and
- (iii) Authorize the financing for immediate implementation of the Projects, Pre-Projects and Activities as listed in the Annex 2 to this Decision, as soon as earmarked funds are available in the Special Account or in the Bali Partnership Fund Account.

2. Urges Members to consider financing those approved Projects, Pre-projects and Activities for which funds are not immediately available,
3. Appeals to Members to make unearmarked contributions to the Thematic Programmes Account and the Special Account,

4. Further appeals to Members to also make voluntary contributions to the Bali Partnership Fund, particularly to the Sub-Account B of this Fund to finance Projects, Pre-projects and Activities to assist Members in achieving the Year 2000 Objective of ITTO, and
5. Requests the Executive Director to continue consultations with potential donors and the Common Fund for Commodities in order to secure financing for those Projects, Pre-projects and Activities for which funds are not immediately available.



**ANNEX 1**

**Financing during 2014 for the immediate implementation  
of the Projects, Pre-Projects and Activities**

(i) Approved during the 2014 project cycles:	
PD 725/13 Rev.2 (F) Rehabilitation of Degraded Forest Land in the Ahua Forest Reserve by the Women Members of Association Malebi in Compensation for the Forest Resources Removed to Meet the Need for Fuel Wood (Charcoal and Fire Wood) (Cote d'Ivoire)	\$149,408.00
PD 740/14 Rev.2 (F) Sustainable forest management through REDD+ mechanisms in Kampong Thom Province (Cambodia)	\$484,792.00
PD 756/14 Rev.1 (M) Development of a Business Management Services Program for Forest MSMEs (Micro, Small And Medium Enterprises) in Guatemala (Guatemala)	\$149,341.00
(ii) Approved in the earlier project cycles or through Council Decisions:	
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)	\$149,632.00
PD 646/12 Rev.3 (F) Initiating The Conservation Of Cempaka Tree Species ( <i>Elmerrillia</i> spp.) Through Plantation Development With Local Community Participation In North Sulawesi, Indonesia (Indonesia)	\$435,187.20
PD 620/11 Rev.1 (M) Development and Implementation of a Species Identification and Timber Tracking System in Africa with DNA Fingerprints and Stable Isotopes - Additional funding	\$220,751.00
PD 452/07 Rev.5 (F) Sustainable Management of Production Forests at the Commercial Scale in the Brazilian Amazon – Phase II (Brazil)	\$656,630.00
PD 124/01 Rev.4 (M) Phase III Stage 3 Promotion of Sustainable Management of African Forests (ATO/ITTO)	\$100,000.00
PD 563/09 Rev.5 (F) Community Based Forest Management of Sungai Medihit Watershed (Malaysia)	\$460,000.00
PD 73/89 (M,F,I) Assistance for Project Identification and Formulation (Global) – Additional funding	\$22,755.00
PP-A/30-102B Major Groups on Sustainable Forest Management – Additional funding	\$675,460.00
PP-A/43-211 Staff Secondment to UNFF – Additional funding	\$30,000.00

(iii) Activities approved in the Biennial Work Programme for the Years 2013-2014 or 2015-2016  
(see Decision 2 (L) for the full title of the Activities):

PP-A/50-297 ITTO Guidelines on Gender Equity (ITTO Biennial Work Programme 2015-2016 Activity: 2)	\$10,000.00
PP-A/49-292 Publish ITTO Voluntary Guidelines (ITTO Biennial Work Programme 2015-2016 Activity: 4 (a))	\$100,000.00
PP-A/48-274 International C&I Meetings (ITTO Biennial Work Programme 2015-2016 Activity: 6 (b))	\$10,000.00
PP-A/39-162A ITTO CITES Programme Additional funding for Year 2014 (ITTO Biennial Work Programme 2013-2014 Activity: 8)	\$1,621,442.92
Additional funding for Year 2014 (ITTO Biennial Work Programme 2015-2016 Activity: 8)	\$330,000.00
PP-A/50-298 Mangrove Forests and Ecosystems Workshop (ITTO Biennial Work Programme 2015-2016 Activity: 10)	\$50,000.00
PP-A/50-299 Study on Carbon Removals and Emissions (ITTO Biennial Work Programme 2015-2016 Activity: 12 (b))	\$70,000.00 (including indicative figure for amount pledged in JPY 3 mil.)
PP-A/50-300 UNISDR, GWFN, GFMC, International Wildland Fire Conference in South Korea, 2015 (ITTO Biennial Work Programme 2015-2016 Activity: 14 (b))	\$60,000.00
PP-A/50-301 Outreach Activities – ENB coverage (ITTO Biennial Work Programme 2015-2016 Activity: 19 (c))	\$30,000.00
PP-A/50-302 Improve branding, positioning and marketing of ITTO (ITTO Biennial Work Programme 2015-2016 Activity: 20)	\$50,000.00
PP-A/50-303 Web-based interactive profiles of the wood based industry, trade and forestry sectors (ITTO Biennial Work Programme 2015-2016 Activity: 23)	\$100,000.00
PP-A/50-304 TAG & CSAG (ITTO Biennial Work Programme 2015-2016 Activity: 26)	\$50,000.00
PP-A/50-305 Involvement in CPF (ITTO Biennial Work Programme 2015-2016 Activity: 27)	\$25,000.00
Freezailah Fellowship Fund Balance of Budget Year 2014 (ITTO Biennial Work Programme 2013-2014 Activity: 30)	\$132,094.00
Budget Year 2015 (partial) (ITTO Biennial Work Programme 2015-2016 Activity: 28)	\$300,000.00
PP-A/50-306 Assistance to member countries to strengthen their statistics collection and enhance reporting (ITTO Biennial Work Programme 2015-2016 Activity: 29)	\$25,000.00
PP-A/50-307 Latin American Seminar on Forestry Extension Services (ITTO Biennial Work Programme 2015-2016 Activity: 32)	\$100,000.00

PP-A/50-308 ITTO and World Customs Organization  
(ITTO Biennial Work Programme 2015-2016 Activity: 33) \$222,207.95

PP-A/50-309 Survey to Assess ITTO Guidelines  
(ITTO Biennial Work Programme 2015-2016 Activity: 50) \$50,000.00

PP-A/50-310 Study on Regional ITTO Presence  
(ITTO Biennial Work Programme 2015-2016 Activity: 51) \$25,000.00

(iv) Additional funds for the continued implementation of the following Thematic Programme approved earlier:

PP-A/ 44-239 \$100,000.00  
Trade and Market Transparency (TMT)  
Decision 10(XLIV) - Additional Funding:

(v) Activity approved through Decision 6(XLVI):

PP-A/ 50-296 \$1,280,619.00  
Building the Capacities for Biodiversity Conservation in Trans-boundary  
Conservation Areas (TBCAs) in the Congo Basin Countries through SFM  
Practices and the Use of Satellite and Radar Imagery (Phase 1)

(vi) Activity recommended by the Committee on Finance and Administration:

PP-A/ 50-311 \$40,000.00  
Ensure the Smooth Transition of the Organization  
[Document CFA(XXIX/9)]

Note 1: Total pledges during 2014 amount to US\$8,315,320.07 (including the indicative figure of \$27,535.00 converted for JPY 3,000,000).

Note 2: Pledges made in currencies other than the US Dollars shall be converted at the prevailing rate of exchange on the date of receipt of funds.

**ANNEX 2**

**Projects and Pre-Projects Approved During 2014 Pending Financing**

PPD 169/13 Rev.2 (F) Identification of Project for the Reforestation and Management of the Large Ndjock-Lipan Forest Complex in the Bondjock, Department of Nyong et Kélé - Central Cameroon (Cameroon)	\$93,285.00
PPD 170/13 Rev.2 (F) Identification of a Project in Support of Natural Regeneration and the Establishment of Forest Plantations in the Mbam-and-Kim Department (Cameroon)	\$90,804.00
PPD 177/14 Rev.1 (F) Inventory of Mangrove Ecosystem and Development of a Management Plan for Gabon (Gabon)	\$95,928.00
PD 684/13 Rev.3 (F) Biodiversity Conservation with Collaboration of Local Communities in Traditionally Owned Forest Areas of South Western Ghana (Ghana)	\$489,194.00
PD 690/13 Rev.3 (F) Bamboo for Life: An Alternative for the Rehabilitation of Degraded Forests and Sustainable Rural Development in the Peruvian Amazon Region (Peru)	\$601,037.00
PD 709/13 Rev.2 (I) Enhancing Bali Wooden Handicraft Industry by Improving the Quality of Planted-Wood Raw Materials and Complying to Legality Standard (Indonesia)	\$540,008.00
PD 712/13 Rev.2 (F) Enhancing the Implementation of Landscape Management of Giam Siak Kecil-Bukit Batu Biosphere Reserve (GSK-BR) in Riau Province of Sumatra Island, Indonesia (Indonesia)	\$498,154.00
PD 713/13 Rev.2 (F) Operationalizing the Policy on Sustainable Management of Sandalwood Resource through Improved Livelihood and Increased Participation of Local Communities (Indonesia)	\$592,155.20
PD 717/13 Rev.2 (F) Enrichment of Young Forest Plantations with Selected NTFPs for Livelihood Improvement and Support of Forest Fringe Communities in Atwima Mponua District of Ghana, in Order to Secure and Protect the Resources on a Sustainable Forest Management Basis (Ghana)	\$414,904.00
PD 719/13 Rev.2 (I) Competitiveness and Business Strengthening for a Carpenter Group in Region VII (Huehuetenango-Quiché), Guatemala (Guatemala)	\$149,968.00
PD 721/13 Rev.2 (F) Building a Participatory and Inclusive Sustainable Forest Management Process for the Reduction of Deforestation and Forest Degradation in the Ixil Forest Areas of the Municipality of Nebaj, Quiché (Guatemala)	\$441,238.50
PD 736/14 Rev.1 (F) Enhancing Conservation and Sustainable Production of Indonesian Rosewood ( <i>Dalbergia</i> spp) (Indonesia)	\$414,792.00

PD 737/14 Rev.1 (I) Developing Supply Capacity of Wood-Based Biomass Energy through Improved Enabling Conditions and Efficient Utilization of Degraded Forest Lands Involving Local Communities in North Sumatra Province of Indonesia (Indonesia)	\$594,832.00
PD 739/14 Rev.1 (F) Initiating the Conservation of Eboni Species ( <i>Diospyros celebica</i> Bakh) Involving Local Stakeholders in Sulawesi (Indonesia)	\$402,550.00
PD 742/14 Rev.1 (F) Local Capacity Building for the Management of Secondary and Residual Primary Forests in the Provinces of Coronel Portillo and Padre Abad, Department of Ucayali, Peru (Peru)	\$522,637.00
PD 747/14 Rev.1 (F) Strengthening Community Forest Management Through The Implementation of Forest Training and Extension In Guatemala (Guatemala)	\$572,292.00
PPD 180/14 Rev.1 (F) Pre-Project for the Rehabilitation and Sustainable Management of the Mangrove Forests in the Coastal Area of Cote d'Ivoire (Cote d'Ivoire)	\$99,994.00
PPD 181/14 Rev.1 (F) Feasibility Study on the Payment of Ecosystem Services Provided by Forests in Benin (Benin)	\$71,098.00
PD 720/13 Rev.3 (I) Strengthening of Two Community Associations to Improve the Forest Industry in the Department of Huehuetenango, Guatemala (Guatemala)	\$129,371.00
PD 733/14 Rev.2 (F) Promoting Forest Restoration through Multiple-use of Degraded Forest Lands within Anwhiaso East Forest Reserve in Ghana (Ghana)	\$416,246.00
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Distr.  
GENERAL

ITTC(L)/20  
8 November 2014

Original: ENGLISH

FIFTIETH SESSION  
3-8 November 2014  
Yokohama, Japan

## DECISION 2(L)

### ITTO BIENNIAL WORK PROGRAMME FOR THE YEARS 2015-2016

The International Tropical Timber Council,

Appreciating the work of the Secretariat in liaising with members, the Trade Advisory Group (TAG) and the Civil Society Advisory Group (CSAG) in preparing its proposal to Council on the Biennial Work Programme for the years 2015-2016;

Noting further that activities listed in the Annex to this decision are derived from the following: (a) ITTA, 2006; (b) the ITTO Strategic Action Plan 2013-2018; (c) the four ITTO Committee Reports to the Fiftieth Session of Council; and (d) previous Council decisions;

Decides to:

1. Adopt the Biennial Work Programme for the years 2015-2016 as contained in the Annex to this Decision;
2. Authorize the Executive Director to seek voluntary contributions from Member Countries and other funding sources to finance implementation of the activities listed in the Annex;
3. Request the Executive Director to implement and/or facilitate the implementation of activities in the approved Biennial Work Programme for the years 2015-2016, as contained in the Annex; and
4. Request the Executive Director to report to Council on the progress in implementing the Biennial Work Programme for 2015-2016 during the Fifty-first and Fifty-second sessions of the Council.

## ANNEX

### BIENNIAL WORK PROGRAMME FOR 2015-2016

#### STRATEGIC PRIORITY 1: PROMOTE GOOD FOREST GOVERNANCE AND FINANCING FOR SUSTAINABLE FOREST MANAGEMENT

Activity	Implementation Approach and Cost	Expected SAP Outcomes	SAP Indicators	Activity Targets	Responsible Body
<p>1. Undertake studies in collaboration with relevant partner organizations to review the achievement of sustainable management of tropical timber producing forests. <i>[ITTA, 2006, Article 28(4a)]</i></p>	<p>Make provisions for work on the preparation of ITTO's third report on the State of Tropical Forest Management (SFM Tropics 2016). Analysis will be conducted for SFM progress against the baseline set in the SFM Tropics 2005 and 2011 reports.</p> <p>Estimated cost: US\$600,000            Expected funding sources: Voluntary Contributions            Year 2015–US\$400,000            Year 2016–US\$200,000</p>	<ul style="list-style-type: none"> <li>• Better managed forest sector with increased access to financing and investments</li> <li>• Increased forest area that is managed sustainably and legally harvested</li> <li>• Improvement in good governance and effectiveness of forest law enforcement</li> <li>• Reduction in illegal logging and resulting forest degradation</li> </ul>	<ul style="list-style-type: none"> <li>• Information available on implementation of SFM</li> <li>• Number of countries with appropriate policy framework and legislation that is consistent with ITTO Objectives</li> <li>• Member countries implementing policy framework to promote SFM</li> </ul>	<ul style="list-style-type: none"> <li>• SFM Tropics 2016 report published by the end of 2016</li> <li>• Special TFU published summarizing findings of SFM Tropics 2016 report</li> </ul>	<p>Council</p>
<p>2. Development of ITTO Guidelines to incorporate gender equity in the Organization's activities, programmes and projects in member countries.</p>	<p>A consultant will be recruited to draft ITTO guidelines on gender equity. To this end, he/she should:</p> <ul style="list-style-type: none"> <li>• Review the gender guidelines of other international organizations;</li> <li>• Analyze different ITTO instruments and tools particularly those that are most commonly used by ITTO member countries, and identify which of these instruments would require the incorporation of gender-related mechanisms for their implementation;</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in the awareness of the contribution of SFM to economies</li> <li>• Increase in exchange of experiences, knowledge innovations in SFM, and promotion of trade and timber</li> </ul>	<ul style="list-style-type: none"> <li>• Number of stakeholders participating in SFM policy development processes</li> </ul>	<ul style="list-style-type: none"> <li>• Adoption of ITTO Gender Guidelines.</li> </ul>	<p>Council</p>

	<ul style="list-style-type: none"> <li>• Prepare a draft of ITTO Gender Guidelines, including a training module;</li> <li>• Propose at least five gender-related indicators for future Strategic Action Plans and for future work.</li> </ul> <p>Estimated Cost: US\$35,000 Expected funding sources: Voluntary Contributions Year 2015–US\$35,000</p>	processing among members			
3. Demonstration and adoption of credit schemes for Small-Medium Forest Enterprises (SMFEs). [ITTA, 2006, Article 1(g)]	<p>Through a previous ITTO project, a credit scheme for SMFEs has been developed with the high potential of replication and scaling-up. The activity will assist three ITTO selected producer countries in replicating the credit scheme for SMFEs. This work commenced via a similar activity under the 2013-2014 BWP that was partially funded; this activity will continue and expand on the work provided for in 2013-2014.</p> <p>Estimated cost: US\$250,000 Expected funding sources: Voluntary Contributions Year 2015–US\$125,000 Year 2016–US\$125,000</p>	<ul style="list-style-type: none"> <li>• Better managed forest sector with increased access to financing and investments</li> </ul>	<ul style="list-style-type: none"> <li>• Member countries implementing policy framework to promote SFM</li> </ul>	<ul style="list-style-type: none"> <li>• The credit schemes for SMFEs replicated in three member countries</li> </ul>	CFI
4. Promote the publication, dissemination and application of the <i>ITTO Voluntary Guidelines for the Sustainable Management of Natural Tropical Forests</i> . [ITTA, 2006, Articles 1(c), (f), (l), (o), (p)] [ITTC Decision 4(XLIX)]	<p>Pursuant to Decision 4(XLIX) <i>ITTO Voluntary Guidelines for the Sustainable Management of Natural Tropical Forest</i>, the following activities are planned:</p> <p>(a) Publish the ITTO Voluntary Guidelines as a policy document in the three languages (English, French and Spanish) and disseminate these guidelines to key stakeholders in ITTO member countries and the international community.</p> <p>Estimated cost: US\$100,000 Expected funding sources: Voluntary Contributions Year 2015–US\$100,000</p> <p>(b) Organize three regional capacity building training workshops (one in each tropical region)</p>	<ul style="list-style-type: none"> <li>• Increased forest area that is managed sustainably and legally harvested.</li> <li>• Improvement in good governance and effectiveness of forest law enforcement</li> </ul>	<ul style="list-style-type: none"> <li>• Member countries implementing policy framework to promote SFM</li> <li>• Forest area under management plans</li> <li>• Forest area under SFM</li> </ul>	<ul style="list-style-type: none"> <li>• The ITTO Voluntary Guidelines for SFM published in three ITTO working languages in 2015</li> <li>• Three regional capacity building workshops conducted in three tropical regions in 2015 and 2016</li> </ul>	Council



	<p>to facilitate the effective and wider application of the Voluntary Guidelines in particular to revitalize and renew the basics of sustainable forest management especially among professional foresters of producer member countries.</p> <p>Estimated cost: US\$240,000          Expected funding sources: Voluntary Contributions (US\$50,000 already pledged under Activity 34 of the 2013-2014 BWP)          Year 2015–US\$110,000          Year 2016–US\$80,000</p>				
<p>5. Facilitate the improvement of forest concession policies and practices for tropical timber production forests.  <i>[ITTA, 2006, Articles 1 (i), (m), (n)]</i></p>	<p>This activity will facilitate the improvement of forest concession policies and practices for tropical timber production forests in collaboration with FAO, Brazilian Forest Service (BFS) and International Technical Tropical Timber Association (ATIBT) and other relevant organizations and institutions through:</p> <ul style="list-style-type: none"> <li>• Organization of an International Workshop on Forest Concessions in Porto Velho - Rondonia, Brazil in August 2015 (tentative);</li> <li>• Development and dissemination of a policy brief and a practical guide to enhance development, implementation and assessment of forest concession policies and practices for policy makers and forest managers and practitioners; and</li> <li>• Promotion of collaboration among ITTO member countries, co-organizers of the International Workshop, and relevant organizations and institutions.</li> </ul> <p>Estimated cost: US\$150,000          Expected funding sources: Voluntary Contributions          Year 2015–US\$150,000</p>	<ul style="list-style-type: none"> <li>• Increased forest area that is managed sustainably and legally harvested</li> <li>• Improvement in good governance and effectiveness of forest law enforcement</li> </ul>	<ul style="list-style-type: none"> <li>• Member countries implementing policy framework to promote SFM</li> <li>• Forest area under management plans</li> </ul>	<ul style="list-style-type: none"> <li>• International Workshop on Forest Concession convened in 2015</li> <li>• A policy brief and practical guidance developed in 2015</li> <li>• Promoted collaboration among ITTO member countries, co-organizers of the International Workshop, and relevant organizations and institutions</li> </ul>	<p>CRF</p>

<p>6. Continue to monitor progress in the application of criteria and indicators for sustainable forest management. [ITTC Decisions 3(XXVI), 5(XXX), 9(XXX), 4(XXXIV)]</p>	<p>Regular Sessions' work, which includes monitoring the implementation of Decision 4(XXXIV) under which 28 national workshops to promote application of C&amp;I have already been implemented. The two components below were also included in a similar activity under the 2013-2014 BWP that was partially funded; this activity will continue and expand on the work provided for in 2013-2014.</p> <p>(a) Make provision for an additional 2-3 national workshops on C&amp;I (with focus on new member countries) incorporating related topics such as auditing, certification, international reporting requirements, etc. into the workshop curricula.</p> <p>Estimated cost: US\$100,000 Expected funding sources: Voluntary Contributions Year 2015–US\$50,000 Year 2016–US\$50,000</p> <p>(b) Participate in international C&amp;I related meetings/discussions/initiatives, including the CPF Task Force on Streamlining Forest Reporting, initiatives to take advantage of synergies between ITTO and FAO forest reporting (SFM Tropics and FRA including the Collaborative Forest Resources Questionnaire) and relevant meetings of other C&amp;I processes.</p> <p>Estimated cost: US\$50,000 Expected funding sources: Voluntary Contributions Year 2015–US\$25,000 Year 2016–US\$25,000</p>	<ul style="list-style-type: none"> <li>• Increase forest area that is managed sustainably and legally harvested</li> </ul>	<ul style="list-style-type: none"> <li>• ITTO indicators for SFM</li> <li>• Forest area under management plans</li> <li>• Forest area under SFM</li> <li>• Forest area certified</li> </ul>	<p>(a)</p> <ul style="list-style-type: none"> <li>• Two to three national C&amp;I training workshops convened</li> </ul> <p>(b)</p> <ul style="list-style-type: none"> <li>• Relevant meetings attended; collaboration with FAO FRA enhanced</li> </ul>	<p>Council</p>
	<p><b>From BWP 2013-2014: US\$ 50,000</b> <b>Sub-total 2015: US\$ 995,000</b> <b>Sub-total 2016: US\$ 480,000</b> <b>Biennium Sub-total: US\$1,525,000</b></p>				

**STRATEGIC PRIORITY 2: INCREASE THE CONTRIBUTION OF TROPICAL FORESTS TO NATIONAL AND LOCAL ECONOMIES THROUGH INTERNATIONAL TRADE**

Activity	Implementation Approach and Cost	Expected SAP Outcomes	SAP Indicators	Activity Targets	Responsible Body
<p>7. World Teak Conference 2015: Strengthening the Global Teak Market for Sustainable Development. [ITTA, 2006, Articles 1(a), (b), (d), (e), (f), (g), (h), (i), (k), (p)]</p>	<p>In close cooperation with relevant international, regional and national organizations (TEAKNET, FAO, ASOTECA and IUFRO), the 3rd World Teak Conference 2015 will be organized in May 2015 in Ecuador. The Conference focuses on past achievements, the current state of knowledge and future challenges for the sustainable development of the global teak market. Conference presentations and discussions will include social, economic, technical and environmental issues that have an impact on the production, marketing and trade of teakwood.</p> <p>Estimated cost: US\$50,000 Expected funding sources: Voluntary Contributions Year 2015–US\$50,000</p>	<ul style="list-style-type: none"> <li>• Improved access to international markets for small and medium sized enterprises and community enterprises</li> <li>• Increase in diversity and quantity of efficiently produced value-added products from sustainable managed forests</li> <li>• Increased competitiveness and market access for tropical timber</li> </ul>	<ul style="list-style-type: none"> <li>• Value of exports of tropical forest products</li> <li>• Quantity of tropical timber exports recognized as originating from sustainably managed forests</li> <li>• Employment and value added in further processing in producer member countries</li> <li>• Diversity and quantity of value added products</li> </ul>	<ul style="list-style-type: none"> <li>• Bring in policy makers, researchers and academicians, practitioners, civil society, the private sector, and regional and international organizations engaged in the sustainable development of Teakwood to discuss on past achievements, the current state of knowledge and future challenges for the sustainable development of the global teak market.</li> </ul>	<p>CFI</p>
<p>8. Enhance cooperation between ITTO and CITES. [ITTA, 2006, Article 15] [ITTC Decisions 3(XVI), 7(XXXIV), 2(XXXVII), 5(XLVI)]</p>	<p>Continue to assist Members to implement CITES listings of timber species. Pursuant to Decision 5(XLVI) on “Multi-Donor Mechanism to Facilitate Enhanced Cooperation between ITTO and CITES”, a second grant of approximately US\$6,200,000 (EUR5,000,000) from the European Commission was approved in early 2012. This grant extends over a period of four years and allows continued implementation of the ITTO-CITES capacity building program which commenced in 2006. Matching ITTO contributions from other donors in the amount of approximately US\$3,063,725 during the four-year period are required under the contract with the EC, with US\$1,290,066 already pledged during 2011-</p>	<ul style="list-style-type: none"> <li>• Increased competitiveness and market access for tropical timber</li> <li>• Trade and utilization of timber and non-timber tropical forest species is consistent with their conservation</li> </ul>	<ul style="list-style-type: none"> <li>• Value of exports of tropical forest products</li> <li>• Quantity of tropical timber exports recognized as originating from sustainably managed forests</li> <li>• Number of commercial timber species and non-timber</li> </ul>	<ul style="list-style-type: none"> <li>• Three countries with improved inventory designs</li> <li>• Three tracking/monitoring systems established</li> <li>• Three regional training/experience workshops conducted</li> <li>• Reduced number of trade suspensions of</li> </ul>	<p>Council</p>

	<p>2013, leaving a balance of US\$1,773,659 to be sought until the end of the EC grant period in early 2016. The amount sought from donors during this biennium is therefore US\$886,830 per year.</p> <p>ITTO contributions: US\$1,773,659 Expected funding sources: Voluntary Contributions Year 2015–US\$886,830 Year 2016–US\$886,829</p>		tropical forest species listed in CITES Appendix I	CITES listed timber species	
	<p><b>Sub-total 2015: US\$ 936,830</b> <b>Sub-total 2016: US\$ 886,829</b> <b>Biennium Sub-total: US\$1,823,659</b></p>				

**STRATEGIC PRIORITY 3: ENHANCE THE CONTRIBUTION OF TROPICAL TIMBER PRODUCING FORESTS TO THE CONSERVATION AND SUSTAINABLE USE OF BIODIVERSITY**

Activity	Implementation Approach and Cost	Expected SAP Outcomes	SAP Indicators	Activity Targets	Responsible Body
<p>9. Consider impacts of conservation and protection in transboundary areas in relation to achieving SFM. [ITTA, 2006, Articles 1(m), (q), (n), (q), (r)] [ITTC Decision 2(XLV)]</p>	<p>Organize an international conference on biodiversity conservation in transboundary tropical forests with aim of promoting the development and implementation of forest policy, governance and institutional arrangements towards effective conservation and sustainable use of biodiversity in transboundary forests, taking into account ITTO and partners' experiences in transboundary conservation areas. This conference will be held in a selected country in the Congo Basin as a follow-up to the International Conference on Biodiversity Conservation in Transboundary Tropical Forests held in Quito, Ecuador on 21-24 July 2010 in collaboration with CBD Secretariat, IUCN and the Ministry of Environment of Ecuador. The conference in the Congo Basin will also cover the enhancement of forest law enforcement, and governance (FLEG) in tropical transboundary conservation areas.</p> <p>Estimated cost: US\$300,000 Expected funding sources: Voluntary Contributions Year 2015–US\$300,000</p>	<ul style="list-style-type: none"> <li>• Conservation and sustainable use of biodiversity in tropical timber producing forests is maintained and enhanced through SFM practices</li> <li>• Business models supporting the conservation and sustainable use of tropical forest biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>• Number of partnerships developed for biodiversity conservation</li> <li>• Extent of protected forest areas</li> </ul>	<ul style="list-style-type: none"> <li>• International Conference on Biodiversity Conservation in Transboundary Tropical Forests convened in 2015</li> </ul>	CRF

<p>10. Promote the conservation, restoration and sustainable management of mangrove ecosystems. [ITTA, 2006, Articles 1(f), (j), (m), (q), (r), (s)]</p>	<p>Strengthen practical actions and partnerships to facilitate the conservation, restoration and sustainable management of mangrove forests and ecosystems, specifically by:</p> <ul style="list-style-type: none"> <li>• Reviewing actions having been taken by ITTO and other organizations and stakeholders to conserve, restore and sustainably manage mangrove forests and ecosystems, including best practices and innovative approaches such as PES; and</li> <li>• Organizing an international conference in June/July 2016 in close collaboration with ISME and other partners to: <ul style="list-style-type: none"> <li>• Share lessons learned and challenges and opportunities recognized for the conservation, restoration and sustainable management of mangrove forests and ecosystems; and</li> <li>• Discuss and identify strategies and practical actions which ITTO and its member countries can take, such as the development of a comprehensive action plan, the improvement of database and information system and the enhancement of partnerships for knowledge sharing and capacity development.</li> </ul> </li> </ul> <p>Estimated cost: US\$300,000 Expected funding sources: Voluntary Contributions Year 2015-US\$50,000 Year 2016-US\$250,000</p>	<ul style="list-style-type: none"> <li>• Conservation and sustainable use of biodiversity in tropical timber producing forests is maintained and enhanced</li> <li>• Increase in exchange of experiences, knowledge innovations in SFM, and promotion of trade and timber processing among members</li> </ul>	<ul style="list-style-type: none"> <li>• Area of restored forest habitats</li> <li>• Number of partnerships developed for forest conservation and restoration</li> <li>• Extent of protected forest areas</li> </ul>	<ul style="list-style-type: none"> <li>• A synthesis report produced to review the actions having been taken by ITTO and other organizations and stakeholders; and</li> <li>• An international conference on mangrove forests convened in 2016</li> </ul>	<p>CRF</p>
<p>11. Facilitate the application of the <i>ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Timber Production Forests</i>. [ITTA, 2006, Articles 1(m), (r)]</p>	<p>Pursuant to Decision 6(XLVI), application of the ITTO/IUCN Biodiversity Guidelines will be promoted through the following actions:</p> <ul style="list-style-type: none"> <li>• Organization of three regional capacity building training workshops (one in each tropical region), as part of the ITTO/CBD Collaborative Initiative for Tropical Forest Biodiversity (ITTO/CBD Initiative), to facilitate the wider and effective application of the ITTO/IUCN Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>• Conservation and sustainable use of biodiversity in tropical timber producing forests is maintained and enhanced through SFM practices</li> </ul>	<ul style="list-style-type: none"> <li>• Number of partnerships developed for biodiversity conservation</li> </ul>	<ul style="list-style-type: none"> <li>• Three regional training workshops convened</li> <li>• Participation of ITTO at the relevant international meetings increased in 2015 and 2016, including the</li> </ul>	<p>CRF</p>

<p><i>[ITTC Decision 6(XLVI)]</i></p>	<p>Guidelines;</p> <ul style="list-style-type: none"> <li>• Awareness raising and promotion of partnerships and fundraising at the international meetings for the wider application of ITTO/IUCN Biodiversity Guidelines and the implementation of ITTO/CBD Initiative, and dissemination and promotion of ITTO/IUCN Biodiversity Guidelines at other relevant fora;</li> <li>• Organization of side events at the relevant major international meetings, such as CBD COPs, on the achievements of ITTO/CBD Initiative and their contribution to the attainment of forest-related Aichi Biodiversity Targets; and</li> <li>• Enhancement of the organized participation of ITTO member countries in the global debate related to the biodiversity conservation and landscape restoration to facilitate them in taking integrated approaches toward the conservation of biodiversity in tropical forests, including the effective and wider application of ITTO/IUCN Biodiversity Guidelines.</li> </ul> <p>Estimated cost: US\$340,000 Expected funding sources: Voluntary Contributions Year 2015–US\$170,000 Year 2016–US\$170,000</p>			<p>organization of side events</p>	
	<p><b>Sub-total 2015: US\$520,000</b> <b>Sub-total 2016: US\$420,000</b> <b>Biennium Sub-total: US\$940,000</b></p>				

**STRATEGIC PRIORITY 4: REDUCE TROPICAL DEFORESTATION AND FOREST DEGRADATION AND ENHANCE PROVISION OF ENVIRONMENTAL SERVICES**

Activity	Implementation Approach and Cost	Expected SAP Outcomes	SAP Indicators	Activity Targets	Responsible Body
<p>12. In cooperation with relevant organizations, continue to study the implications of climate change for</p>	<p>(a) Support is required for ITTO to provide information for members interested in formulating and implementing an integrated forest sector response to climate change, and for participation in global debates related to the role of tropical forests in climate change mitigation and</p>	<ul style="list-style-type: none"> <li>• Increase in the capacity of members to address climate change adaptation and</li> </ul>	<ul style="list-style-type: none"> <li>• Number of member countries with forest policy framework for climate change</li> </ul>	<p>a)</p> <ul style="list-style-type: none"> <li>• Participation in two UNFCCC COPs in 2015 and 2016 and the organization of side events</li> </ul>	<p>Council</p>

<p>tropical forests and the contribution of tropical forests to the mitigation of the effects of climate change. [ITTA, 2006, Articles 1(f), (p)] [ITTC Decision 1(XXXVIII)]</p>	<p>adaptation, including:</p> <ul style="list-style-type: none"> <li>• Attendance at UNFCCC meetings where tropical forests will be brought to debate;</li> <li>• Facilitate the participation of ITTO member countries in events where the theme of forests and climate change will be high in the agenda; and</li> <li>• Organization of a side event at UNFCCC COPs on the role of sustainable forest management in the tropics to support climate change mitigation and adaptation, and to restore degraded tropical forests.</li> </ul> <p>Estimated cost: US\$100,000 Expected funding sources: Voluntary Contributions Year 2015–US\$50,000 Year 2016–US\$50,000</p> <p>(b) Study on carbon removals and emissions associated with production and use of harvested tropical wood products:</p> <ul style="list-style-type: none"> <li>• Review of the relevant documents and research findings for the estimation of carbon removals and emissions, including the related work of ITTO;</li> <li>• Implementation of a case study to estimate carbon content, emissions from production and duration in the end-use markets for some selected tropical wood products; and</li> <li>• Identification of methodologies available for the estimation of long-term carbon removals and emissions associated with the production and use of tropical wood products.</li> </ul> <p>Estimated cost: US\$70,000 Expected funding sources: Voluntary Contributions Year 2015–US\$70,000</p>	<p>mitigation through SFM</p> <ul style="list-style-type: none"> <li>• Financial support for SFM is increased by payments for the environmental services of tropical forests</li> <li>• Increase in income generation based on forest related environmental services and other forest outputs</li> </ul>	<p>mitigation and adaptation</p> <ul style="list-style-type: none"> <li>• Number of countries with initiatives in place for payments for environmental services or similar mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in four selected forest and climate change related meetings</li> </ul> <p>(b)</p> <ul style="list-style-type: none"> <li>• A case study conducted to estimate carbon content, emissions from processing and duration in the end-use markets</li> <li>• A synthesis report on the methodologies available for the estimation of carbon removals and emissions associated with the production and use of tropical wood products</li> </ul>	
<p>13.Continue to promote the understanding of</p>	<p>As a follow-up to the recommendations of the International Forum on Payments for Environmental</p>	<ul style="list-style-type: none"> <li>• Financial support for SFM is</li> </ul>	<ul style="list-style-type: none"> <li>• Number of countries with</li> </ul>	<p>(a)</p> <ul style="list-style-type: none"> <li>• Nine case studies</li> </ul>	<p>CRF</p>

<p>the contribution of environmental services to the sustainable management of tropical forests. <i>[Decision 2(XLVII)]</i></p>	<p>Services of Tropical Forests (San José, Costa Rica on 7-10 April 2014) jointly organized by ITTO, FAO, and Costa Rica's National Fund for Forest Finance (FONAFIFO), this activity will continue the promotion of PES schemes to support innovative and sustainable financing for SFM.</p> <p>(a) Make provision for the conduct of PES case studies from selected successful initiatives by assessing development policies, laws, governance and institutional implementation arrangements to enable the effective design and implementation of PES schemes in the tropics.</p> <p>Estimated cost: US\$100,000 Expected funding sources: Voluntary Contributions Year 2015–US\$50,000 Year 2016–US\$50,000</p> <p>(b) Participate in important international PES related meetings/networks, including financing for SFM</p> <p>Estimated cost: US\$40,000 Expected funding sources: Voluntary Contributions Year 2015–US\$20,000 Year 2016–US\$20,000</p>	<p>increased by payments for the environmental services of tropical forests</p> <ul style="list-style-type: none"> <li>• Increase in income generation based on forest related environmental services and other forest outputs</li> </ul>	<p>initiatives in place for payments for environmental services or similar mechanisms</p>	<p>from successful examples of PES schemes conducted</p> <p>(b)</p> <ul style="list-style-type: none"> <li>• Relevant PES meetings/networks attended; collaboration with other organizations to promote PES schemes enhanced</li> </ul>	
<p>14. Contribute to national and international efforts in the prevention and management of fire in tropical timber-producing forests. <i>[ITTA, 2006, Article 1(m)]</i> <i>[ITTC Decision 6(XXXIII)]</i></p>	<p>(a) Together with FAO review and update the ITTO Guidelines on Fire Management in Tropical Forests and the FAO Fire Management Voluntary Guidelines to take into account scientific insights into the state of forests and forest protection in the tropics in the last 15 years and the progress made in fire management and climate change research and development globally</p> <p>Estimated cost: US\$100,000 Expected funding sources: Voluntary Contributions Year 2015–US\$80,000 Year 2016–US\$20,000</p>	<ul style="list-style-type: none"> <li>• Increase in the capacity of members to address climate change adaptation and mitigation through SFM</li> <li>• Increase in area of forest under SFM and use of ITTO guidelines and C&amp;I</li> </ul>	<ul style="list-style-type: none"> <li>• Number of member countries with forest policy framework for climate change mitigation and adaptation</li> <li>• Number of countries with initiatives in place for payments for environmental</li> </ul>	<ul style="list-style-type: none"> <li>• Revised ITTO Guidelines published in 2016</li> <li>• Assistance to three preparatory fora in three ITTO producing regions provided</li> <li>• Assistance to the 6<sup>th</sup> International Wildland Fire Conference provided to 6 participants from</li> </ul>	<p>CRF</p>



	<p>FAO: TBD (approx. US\$10,000)</p> <p>(b) Make provisions for ITTO's contributions to the United Nations International Strategy for Disaster Reduction (UNISDR) Global Wildland Advisory Group, and the related Global Wildland Fire Network (GWFN) / Global Fire Monitoring Center (GFMC), and provide support for the Africa, Asia, and Latin America Regional Wildland Fire Networks and other inter-institutional cooperation efforts in their preparatory meetings for the 6<sup>th</sup> International Wildland Fire Conference to be held in 2015 in South Korea, and further organize a side-event and support the attendance of up to 18 participants from producer member countries implementing ITTO fire-related projects to present and interchange experiences at the 6<sup>th</sup> International Wildland Fire Conference to be held in 2015 in South Korea.</p> <p>Estimated cost: US\$100,000 Expected funding sources: Voluntary Contributions Year 2015–US\$100,000</p>		<p>services or similar mechanisms</p>	<p>each of the three ITTO producing regions and the organization of a side event</p>	
	<p><b>Sub-total 2015: US\$370,000</b> <b>Sub-total 2016: US\$140,000</b> <b>Biennium Sub-total: US\$510,000</b></p>				

**STRATEGIC PRIORITY 5: IMPROVE THE QUALITY AND AVAILABILITY OF INFORMATION ON TROPICAL FORESTS, TIMBER MARKETS AND TRADE**

Activity	Implementation Approach and Cost	Expected SAP Outcomes	SAP Indicators	Activity Targets	Responsible Body
<p>15. Continue to publish the ITTO Tropical Forest Update (TFU). [ITTA, 2006, Articles 27, 28]</p>	<p>Regular Sessions' work.</p> <p>Estimated cost: US\$520,000 Expected funding sources: Core Operational Costs Year 2015–US\$260,000 Year 2016–US\$260,000</p>	<ul style="list-style-type: none"> <li>• Information on tropical forests, production of timber and non-timber forest products and trade is accurate and widely available</li> <li>• Accurate information is used by ITTO members in policy making, forest management, market development and investment promotion</li> </ul>	<ul style="list-style-type: none"> <li>• Number of countries using information for policy, market development and investment promotion</li> </ul>	<ul style="list-style-type: none"> <li>• Up to four issues of TFU published and distributed in three ITTO working languages both in 2015 and 2016</li> </ul>	<p>Council</p>
<p>16. Collaborate with the Trade Advisory Group (TAG) in organizing and holding the ITTO Annual Market Discussion on the world tropical timber trade during Sessions of the ITTC in 2015 and 2016. [ITTA, 2006, Articles 1(e), (h)]</p>	<p>Regular Sessions' work. The themes for the Annual Market Discussions will be determined at the Council Sessions immediately preceding the discussions.</p> <p>Estimated cost: US\$70,000 Expected funding sources: Core Operational Costs Year 2015–US\$35,000 Year 2016–US\$35,000</p>	<ul style="list-style-type: none"> <li>• Information on tropical forests, production of timber and non-timber forests products and trade is accurate and widely available</li> <li>• Accurate information is used by ITTO members in policy making, forest</li> </ul>	<ul style="list-style-type: none"> <li>• Number of ITTO members providing timely, accurate data</li> <li>• Number of countries using information for policy, market development and investment promotion</li> </ul>	<ul style="list-style-type: none"> <li>• ITTO Annual Market Discussions convened in 2015 and 2016</li> </ul>	<p>Council</p>

		management, market development and investment promotion			
17. Continue to publish the ITTO Market Information Service (MIS). <i>[ITTA, 2006, Articles 27, 28]</i>	Regular Sessions' work.  Estimated cost : US\$400,000 Expected funding sources: Core Operational Costs Year 2015–US\$200,000 Year 2016–US\$200,000	<ul style="list-style-type: none"> <li>• Information on tropical forests, production of timber and non-timber forest products and trade is accurate and widely available</li> <li>• Accurate information is used by ITTO members in policy making, forest management, market development and investment promotion</li> </ul>	<ul style="list-style-type: none"> <li>• Number of ITTO members providing timely, accurate data</li> <li>• Coverage and accessibility of ITTO databases</li> <li>• Number of countries using information for policy, market development and investment promotion</li> </ul>	<ul style="list-style-type: none"> <li>• Up to forty-six TTMRs published in 2015 and 2016 (23 issues per year)</li> </ul>	CEM
18. Enhancement of statistical work and databases on statistics. <i>[ITTA, 2006, Article 27]</i>	Regular Sessions' work. The Committee will make provisions for and consider the results of activities to improve statistical databases, maintain access to international forest products trade databases and to maintain involvement in the Intersecretariat Working Group on Forest Statistics and the Joint Forest Sector Questionnaire process.  Estimated cost: US\$40,000 Expected funding sources: Core Operational Costs Year 2015–US\$20,000 Year 2016–US\$20,000	<ul style="list-style-type: none"> <li>• Information on tropical forests, production of timber and non-timber forests products and trade is accurate and widely available</li> <li>• Accurate information is used by ITTO members in policy making,</li> </ul>	<ul style="list-style-type: none"> <li>• Number of ITTO members providing timely, accurate data</li> <li>• Coverage and accessibility of ITTO databases</li> <li>• Number of countries using information for policy, market development and investment promotion</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in two meetings of the Intersecretariat Working Group in 2015 and 2016</li> <li>• Updating and refinement of JFSQ</li> </ul>	CEM

		forest management, market development and investment promotion			
<p>19. Further enhance public relations, education and outreach activities to best convey the achievement of the Organization. [ITTA, 2006, Article 1] [ITTC Decision 5(XXVII)]</p>	<p>Regular Sessions' work.</p> <p>Continue to ensure that ITTO reaches as wide an audience as possible by:</p> <p>(a) Undertaking regular communications and outreach activities including, inter alia, improvements and updates to the ITTO website in the three official languages; publishing and disseminating relevant ITTO reports, including annual reports; newsletters, editing, producing and disseminating public relations materials (posters, brochures, pamphlets, calendars, etc.).</p> <p>Estimated cost: US\$204,021 Expected funding sources: Core Operational Costs Year 2015–US\$114,021 Year 2016–US\$ 90,000</p> <p>(b) Outreach materials and booths to exhibit the work of ITTO at relevant international events during the biennium (e.g. UNFCCC CoP21 in Paris 2015, XIV World Forestry Congress, CBD CoP in 2016, UNFF-11, 23-COFO, and other fora not covered under other BWP activities)</p> <p>Estimated cost: US\$169,308 Expected funding sources: Core Operational Costs Year 2015–US\$84,654 Year 2016–US\$84,654</p>	<ul style="list-style-type: none"> <li>• Information on tropical forests, production of timber and non-timber forest products and trade is accurate and widely available</li> <li>• Accurate information is used by ITTO members in policy making, forest management, market development and investment promotion</li> </ul>	<ul style="list-style-type: none"> <li>• Number of countries using information for policy, market development and investment promotion</li> </ul>	<p>(a)</p> <ul style="list-style-type: none"> <li>• Up to three new technical series documents published and disseminated</li> <li>• Issue of Tropical Forest News newsletter ever two months,</li> <li>• New posters, pamphlets and leaflets published</li> <li>• Two Annual Reports in three languages published</li> <li>• Photo database enhanced</li> <li>• New ITTO website with improve design and functionalities</li> </ul> <p>(b)</p> <ul style="list-style-type: none"> <li>• Exhibiting the work of ITTO at up to five international for a</li> </ul>	Council

	<p>(c) Coverage of ITTC session by the Earth Negotiations Bulletin (ENB)</p> <p>Estimated cost: US\$100,000 Expected funding sources: Voluntary contributions Year 2015–US\$50,000 Year 2016–US\$50,000</p>			<p>(c)</p> <ul style="list-style-type: none"> <li>• Daily digital coverage of ITTC sessions</li> </ul>	
<p>20. Improve branding, positioning and marketing of ITTO. [ITTA, 2006, Articles 1(a), (b), (f), (h), (o)]</p>	<p>As a follow-up to the fundraising and knowledge management strategies developed for ITTO under the BWP 2013-2014, this activity aims at improving ITTO's visibility among international organizations, as well as other platforms (i.e. private sector, academy, donors, NGOs, etc.) by delivering compelling case studies and messages on the added value of the work of ITTO in promoting SFM and legal and sustainable timber trade.</p> <p>Estimated cost: US\$250,000 Expected funding sources: Voluntary Contributions Year 2015–US\$150,000 Year 2016–US\$100,000</p>	<ul style="list-style-type: none"> <li>• Information on tropical forests, production of timber and non-timber forests products and trade is accurate and widely available</li> <li>• Accurate information is used by ITTO members in policy making, forest management, market development and investment promotion</li> </ul>	<ul style="list-style-type: none"> <li>• Number of countries using information for policy, market development and investment promotion</li> </ul>	<ul style="list-style-type: none"> <li>• Two high quality videos of the work of the organization;</li> <li>• Multimedia developed and disseminated;</li> <li>• Printed material (pamphlets, brochures, and posters)</li> </ul>	Council
<p>21. Implementation of the ITTO Knowledge Management Strategy and Action Plan – [ITTA, 2006, Articles 1(c), (r)]</p>	<p>The activity is the continuation of Activity 22 under the BWP 2013-2014 to 'Develop an ITTO knowledge management strategy and knowledge management guidelines' and comprises the implementation of the 'ITTO Knowledge Management Strategy and Action Plan' approved at the 49th ITTC, Libreville, Gabon. It includes the following components:</p> <p>a) ITTO staff capacity building/training</p> <p>Estimated cost: US\$30,000 Expected funding sources: Voluntary Contributions</p>	<ul style="list-style-type: none"> <li>• Information on tropical forests, production of timber and non-timber forest products and trade is accurate and widely available</li> <li>• Improved use of ITTO data by other</li> </ul>	<ul style="list-style-type: none"> <li>• Coverage and accessibility of ITTO databases</li> <li>• Number of countries using information for policy, market development and investment promotion</li> </ul>	<ul style="list-style-type: none"> <li>• ITTO Staff training on communication tools including social networks;</li> <li>• Improved ITTO networking in particular at the regional level</li> <li>• Targeted publications on specific projects</li> <li>• Re-examination</li> </ul>	Council

	<p>(US\$30,000 from Activity 22 of the BWP 2013-2014)</p> <p>b) Enhanced learning and networking including at the regional level (through ITTO regional officers)</p> <p>Estimated cost: US\$30,000 Expected funding sources: Voluntary Contributions (US\$30,000 from Activity 22 of the BWP 2013-2014)</p> <p>c) Re-examination of the ITTO KM Strategy overall goals and objectives</p> <p>Estimated cost: US\$20,000 Expected funding sources: Voluntary Contributions (US\$20,000 from Activity 22 of the BWP 2013-2014)</p> <p>d) Targeted publications and other materials synthesizing key results of ITTO projects</p> <p>Estimated cost: US\$100,000 Expected funding sources: Voluntary Contributions Year 2015–US\$50,000 Year 2016–US\$50,000</p>	institutions and processes		report of the KM Strategy & Action Plan objectives	
<p>22. Undertake the biennial review and assessment of the world timber situation. [ITTA, 2006, Article 28]</p>	<p>(a) Publication of the biennial review and assessment of the world timber situation for 2013-2014 in the first half of 2015.</p> <p>Estimated cost: US\$40,000 Expected funding sources: Core Operational Costs Year 2015–US\$40,000</p> <p>(b) Consideration of the draft elements for the biennial review and assessment of the world timber situation for 2015-2016.</p> <p>Estimated cost: US\$50,000 Expected funding sources: Core Operational Costs</p>	<ul style="list-style-type: none"> <li>• Information on tropical forests, production of timber and non-timber forest products and trade is accurate and widely available</li> <li>• Accurate information is used by ITTO members in policy making,</li> </ul>	<ul style="list-style-type: none"> <li>• Number of ITTO members providing timely, accurate data</li> <li>• Number of countries using information for policy, market development and investment promotion</li> </ul>	<p>(a) Biennial review and assessment published in 2015</p> <p>(b) Draft elements considered at the Fifty-second Session of the Council in 2016</p>	Council

	Year 2016–US\$50,000	forest management, market development and investment promotion			
23. Creation of web-based 'One-Stop' interactive profiles of the wood based industry, trade and forestry sectors in producer member countries to support tropical timber market transparency and diversification. <i>[ITTA, 2006, Article 1]</i>	<p>The activity will present in one easily accessible website on the ITTO home page the vast intelligence ITTO has on the industry and trade in producer member countries. This will be complemented by information provided directly by government agencies, trade/industry associations and private enterprises in producer member countries. The website will also include information on steps taken in each country to ensure legality of timber production, thereby assisting importers with due diligence requirements.</p> <p>Estimated cost: US\$150,000 Expected funding sources: Voluntary Contributions Year 2015–US\$100,000 Year 2016–US\$50,000</p>	<ul style="list-style-type: none"> <li>• Information on tropical forests, production of timber and non-timber forest products and trade is accurate and widely available</li> </ul>	<ul style="list-style-type: none"> <li>• Number of countries using information for policy, market development and investment promotion</li> <li>• Number of ITTO members providing timely, accurate data</li> </ul>	<ul style="list-style-type: none"> <li>• Development and promotion of the web based producer country trade/industry profiles</li> <li>• An increase in inquiries to tropical timber exporters from traditional and emerging markets</li> <li>• An increase in the number of markets supplied</li> <li>• An increase in the number of products exported to traditional and emerging markets</li> </ul>	CEM
24. Development of Environmental Product Declaration (EPD) for selected tropical wood products. <i>[ITTA, 2006, Articles 1(a), (f), (s)]</i>	<p>This activity will compile Environmental Product Declarations (EPDs) through the development of a Life Cycle Inventory database and Life Cycle Assessment (LCA) reports for three products, complementing the work already done to develop EPDs for meranti plywood, ipe decking and khaya lumber under the 2013-2014 BWP. This activity was submitted and endorsed by ITTO's Trade Advisory Group.</p> <p>Estimated cost: US\$180,000 Expected funding sources: Voluntary Contributions Year 2015–US\$90,000 Year 2016–US\$90,000</p>	<ul style="list-style-type: none"> <li>• Accurate information is used by ITTO members in policy making, forest management, market development and investment promotion</li> </ul>	<ul style="list-style-type: none"> <li>• Number of countries using information for policy, market development and investment promotion</li> </ul>	<ul style="list-style-type: none"> <li>• LCA reports, carbon footprint and EPD developed for three products</li> </ul>	CFI

<p>25. Promote trade in tropical timber and tropical timber products from sustainably managed and legally harvested sources. [ITTA, 2006, Articles 1(d), (k), (n), (o)]</p>	<p>Further promote the development and implementation of web-based information systems designed and operated to make sound data and information available to assist consumers in identifying/purchasing legally/sustainably produced timber, in cooperation with governments and public-private partnerships.</p> <p>ITTO finalized a 4.4 million euro contract (including EUR 375,000 to be provided as an in-kind contribution by ITTO) with the European Union in 2014 to establish an Independent Market Monitoring system for FLEGT-licensed timber entering the EU market. This activity was included under Activity 25 of the 2013-2014 BWP whose implementation approach (above) and objectives were closely related. The IMM will be implemented from 2014-2018 and progress will be reported to the CEM under this BWP activity during 2015-2016.</p> <p>Activity No.: PP-A/49-291 EU Contract Number: DCI-ENV/2013/316-244</p> <p>Estimated cost: Fully funded by EU grant of EUR 4 million through 2018.</p>	<ul style="list-style-type: none"> <li>• Accurate information is used by ITTO members in policy making, forest management, market development and investment promotion</li> <li>• Information on tropical forests, production of timber and non-timber forests products and trade is accurate and widely available</li> </ul>	<ul style="list-style-type: none"> <li>• Coverage and accessibility of ITTO databases</li> <li>• Number of countries using information for policy, market development and investment promotion</li> <li>• Number of ITTO members and other stakeholders providing timely, accurate data</li> </ul>	<ul style="list-style-type: none"> <li>• IMM system developed and implemented</li> </ul>	<p>CEM</p>
	<p><b>From BWP 2013-2014: US\$ 80,000</b>  <b>Sub-total 2015: US\$1,203,675</b>  <b>Sub-total 2016: US\$1,069,654</b>  <b>Biennium Sub-total: US\$2,353,329</b>  <i>(not including Activity 25)</i></p>				

**STRATEGIC PRIORITY 6: BUILD AND DEVELOP HUMAN RESOURCE CAPACITY TO IMPLEMENT SFM AND INCREASE TRADE IN FOREST GOODS AND SERVICES FROM SUSTAINABLY MANAGED FORESTS**

Activity	Implementation Approach and Cost	Expected SAP Outcomes	SAP Indicators	Activity Targets	Responsible Body
<p>26. Consider advice from and facilitate involvement of the Trade Advisory Group (TAG) and the Civil Society</p>	<p>Regular Sessions' work. Encourage support for the participation of TAG and CSAG members in Council Sessions.</p> <p>Estimated cost: US\$80,000 Expected funding sources: Voluntary Contributions</p>	<ul style="list-style-type: none"> <li>• Public institutions, communities and commercial entities have adequate</li> </ul>	<ul style="list-style-type: none"> <li>• Number of stakeholders participating in SFM policy development processes</li> </ul>	<ul style="list-style-type: none"> <li>• At least four representatives from TAG and CSAG assisted to participate in the Sessions of the</li> </ul>	<p>Council</p>



<p>Advisory Group (CSAG). <i>[ITTC Decisions 9(XXVIII), 2(XXXII)]</i></p>	<p>Year 2015–US\$40,000 Year 2016–US\$40,000</p>	<p>forest management, planning, policy and business skills needed to implement SFM and engage in international trade</p> <ul style="list-style-type: none"> <li>• Increase in the awareness of the contribution of SFM to economies</li> <li>• Increase in exchange of experiences, knowledge innovations in SFM, and promotion of trade and timber processing among members</li> </ul>		<p>Council in 2015 and 2016</p>	
<p>27. Continue to provide for ITTO's cooperation and consultation with the Collaborative Partnership on Forests (CPF) in support of the United Nations Forum on Forests (UNFF) and other relevant international and regional organizations, institutions and</p>	<p>Maintain ITTO's active involvement in the CPF and UNFF by providing relevant inputs, participating effectively in the relevant activities, work and meetings of the UNFF and CPF and shouldering part of the costs of relevant work and activities on the basis of equitable cost-sharing with other members of the CPF.</p> <p>Estimated cost: US\$100,000 Expected funding sources: Voluntary Contributions Year 2015–US\$50,000 Year 2016–US\$50,000</p>	<ul style="list-style-type: none"> <li>• Public institutions, communities and commercial entities have adequate forest management, planning, policy and business skills needed to implement SFM and engage in international trade</li> <li>• Increase in the awareness of the</li> </ul>	<ul style="list-style-type: none"> <li>• Number of stakeholders participating in SFM policy development processes</li> </ul>	<ul style="list-style-type: none"> <li>• Participation of ITTO in UNFF11 in 2015 and up to four CPF meetings in 2015 and 2016</li> <li>• Contributions to up to three CPF joint initiatives in 2015 and 2016</li> </ul>	<p>Council</p>

<p>initiatives. [ITTA, 2006, Article 15] [ITTC Decision 7(XXX)]</p>		<p>contribution of SFM to economies</p> <ul style="list-style-type: none"> <li>• Increase in exchange of experiences, knowledge innovations in SFM, and promotion of trade and timber processing among members</li> </ul>			
<p>28. Decide on eligible fellowship applications in 2015 and 2016 based on the recommendations of the Fellowship Selection Panel. [ITTC Decision 4(XXVII)]</p>	<p>The objective of the fellowship programme is to develop human resources and enhance professional expertise in member countries in tropical forestry and related disciplines, with a view to promoting sustainable management of tropical forests, efficient utilization and processing of tropical timber, and better economic information on the international trade in tropical timber. Eligible activities include:</p> <ul style="list-style-type: none"> <li>• Participation in short term training courses, training internships, study tours, lecture/demonstration tours and international/regional conferences;</li> <li>• Technical document preparation, publication and dissemination, such as manuals and monographs; and</li> <li>• Postgraduate studies.</li> </ul> <p>Estimated cost: US\$800,000 Expected funding sources: Voluntary Contributions Year 2015–US\$400,000 Year 2016–US\$400,000</p>	<ul style="list-style-type: none"> <li>• Public institutions, communities and commercial entities have adequate forest management, planning, policy and business skills needed to implement SFM and engage in international trade</li> <li>• Increase in the awareness of the contribution of SFM to economies</li> <li>• Local communities are informed and able to participate in SFM policy development and related activities</li> </ul>	<ul style="list-style-type: none"> <li>• Number of individuals receiving training or education</li> <li>• Number of trained individuals per hectare of forest per country</li> <li>• Number of visitors to ITTO's website</li> </ul>	<ul style="list-style-type: none"> <li>• 100-120 fellowships awarded in 2015 and 2016</li> <li>• Fellowship alumni network maintained</li> </ul>	<p>Council</p>

		<ul style="list-style-type: none"> <li>• Increase in exchange of experiences, knowledge innovations in SFM, and promotion of trade and timber processing among members</li> </ul>			
<p>29. Enhance the technical capacity of member countries, particularly developing member countries, to meet the statistics and reporting requirements. <i>[[ITTA, 2006, Article 28(5)]</i></p>	<p>Upon request, provide assistance (in liaison with FAO and other partners) to member countries to strengthen their statistics collection and enhance reporting.</p> <p>Estimated cost: US\$100,000 Expected funding sources: Voluntary Contributions Year 2015–US\$50,000 Year 2016–US\$50,000</p>	<ul style="list-style-type: none"> <li>• Public institutions, communities and commercial entities have adequate forest management, planning, policy and business skills needed to implement SFM and engage in international trade</li> <li>• Increase in the awareness of the contribution of SFM to economies</li> <li>• Increase in exchange of experiences, knowledge innovations in SFM, and promotion of trade and timber processing among members</li> </ul>	<ul style="list-style-type: none"> <li>• Number of individuals receiving training or education</li> </ul>	<ul style="list-style-type: none"> <li>• Up to four country-level and/or regional workshops conducted in 2015 and 2016</li> </ul>	<p>CEM</p>

<p>30. Strengthening the capacity to promote efficient wood processing technologies in tropical timber producing countries. [ITTA, 2006, Articles 1(f), (i)]</p>	<p>This activity will be undertaken in producer member countries in Africa, Asia Pacific and Latin America and the Caribbean regions where forest industry production chains encounter problems of inefficiency and lack of human resource capacity. Forest industries, forest industry associations, forestry training and research institutions, as well as representatives from relevant government agencies will take part in the in-house training.</p> <p>Related work commenced via a similar activity under the 2013-2014 BWP that was partially funded; this activity will continue and expand on the work already provided for in 2013-2014.</p> <p>Estimated cost: US\$250,000 Expected funding sources: Voluntary Contributions Year 2015–US\$125,000 Year 2016–US\$125,000</p>	<ul style="list-style-type: none"> <li>• Increase in the awareness of the contribution of SFM in policy development and related activities</li> <li>• Increase in exchange of experiences, knowledge innovations in SFM, and promotion of trade and timber processing among members</li> </ul>	<ul style="list-style-type: none"> <li>• Number of factories receiving training</li> </ul>	<ul style="list-style-type: none"> <li>• The scope of the in-house training will include strengthening capacity in common problem areas in the wood-based industries, namely: log stocking and loading, kiln drying and boilers, saw doctoring, finger jointing, laminating, packaging, waste control, maintenance and work safety</li> </ul>	CFI
<p>31. Matching the needs of forest industry with the innovations, technologies and know-how developed through ITTO projects. [ITTA, 2006, Articles 1(f), (i), (p)]</p>	<p>This activity will build on the results of a similar activity carried out under the 2013-2014 BWP, which aimed at strengthening ITTO's outreach by making better use of information developed by ITTO's past projects. Opinions expressed in a stakeholder survey resulted in focusing this activity on making existing knowledge about lesser used species generated by ITTO projects more readily available.</p> <p>A dedicated and scalable web platform was developed in 2013-14 in order to disseminate silvicultural, technical and market information about lesser used tropical timber species (LUS) to different audiences, containing information on 60 species from tropical America.</p> <p>Under the 2015-2016 BWP, the intention is to expand the website to species from tropical Africa and Asia, and to strengthen regional support structures for updating the platform.</p>	<ul style="list-style-type: none"> <li>• Increase in exchange of experiences, knowledge innovations in SFM, and promotion of trade and timber processing among members</li> </ul>	<ul style="list-style-type: none"> <li>• Number of websites and visitors linked to ITTO's website</li> </ul>	<ul style="list-style-type: none"> <li>• At least 60 profiles of LUS per ITTO producer region</li> </ul>	CFI

	<p>Estimated cost: US\$240,000          Expected funding sources: Voluntary Contributions          Year 2015–US\$140,000          Year 2016–US\$100,000</p>				
<p>32. Improving forestry extension schemes to ensure the implementation of sustainable forest management (SFM) and contribute to the conservation of tropical forest ecosystems.  <i>[ITTA, 2006, Article 1(a), (c), (d), (i), (j), (m), (r)]</i></p>	<p>A five-day international seminar will be organized in a selected country in Latin America in October 2015 to discuss forestry extension services and schemes with the aim of contributing to the field practice of sustainable management of tropical forests and tropical forest ecosystems.</p> <p>The seminar will be targeted to the institutions and professionals related to forest extension. Guest speakers will include public officers, technical advisors, academicians and researchers from major forestry and timber producing countries.</p> <p>The topics to be discussed include: Global overview of forestry extension schemes and services; Challenges and opportunities for forestry extension service; Role of forest professionals in the development of forest management skills; Consideration of biodiversity conservation in forestry operations; Share of responsibility between forest professionals and clients; Certification schemes for forestry extension service; Governance and assistance schemes to improve the quality of forestry extension service; Mechanisms for monitoring and evaluation of forestry extension service; and Financial incentives for high-quality forestry extension service.</p> <p>Estimated cost: US\$300,000          Expected funding sources: Voluntary contributions          Year 2015–US\$300,000</p>	<ul style="list-style-type: none"> <li>Public institutions, communities and commercial entities have adequate forest management, planning, policy and business skills needed to implement SFM and engage in international trade</li> <li>Increase in exchange of experiences, knowledge innovations in SFM, and promotion of trade and timber processing among members</li> </ul>	<ul style="list-style-type: none"> <li>Number of stakeholders participating in SFM policy development processes</li> </ul>	<ul style="list-style-type: none"> <li>A five-day international seminar organized to discuss forestry extension schemes and services</li> <li>Partnerships and networks established to share information and knowledge among institutions and experts.</li> </ul>	CRF
<p>33. Enhance the Cooperation between ITTO and World Customs Organization</p>	<p>This activity will enable Customs and other border agencies in ITTO and other WCO members to have access to frontline reference materials and training tools for monitoring timber trade, including development of Timber Guidelines for use by Customs</p>	<ul style="list-style-type: none"> <li>Public institutions, communities and commercial entities have</li> </ul>	<ul style="list-style-type: none"> <li>Number of individuals receiving training or education</li> </ul>	<ul style="list-style-type: none"> <li>Development of Timber Guidelines for use by Customs officials</li> <li>Pilot implementation</li> </ul>	CEM

(WCO), through the Preparation of Guidelines for Frontline Customs Officials in Combatting Illegal Timber Trade [ITTA, 2006 Articles 1 (d), (k), (n)]	officials. This activity has been submitted and endorsed by ITTO's Civil Society Advisory Group.  Estimated cost: US\$259,600 Expected funding sources: Voluntary Contributions Year 2015–US\$150,000 Year 2016–US\$74,500 WCO (in kind)–US\$30,000 TRAFFIC–US\$5,100	adequate forest management, planning, policy and business skills needed to implement SFM and engage in international trade.  <ul style="list-style-type: none"> <li>• Increased forest area that is managed sustainably and legally harvested</li> <li>• Improvement in good governance and effectiveness of forest law enforcement</li> <li>• Reduction in illegal logging and resulting forest degradation</li> </ul>		of Timber Guidelines in Malaysia	
	<b>From other sources (WCO, TI): US\$ 35,100</b> <b>Sub-total 2015: US\$1,255,000</b> <b>Sub-total 2016: US\$ 839,500</b> <b>Biennium Sub-total: US\$2,129,600</b>				

#### ROUTINE, ADMINISTRATIVE AND FINANCIAL ACTIVITIES

Activity	Implementation Approach and Cost	Activity Targets	Responsible Body
34. With the assistance of the Expert Panel for Technical Appraisal of Project Proposals, appraise relevant committee project and pre-project proposals submitted by Member countries.	Expert Panel for Technical Appraisal of Project Proposals.  Estimated cost: US\$280,000 Expected funding sources: Core Operational Costs	<ul style="list-style-type: none"> <li>• Two meetings of the Expert Panel convened in 2015 and 2016</li> </ul>	Council and Committees

<p><i>[ITTA, 2006, Article 26]</i> <i>[ITTC Decisions 6(IX), 2(X), 7(XXI), 7(XXII)]</i></p>	<p>Year 2015–US\$140,000 Year 2016–US\$140,000</p>		
<p>35. Consider the progress in the implementation of the ITTO Biennial Work Programme for 2015-2016. <i>[ITTA, 2006, Article 24]</i> <i>[ITTC Decisions 7(XXV), 2(XXXI), 9(XXXIV)]</i></p>	<p>Regular Sessions' work.</p>	<ul style="list-style-type: none"> <li>• Progress reviewed at the Fifty-first and Fifty-second Sessions of the Council in 2015 and 2016</li> </ul>	<p>Council</p>
<p>36. Consider the Draft ITTO Biennial Work Programme for 2017-2018. <i>[ITTC Decisions 7(XXV), 2(XXXI), 9(XXXIV)]</i></p>	<p>Regular Sessions' work.</p>	<ul style="list-style-type: none"> <li>• Draft ITTO Biennial Work Programme for 2017-2018 considered at the Fifty-second Session of the Council in 2016</li> </ul>	<p>Council</p>
<p>37. Decide on eligibility of approved actions, projects and pre-projects for funding out of Sub-account B of the Bali Partnership Fund. <i>[ITTA, 2006, Article 21]</i> <i>[ITTC Decision 4(XXX)]</i></p>	<p>Regular Sessions' work. The Panel established under ITTC Decision 4(XXX) advises the Council on eligibility of actions, pre-projects and projects for funding out of Sub-Account B.</p>	<ul style="list-style-type: none"> <li>• Decisions taken at the Fifty-first and Fifty-second Sessions of the Council in 2015 and 2016</li> </ul>	<p>Council</p>
<p>38. Decide on project work, including financing, taking into account the recommendations made by the Committees on project proposals and on-going and completed approved projects. <i>[ITTA, 2006, Articles 20, 21, 25]</i></p>	<p>Regular Sessions' work.</p>	<ul style="list-style-type: none"> <li>• Decisions taken at the Fifty-first and Fifty-second Sessions of the Council in 2015 and 2016</li> </ul>	<p>Council</p>
<p>39. Make allocations from unearmarked funds available in the Bali Partnership Fund and/or Special Account to fund implementation of eligible approved actions, projects and pre-projects. <i>[ITTA, 2006, Article 21]</i> <i>[ITTC Decision 4(XXX)]</i></p>	<p>Regular Sessions' work. The Panel established under ITTC Decision 4(XXX) advises Council on allocations of unearmarked funds.</p>	<ul style="list-style-type: none"> <li>• Allocations made at the Fifty-first and Fifty-second Sessions of the Council in 2015 and 2016</li> </ul>	<p>Council</p>
<p>40. Consider progress in the implementation, monitoring and evaluation of pre-projects, projects and activities under the Thematic</p>	<p>Regular Sessions' work</p>	<ul style="list-style-type: none"> <li>• Progress considered at the Fifty-first and Fifty-second Sessions of the Council in 2015 and 2016</li> </ul>	<p>Council</p>

Programmes Sub-Account. [ITTA, 2006, Article 20(6)] [ITTC Decisions 9(XLIV), 10(XLIV)]			
41. Consider the reports of the Informal Advisory Group (IAG). [ITTC Decisions 3(XXII), 5(XXVI)]	Regular Sessions' work.	<ul style="list-style-type: none"> <li>• Report of the Twenty-ninth and Thirtieth Meetings of the IAG considered at the Fifty-first and Fifty-second Sessions of the Council in 2015 and 2016</li> </ul>	Council
42. Review the results of relevant project and policy work of the Committees. [ITTA, 2006, Articles 24, 26]	Regular Sessions' work.	<ul style="list-style-type: none"> <li>• Reports of the Committees presented at the Fifty-first and Fifty-second Sessions of the Council in 2015 and 2016</li> </ul>	Council
43. Approve selected projects for ex-post evaluation following procedures outlined in ITTC Decision 3(XXVIII). [ITTC Decision 3(XXVIII)]	Regular Sessions' work.	<ul style="list-style-type: none"> <li>• Projects selected for ex-post evaluation approved at the Fifty-first and Fifty-second Sessions of the Council in 2015 and 2016</li> </ul>	Council
44. Consider and, if appropriate, take action to disseminate information on project findings and results. [ITTA, 2006, Article 26]	Regular Sessions' work.	<ul style="list-style-type: none"> <li>• Dissemination considered at the Fifty-first and Fifty-second Sessions of the Council in 2015 and 2016</li> </ul>	Council
45. Consider the reports of mid-term and ex-post evaluations on on-going and completed projects. [ITTA, 2006, Articles 24, 26]	Regular Sessions' work.	<ul style="list-style-type: none"> <li>• Reports considered at the Fifty-first and Fifty-second Sessions of the Council in 2015 and 2016</li> </ul>	Joint Committees
46. Review the independent audited statements for the 2014 and 2015 financial years, and make recommendation to the Council for their approval. [ITTA, 2006, Article 26(3)]	Routine. Regular Sessions' work.	<ul style="list-style-type: none"> <li>• Reports of independent auditors published in ITTO Annual Reports in 2014 and 2015</li> </ul>	CFA
47. Examine and make recommendations to Council, regarding the approval of the Organization's administrative budget proposals for the financial years 2016	Routine. Regular Sessions' work.	<ul style="list-style-type: none"> <li>• Thirtieth CFA Report presented at the Fifty-first Session of the Council in 2015</li> </ul>	CFA



and 2017. [ITTA, 2006, Article 26(3)]			
48. Review the assets of the Organization to ensure prudent asset management and that the Organization has sufficient reserves to carry out its work. [ITTA, 2006, Article 26(3)]	Routine. Regular Sessions' work.	<ul style="list-style-type: none"> <li>Report of the independent auditors for the financial years 2014 and 2015 presented at the Fifty-first and Fifty-second Sessions of the Council in 2015 and 2016</li> </ul>	CFA
49. Examine and make recommendations to Council, on the budgetary implications of the Organization's work programme, and the actions that might be taken to secure the resources needed to implement it. [ITTA, 2006, Article 26(3)]	Routine. Regular Sessions' work.	<ul style="list-style-type: none"> <li>Decision on the ITTO Biennial Work Programme 2015-2016 presented at the Fiftieth Session of the Council in 2014</li> </ul>	CFA
50. Undertake a survey to assess the use of the various ITTO guidelines on the sustainable management of plantations, secondary forests, biodiversity and natural forests in the tropics [ITTA, 2006, Article 1(a), (d), (m), (r)]	<p>Make provisions to conduct a survey to assess the use of ITTO guidelines which have been developed to address the social, economic and environmental issues of sustainable forest management in the tropics.</p> <p>A survey will be conducted to gather responses from a full range of tropical forest stakeholders, through a professional online survey services provider, with the aim of analyzing the awareness, use and impacts of ITTO guidelines. Information can be used to make guidelines more useful and accessible to a greater number of practitioners while enhancing public appreciation of these resources.</p> <p>Estimated cost: US\$50,000 Estimated funding sources: Voluntary Contributions Year 2015-2016—US\$50,000</p>	<ul style="list-style-type: none"> <li>A report on the use of ITTO guidelines available before the Fifty-second Council Session</li> </ul>	CRF
51. Study on Regional ITTO Presence and Representation	Make provision for a study on the pros and cons of Regional Offices versus Regional Officers including a cost benefit analysis to inform Council's deliberation at its Fifty-first Session on ITTO presence and representation in the regions.	<ul style="list-style-type: none"> <li>A report on Regional ITTO Presence and Representation</li> </ul>	Council

	Estimated cost: US\$25,000 Estimated funding sources: Voluntary Contributions Year 2015–US\$25,000		
	<b>Sub-total 2015: US\$215,000</b> <b>Sub-total 2016: US\$140,000</b> <b>Biennium Sub-total: US\$355,000</b>		

**TOTAL 2015: US\$ 5,495,505**  
**TOTAL 2016: US\$ 3,975,983**  
**BIENNIUM GRAND TOTAL: US\$ 9,471,488**

**TERMS OF REFERENCE FOR THE ACTIVITIES  
CONTAINED IN THE  
BIENNIAL WORK PROGRAMME  
FOR THE YEARS 2015-2016**



Activity No. 1

**UNDERTAKE STUDIES IN COLLABORATION WITH RELEVANT PARTNER ORGANIZATIONS TO  
REVIEW THE ACHIEVEMENT OF SUSTAINABLE MANAGEMENT OF  
TROPICAL TIMBER PRODUCING FORESTS**

*[ITTA, 2006, Article 28(4a)]*  
*[Strategic Action Plan 2013-2018, Strategic Priority 1]*

**I. Background**

ITTO published its first SFM Tropics report in 2005. The 2008-2009 BWP provided funds to update/revise the report for 2010.

**II. Description**

The activity seeks funding for the SFM Tropics 2016 report. The report will be prepared in 2015 and the first half of 2016 and will be published in time for the 52<sup>nd</sup> ITTC session in 2016. The requested funding will provide for a small team of consultants to be recruited to compile the report; limited assistance to producer countries to compile information using the ITTO C&I Reporting Format for the report; payments to other data providers for data sets and analysis (e.g. UNEP-WCMC for protected areas); layout, design, translation and printing of the report; and a publicity campaign to announce the report's findings to a broad audience.

**III. Expected Outputs**

- a) SFM Tropics report in the three working languages of ITTO; and
- b) Publicity campaign and launching event.

**IV. Target Countries** ITTO member countries

**V. Duration & Timing** 24 months in 2015/2016

**VI. Budget** US\$600,000 (including consultant fees, data charges, assistance to members, translation, printing and public relations costs).

Activity No. 2

**DEVELOPMENT OF ITTO GUIDELINES TO INCORPORATE GENDER EQUITY IN THE ORGANIZATION'S ACTIVITIES, PROGRAMMES AND PROJECTS IN MEMBER COUNTRIES**

*[Strategic Action Plan 2013-2018, Strategic Priority 1]*

**I. Background**

For many years, ITTO has contributed to the implementation of a large number of activities and projects in its member countries. Many of these activities and projects have had strong links to local communities and have supported local men and women in improving the management of their forest resources.

**II. Description**

A consultant will be recruited to draft ITTO guidelines on gender equity. To this end, he/she should:

- Review the gender guidelines of other international organizations;
- Analyze different ITTO instruments and tools particularly those that are most commonly used by ITTO member countries, and identify which of these instruments would require the incorporation of gender-related mechanisms for their implementation;
- Prepare a draft of ITTO Gender Guidelines, including a training module;
- Propose at least five gender-related indicators for future Strategic Action Plans and for future work.

**III. Expected Outputs**

- a) Improved gender vision in ITTO's policy work and ITTO project outcomes, thus contributing to the achievement of the ITTA 2006 objectives;
- b) Project proponents, ITTO staff and ITTO focal points will gain enhanced awareness of the role of gender in achieving the ITTA objectives and will be able to address gender issues in all aspects of the organization's work;
- c) ITTO Gender Guidelines and ITTO Training Module on Gender Issues;
- d) Increased mobilization of resources from donors that regard gender as a key component.

- |                                 |            |
|---------------------------------|------------|
| <b>IV. Target Countries</b>     | Global     |
| <b>V. Duration &amp; Timing</b> | 5 months   |
| <b>VI. Budget</b>               | US\$35,000 |

Activity No. 3

**DEMONSTRATION AND ADOPTION OF CREDIT SCHEMES FOR  
SMALL-MEDIUM FOREST ENTERPRISES**

[ITTA, 2006, Article 1(g)]  
[Strategic Action Plan 2013-2018, Strategic Priority 1]

**I. Background**

One of the main recommendations of the various investment fora held by ITTO is the promotion of accessible credit lines for Small-Medium Enterprises (SMEs). Through the ITTO project, PD 233/03 Rev.2 (I) "*Application of intermediate technologies for sustainable forest harvesting in Peru*", a credit scheme for SMEs was developed with high potential of replication and scaling-up. The project demonstrated that:

- A credit line, with effective capacity building, can move-up small holders within the production chain;
- Simple financing schemes with smaller or local financial institutions can be effective to facilitate access to credit for SFM and have potential for replication:
  - It builds trust;
  - It provides more exposure of the forestry sector to the financial institutions;
  - Familiarize SMEs with the policies and procedures of financial institutions;
  - Motivates more SMEs to formalize their economic activities.

Other important findings of the project include:

- Capacity building focused on the use of intermediate technologies for forest harvesting, such as portable sawn-millers, allows SMEs to process logs into sawn timber right at the concession, along with benefits such as:
  - Reduction of losses and damages of logs during transportation;
  - Ease logistics and reduce transportation cost;
  - Reduce the impact on the forests;
  - Add value to the timber right in the forest; and
  - Increase income and market access.
- Establishment of a guarantee fund at a local bank provides SMEs with a credit line for the acquisition of the technology. As credits are repaid, further credits can be extended to others interested SMEs.

In general the scheme works as follows:

- Promotion activities and training on benefits of the use of the intermediate technology are carried out by a local partner;
- A guarantee fund of \$50,000.00 is established within partnership with a local financial institution, who will extend credits to the forest owners (target beneficiaries);
- The fund guarantee 50% of the credit, while the remaining 50% is guaranteed by the asset ;
- Credit applications are carefully selected and accompany by a set of training in the use of the technology and the development of business plans for each SMEs until repayment of the credit;
- Credits are given up to a value of \$16,000.00;
- Repayment allows extending further credits to more interested concessionaires.

**II. Description**

ITTO will further demonstrate this practical experience, adapting it to the local conditions, by assisting three ITTO selected producer countries in replicating the credit scheme for SMEs.

**III. Expected Outputs**

Three credit schemes implemented, documented and disseminated.

**IV. Target Countries**

Selected producer member countries (one from each region) where local institutions could step-on for the extension of capacity building and management of the guarantee fund.

**V. Duration and Timing**      24 months

**VI. Expected Budget**          US\$250,000

Activity No. 4(a)

**PROMOTE THE PUBLICATION, DISSEMINATION AND APPLICATION OF THE  
ITTO VOLUNTARY GUIDELINES FOR THE SUSTAINABLE MANAGEMENT OF  
NATURAL TROPICAL FORESTS**

**(A) PUBLISH THE VOLUNTARY GUIDELINES AS A POLICY DOCUMENT IN THE  
THREE LANGUAGES (ENGLISH, FRENCH AND SPANISH) AND DISSEMINATE THESE GUIDELINES TO  
KEY STAKEHOLDERS IN ITTO MEMBER COUNTRIES AND THE INTERNATIONAL COMMUNITY**

*[ITTA, 2006, Articles 1(c), (d), (f), (j), (l), (m), (q), (r), (s)]*  
*[Strategic Action Plan 2013-2018, Strategic Priority 1]*

**I. Background**

The ITTO Voluntary Guidelines for Sustainable Management of Natural Tropical Forests have been adopted in accordance with Decision 4(XLIX) recognizing the need for ITTO to assist Members to build capacity and help accelerate progress towards sustainable forest management. These Voluntary Guidelines have replaced the original ITTO Guidelines for Sustainable Management of Natural Tropical Forests published in 1990 as ITTO's first policy guidance document on the management of natural tropical forests.

These Voluntary Guidelines constitute an international reference document for the development or improvement of national and sub-national guidelines for the sustainable management of natural forest tropical forests. They also provide a reference on technical issues both at the landscape scale and forest management unit scale. The specific objectives of the Voluntary Guidelines include:

- To facilitate the identification of the framework conditions for the application of forest management guidelines in natural tropical forests for the sustainable delivery of forest goods and ecosystem services;
- To provide guidance for addressing the policy, legal, institutional, ecological social and economic issues that need to be taken into account in the planning, implementation and evaluation of SFM; and
- To stimulate the adoption of appropriate and adaptive management practices to maintain the capacity of natural tropical forests.

**II. Description**

In Decision 4 (XLIX), the Council requested the Executive Director to prepare and publish the adopted ITTO Voluntary Guidelines and to distribute the publication widely to Members and other interested parties by publishing an information brochure summarizing the Guidelines ("Voluntary Guidelines at a glance") in the three official languages of ITTO. In accordance with this Decision, this activity is to publish the Voluntary Guidelines as a policy document in the three languages (English, French and Spanish) and preparation of promotional materials such as an information brochure and posters

**III. Expected Outputs**

- a) Publication of the ITTO Voluntary Guidelines for Sustainable Management of Natural Tropical Forests in the three languages along with promotional materials for dissemination and
- b) Dissemination of the ITTO Voluntary Guidelines for Sustainable Management of Natural Tropical Forests to key stakeholders in ITTO member countries and the international community

- |                                 |                       |
|---------------------------------|-----------------------|
| <b>IV. Target Countries</b>     | ITTO member countries |
| <b>V. Duration &amp; Timing</b> | 12 months             |
| <b>VI. Budget</b>               | US\$ 100,000          |



Activity No. 4(b)

**PROMOTE THE PUBLICATION, DISSEMINATION AND APPLICATION OF THE  
ITTO VOLUNTARY GUIDELINES FOR THE SUSTAINABLE MANAGEMENT OF  
NATURAL TROPICAL FORESTS**

**(B) ORGANIZE THREE REGIONAL CAPACITY BUILDING TRAINING WORKSHOPS  
TO FACILITATE THE EFFECTIVE AND WIDER APPLICATION OF THE VOLUNTARY GUIDELINES**

*[ITTA, 2006, Articles 1(c), (d), (f), (j), (l), (m), (q), (r), (s)]*  
*[Strategic Action Plan 2013-2018, Strategic Priority 1]*

**I. Background**

The Voluntary Guidelines are designed as a basis for policy decisions and as a technical reference that can be used or adapted to the needs and capacities of users. They are intended for governments, public and private organizations and actors, professional practitioners and associations, scientific, educational and research institutions, civil society organizations and other groups and bodies engaged in sustainable forest management.

**II. Description**

In accordance with Decision 4 (XLIX) requesting the Executive Director to hold three regional capacity building training workshops to promote the understanding of the ITTO Voluntary Guidelines and encourage country-level initiatives, this activity will promote the wider application of the ITTO Voluntary Guidelines through the organization of three regional capacity building training workshops. The main target groups for these training workshops include policy makers in government agencies and civil society organizations dealing with conservation and management of tropical forests. They will also include forest managers at forest management units.

- Prepare a training module featuring key subjects of the Voluntary Guidelines and including lessons learned from the implementation of SFM. These will include enabling conditions for SFM such as legal, policy and institutional framework to promote the supportive national policies, institutions, laws and regulations and good governance which are essential to SFM;
- Organize and conduct three regional capacity training workshops (one in each tropical region) with the participation of policy makers in government agencies and civil society organizations as well as forest management practitioners at forest management units; and
- Prepare and present a report at the Fifty Session of the Committee on Reforestation and Forest Management containing the outcome of the three regional capacity building training workshops.

**III. Expected Outputs**

- a) Training modules featuring key subjects of the ITTO Voluntary Guidelines on SFM.
- b) Improved capacities of the workshop participants in the planning, implementation and evaluation of SFM and dissemination of SFM knowledge and
- c) Report compiling the outcome and lessons learned from the implementation of the three regional capacity building workshops as well as recommendations for future capacity building programmes/activities.

**IV. Target Countries** ITTO member countries

**V. Duration & Timing** 24 months

**VI. Budget** US\$ 240,000

Activity No. 5

**FACILITATE THE IMPROVEMENT OF FOREST CONCESSION POLICIES AND PRACTICES FOR TROPICAL TIMBER PRODUCTION FORESTS**

*[ITTA, 2006, Articles 1(i), (m), (n)]*  
*[Strategic Action Plan 2013-2018, Strategic Priority 1]*

**I. Background**

Forest concession is an important tool for sustaining forest resource base, particularly in the tropics where the majority of forests are publicly owned and managed. Forest concessions can contribute not only to the local and national economies but also to the livelihoods of local and indigenous communities and the protection of environmental functions of forests if concession policies and systems are adequately designed and implemented.

Recognizing the importance of forest concession in advancing sustainable forest management, the Brazilian Forest Service (BFS) implemented an ITTO project, PD 142/02 Rev.2 (F), "Sustainable production of national forests under the regime of forest concessions". In light of the successful introduction of its concession system in 2012, BFS has proposed an international workshop on forest concessions to contribute to the improvement of forest concession policies and practices worldwide.

ITTO has conducted a broad range of activities and projects to support its producer member countries in developing and implementing policies, systems, institutions and technologies related to forest concession. Taking into account the recent international and national development, a worldwide sharing, analysis and synthesis of the challenges and opportunities recognized, as well as the experiences and knowledge accumulated through the management of forest concession will benefit ITTO member countries in further improving their concession policies and practices.

**II. Description**

The objective of this activity is to facilitate the efforts of ITTO producer member countries in improving forest concession policies and practices. To this end, the following activities will be carried out:

- a) Organization of an International Workshop on Forest Concession in Brazil in August 2015 (tentative) in collaboration with FAO, BFS and International Technical Tropical Timber Association (ATIBT) to:
  - Share experiences and lessons learned from the development and implementation of concession systems worldwide, including best practices;
  - Promote awareness of the roles concession system can play in practicing sustainable management of tropical timber production forests; and
  - Identify essential elements to improve concession policies and practices and enabling conditions to and make the implementation of concession systems successful;
- b) Development and dissemination of a policy brief and a practical guide to enhance development, implementation and assessment of forest concession policies and practices; and
- c) Promotion of collaboration among ITTO member countries and the co-organizers of the International Workshop, including bilateral and regional partnerships and south-south and triangular cooperation.

**III. Expected Outputs**

The expected outputs of this activity include:

- A workshop report containing main conclusions and recommendations, including action points, with materials, such as PowerPoint presentations, papers and photos to be uploaded on the ITTO website;
- a) A policy brief and a practical guide to enhance development, implementation and assessment of forest concession policies and practices; and
  - b) Promoted collaboration among ITTO member countries, co-organizers of the International Workshop, and relevant organizations and institutions for the improvement of concession policies and practices.

**IV. Target Countries** ITTO member countries

**V. Duration & Timing** 12 months in 2015

**VI. Budget** US\$150,000

Activity No. 6

**CONTINUE TO MONITOR PROGRESS IN THE APPLICATION OF  
CRITERIA AND INDICATORS FOR SUSTAINABLE FOREST MANAGEMENT**

*[ITTC Decisions 3(XXVI), 5(XXX), 9(XXX), 4(XXXIV)]  
[Strategic Action Plan 2013-2018, Strategic Priority 1]*

**I. Background**

Under the decisions listed above, 28 ITTO producer member countries have benefited from a series of national workshops to train forest stakeholders on the use of the ITTO Criteria and Indicators (C&I) for SFM to monitor, assess and report on forests and forest management. The most recent workshops were held in Kinshasa, DRC in July 2010, Paramaribo, Suriname in August 2011 and Cotonou, Benin in March 2014. This activity will allow for additional workshops during 2015-2016 with a focus on new member countries like Mozambique and Vietnam. It will also allow for on-going collaboration with other related forest reporting processes.

**II. Description**

The activity (part a) will allow for 2-3 additional national C&I training workshops to be targeted primarily at countries that have not already benefited from this training, including countries that have become new members with the entry into force of the ITTA, 2006. The curriculum of these workshops will evolve to ensure that participants receive up to date information on all relevant aspects of monitoring, assessing and reporting (MAR) on forests, including via the C&I. The activity (part b) will also facilitate active ITTO participation in the global dialogue on MAR related to forests, including the CPF Task Force on Streamlining Forest Reporting, discussions on harmonizing reporting on forests between ITTO's SFM Tropics and FAO's Forest Resources Assessment (including through the Collaborative Forest Resources Questionnaire process), and various relevant meetings and initiatives of other international C&I processes.

**III. Expected Outputs**

- a) At least 60 stakeholders in ITTO producer member countries familiar with the ITTO C&I;
- b) More countries able to effectively report on forests/forest management using the ITTO C&I reporting format; and
- c) ITTO concerns and priorities reflected in international initiatives on MAR related to forests.

**IV. Target Countries** Global

**V. Duration and Timing** 24 months (commencing when funding made available)

**VI. Budget** US\$50,000 (Part a US\$25,000; Part b US\$25,000)

**WORLD TEAK CONFERENCE 2015:  
STRENGTHENING THE GLOBAL TEAK MARKET FOR SUSTAINABLE DEVELOPMENT**

*[ITTA, 2006, Articles 1(a), (b), (d), (e), (f), (g), (h), (i), (k), (p)]*  
*[Strategic Action Plan 2013-2018, Strategic Priority 2]*

**I. Background**

Teak (*Tectona grandis*) is recognized for its physical and aesthetic qualities as one of the most important and valuable hardwoods in the world. Although it takes only a small position in the volume of world timber production and trade, teak is one of the tropical hardwoods in demand for the luxury market and for heavy duty applications. Natural teak forests occur in only four countries in the world: India, Lao PDR, Myanmar and Thailand. Since the 1980s, supplies of teak wood from natural forests have started to dwindle and teak has been grown increasingly in planted forests in about 70 countries throughout tropical Asia, Africa, Latin America and Oceania, where planted teak forests have attracted large investments from the private sector. The global teak market has been and will continue to be governed by trends in the Asian market which holds more than 90% of the world's teak resources. The major teak trade flows worldwide are directed towards India which absorbs over 70% of global teak exports including shipments of plantation logs and sawn timber from Africa and Latin America. Growing private investment in teak plantations is a clear indication of the perceived potential of the species, although deforestation and unprofessional management have substantially reduced the area of natural stands. In anticipation of increasing problems in pursuing sustainable teak development and developing common platform among producers and the consumers of teak woods to put in place a sustainable global teak market, an international teak conference is necessary.

**II. Description**

In close cooperation with relevant international, regional and national organizations (TEAKNET, FAO, ASOTECA, and IUFRO), building on relevant experiences and practice, the 3<sup>rd</sup> World Teak Conference 2015 will be organized in May 2015 in Ecuador. Ecuador is an important teak growing and exporting country in Latin America where 45,000 ha of teak plantation has been established since 2000 and with annual exports of about 70,000 m<sup>3</sup> round logs and sawn timber to mainly Asian countries. The Conference will bring policy makers, researchers and academicians, practitioners, civil society, the private sector, and regional and international organizations engaged in the sustainable development of teak. To this end, specifically the Conference focuses on past achievements, the current state of knowledge and future challenges for the sustainable development of the global teak market. Conference presentations and discussions will include social, economic, technical and environmental issues that have an impact on the production, marketing and trade of teakwood.

**III. Expected Outputs**

- a) Evaluation of existing management models and programs for the sustainable management and genetic conservation of teak resources;
- b) Analysis of the market structures and value chains of teakwood trading and their impact on the profitability of teak investments;
- c) Analysis of the policy framework and related structural obstacles and financing barriers for teak investments,
- d) Evaluation of private and public investments in the teak sector and its impacts on socio-economic conditions and rural livelihoods; and
- e) Developing strategic, conceptual and operational recommendations in support of the sustainable development of the teak sector.

**IV. Target Countries** ITTO member countries

**V. Duration and Timing** 12 months

**VI. Budget** US\$50,000

Activity No. 8

**ENHANCE COOPERATION BETWEEN ITTO AND CITES**

*[ITTA, 2006, Article 15]  
[ITTC Decisions 3(XVI), 7(XXXIV), 2(XXXVII)]  
[Strategic Action Plan 2013-2018, Strategic Priority 2]*

**I. Background**

ITTO and CITES have increasingly strengthened collaborative activities to improve implementation of timber listing requirements over the past 15 years. This collaboration culminated in the large capacity building program first proposed in the 2006-2007 BWP that was funded through 2010 via a large grant from the EC, together with on-going funding from the US and other donors through the Organization's Biennial Work Programmes. The on-going funding from these other donors allowed a modest continuation of program activities during 2011 following the completion of the initial EC grant period. A second grant proposal was submitted by ITTO to the EC in 2011 seeking a total budget of EUR 7.5 million to continue ITTO's capacity building work on CITES. This proposal was approved by the EC and the first installment of funds was provided in early 2012. This activity seeks contributions from other donors to make up the EC requirement that one third of the total grant amount requested come from other sources.

**II. Description**

The activity will allow for full continuation of ITTO's CITES capacity building program through 2016. The program continues to be implemented in a country-driven manner as under previous BWPs, but with an expansion in scope of species covered to include additional timber species and non-timber trees listed in CITES and a widening of coverage to additional range states of species of concern. The activity is overseen by an advisory committee made up of representatives of donors, target countries, the ITTO and CITES secretariats and trade/civil society stakeholders. Regional coordinators recruited in the initial phase of this program have been retained to assist with activity formulation, implementation and monitoring in target countries. A program assistant has been employed at ITTO headquarters to assist in overseeing implementation of this activity. Currently more than 20 country activities with budgets totaling over US\$3 million are being funded through this program, with several more under preparation or revision as of mid-2014.

**III. Expected Outputs**

- a) At least 3 countries with improved inventories or inventory designs for CITES listed timber species;
- b) At least 3 tracking/monitoring systems in place for CITES listed timber species;
- c) At least 3 regional training/experience exchange workshops;
- d) A reduced number of trade suspensions of CITES listed timber species and an increased capacity of countries to undertake non-detriment findings; and
- e) Attendance and participation of ITTO in relevant CITES meetings and fora.

**IV. Target Countries**

ITTO member countries with significant (or potentially significant) trade in CITES listed tree species.

**V. Duration and Timing**                      24 months

**VI. Budget**                                      US\$1,773,659 (This is the net amount required from non-EC donors after deducting contributions received in 2011-2013).

Activity No. 9

**CONSIDER IMPACTS OF CONSERVATION AND PROTECTION IN  
TRANSBOUNDARY AREAS IN RELATION TO ACHIEVING SFM**

*[ITTA, 2006, Articles 1(m), (q), (r)]*

*[ITTC Decision 2(XLV)]*

*[Strategic Action Plan 2013-2018, Strategic Priority 3]*

**I. Background**

ITTO has supported the establishment and management of nearly 10 million hectares of transboundary conservation areas (TBCAs) in its member countries through the implementation of projects. These projects have contributed not only to the conservation of biodiversity in the ecologically important areas but also to the improvement of the livelihoods of local population living in and around the border areas, reduction of illegal activities across the borders and the enhancement of commitment by the governments along the borders.

In order to further contribute to the biodiversity conservation in tropical forests, in line with the strategic priority of the ITTO Strategic Action Plan 2013-2018 and the ITTO/CBD Collaborative Initiative for Tropical Forest Biodiversity, there is a need to share knowledge and experiences gained by the ITTO member countries through the establishment and management of TBCAs and to promote transboundary, sub-regional and regional cooperation between ITTO member countries.

**II. Description**

Under this Activity, an International Conference on Biodiversity Conservation in Transboundary Tropical Forests will be organized in one of the countries of the Congo Basin in September 2015 in close collaboration with the relevant international and regional organizations including CBD Secretariat and IUCN. The objective of the Conference is to strengthen policy, institutional and financial arrangements and promote international cooperation for the conservation and sustainable use of transboundary biodiversity in tropical forests. To this end, the Conference specifically intends to:

- a) Evaluate the contribution of transboundary tropical forests to biodiversity conservation, climate change and poverty alleviation;
- b) Identify the political, managerial and technical issues in biodiversity conservation at the landscape level for effective management of TBCAs;
- c) Raise the profile of TBCAs highlighting major issues and challenges as an input to COP 13 of CBD which will take place in 2016; and
- d) Make recommendations for improving formulation and management of TBCA projects.

**III. Expected Outputs**

The expected outputs of the Conference include:

- a) A policy brief for the enhancement of policy, institutional and financial arrangements to promote transboundary biodiversity conservation in tropical forests for the attention of key stakeholders
- b) Publication of Conference materials (e.g. papers, PowerPoint presentations, photos) on the ITTO website and associated compact disk;
- c) Materials and messages to be presented at the COP 13 of CBD regarding the role of TBCA in tropical forest conservation;
- d) Recommendations for the improved cooperation and management of TBCA projects; and
- e) Networking between ITTO-supported TBCA project staff, and other experts and practitioners engaged in biodiversity conservation.
- f) Distribute findings of the Conference at the subsequent ITTC Session.

**IV. Target Countries** ITTO member countries

**V. Duration & Timing** 12 months in 2015

**VI. Budget** US\$300,000

Activity No. 10

**PROMOTE THE CONSERVATION, RESTORATION AND  
SUSTAINABLE MANAGEMENT OF MANGROVE ECOSYSTEMS**

*[ITTA, 2006, Articles 1(a), (g), (j), (q), (r)]*  
*[Strategic Action Plan 2013-2018, Strategic Priority 3]*

**I. Background**

Mangrove forest is one of the major components of global forest cover and ecosystems which provides the global population with multiple benefits. Recognizing the importance of mangrove forests, ITTO adopted the Mangrove Work Plan 2002–2006 to guide ITTO projects and accordingly various ITTO projects have been implemented in ITTO member countries.

ITTO's work in this area also includes: establishment of an international network for the conservation and sustainable use of mangrove forest genetic resources; development of a manual for mangrove ecosystem restoration; publication and revision of the World Mangrove Atlas; and establishment of the Global Mangrove Database and Information System (GLOMIS) in collaboration with the International Society of Mangrove Ecosystems (ISME) and other partners.

Now, further efforts are being called worldwide for the conservation, restoration and sustainable management of tropical forests, including mangrove forests, in the light of the continuing deforestation and forest degradation in the tropics at an alarming rate. There is an increasing need to this end to practice and scale up the payments for environmental services (PES) as recommended at the International Forum on PES which ITTO organized in Costa Rica in 2014 in collaboration with FAO and the Government of Costa Rica.

**II. Description**

The objective of this activity is to develop and strengthen practical actions and partnerships to facilitate the conservation, restoration and sustainable management of mangrove forests and ecosystems, specifically by:

- a) Reviewing actions having been taken by ITTO and other organizations and stakeholders at national, regional and international levels to conserve, restore and sustainably manage mangrove forests and ecosystems, including best practices and innovative approaches such as PES; and
- b) Organizing an international conference in June/July 2016 in close collaboration with ISME and other partners, as well as ITTO member countries, to:
  - Share lessons learned and challenges and opportunities recognized for the conservation, restoration and sustainable management of mangrove forests and ecosystems; and
  - Discuss and identify strategies and practical actions which ITTO and its member countries can take in collaboration with partners, such as the development of a comprehensive action plan, the improvement of database and information system and the enhancement of partnerships for knowledge sharing and capacity development.

**III. Expected Outputs**

The expected outputs of this activity include:

- a) A synthesis report on the assessment of actions having been taken by ITTO and other organizations and stakeholders at national, regional and international levels;
- b) Recommendations on strategies and practical actions for ITTO and its member countries and a policy brief and outreach/communication materials for dissemination; and
- c) Strengthened partnerships among ITTO member countries, relevant organizations and partners for knowledge sharing and capacity building.

- |                                 |                            |
|---------------------------------|----------------------------|
| <b>IV. Target Countries</b>     | ITTO member countries      |
| <b>V. Duration &amp; Timing</b> | 24 months in 2015 and 2016 |
| <b>VII. Budget</b>              | US\$300,000                |

**FACILITATE THE APPLICATION OF THE *ITTO/IUCN GUIDELINES FOR THE CONSERVATION AND SUSTAINABLE USE OF BIODIVERSITY IN TROPICAL TIMBER PRODUCTION FORESTS***

*[ITTA, 2006, Articles 1(m), (r)]*  
*[ITTC Decision 6(XLVI)]*  
*[Strategic Action Plan 2013-2018, Strategic Priorities 3]*

**I. Background**

The *ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Timber Production Forests* (ITTO/IUCN Biodiversity Guidelines) was adopted by the Council at its Forty-fourth Session, in November 2008, under the Council Decision 6(XLIV). The Council Decision requested the Executive Director of ITTO, in collaboration with IUCN and other relevant partners, to facilitate the application of the ITTO/IUCN biodiversity Guidelines in partnership with forest operators, local communities and other stakeholders and further disseminate it throughout international community.

**II. Description**

The objective of this activity is to promote the use of the ITTO/IUCN Biodiversity Guidelines through the following actions:

- a) Organization of three regional capacity building training workshops (one in each tropical region), as part of the ITTO/CBD Collaborative Initiative for Tropical Forest Biodiversity (ITTO/CBD Initiative), with the aim of facilitating the wider and effective application of the ITTO/IUCN Biodiversity Guidelines at the forest management unit level;
- b) Awareness raising and promotion of partnerships and fundraising for the wider application of the ITTO/IUCN Biodiversity Guidelines and the implementation of the ITTO/CBD Initiative at the international meetings where biodiversity conservation and landscape restoration are on the agenda, and promotion of the ITTO/IUCN Biodiversity Guidelines at other relevant fora;
- c) Organization of side events at the relevant major international meetings, such as CBD COPs, on the achievements of the ITTO/CBD Initiative at the field level and their contribution to the attainment of the forest-related Aichi Biodiversity Targets, particularly in the conservation of biodiversity in tropical forests; and
- d) Enhancement of the organized participation of ITTO member countries in the global debate related to the biodiversity conservation and landscape restoration in order to facilitate them in taking integrated approaches toward the conservation of biodiversity in tropical forests, including the effective and wider application of the ITTO/IUCN Biodiversity Guidelines.

**III. Expected Outputs**

- a) Three regional capacity building training workshops convened and the capacity of ITTO producer member countries enhanced for the effective and wider application of the ITTO/IUCN Biodiversity Guidelines;
- b) Awareness raised and partnerships and fundraising activities promoted among a broader range of policy makers, industries, international organizations and NGOs, as well as forest operators, local communities and other stakeholders directly involved in forest management, for the wider application of the ITTO/IUCN Biodiversity Guidelines and the advancement of ITTO/CBD Initiative;
- c) International community further informed of the progress made under the ITTO/CBD Initiative in conserving biodiversity and restoring degraded landscapes in tropical forests, including its contribution to the forest-related Aichi Biodiversity Targets, in ITTO producer member countries; and
- d) Participation of ITTO member countries more organized in the relevant global debate, and the role of SFM in the tropics further recognized and widely disseminated in relevant international fora.

**IV. Target Countries** ITTO member countries

**V. Duration & Timing** 24 months

**VI. Budget** US\$340,000



Activity No. 12(a)

**IN COOPERATION WITH RELEVANT ORGANIZATIONS, CONTINUE TO STUDY THE IMPLICATIONS OF CLIMATE CHANGE FOR TROPICAL FORESTS AND THE CONTRIBUTION OF TROPICAL FORESTS TO THE MITIGATION OF THE EFFECTS OF CLIMATE CHANGE**

**(A) SUPPORT TO ITTO MEMBERS FOR THE PREPARATION OF RESPONSES TO CLIMATE CHANGE**

*[ITTA, 2006, Articles 1(f), (g), (j), (m), (o), (q), (s)]*  
*[Strategic Action Plan 2013-2018, Strategic Priority 4]*

**I. Background**

The role of sustainable forest management in climate change mitigation and adaptation has received increasing recognition at the international level. Within the context of sustainable forest management, the implementation of forest-based climate change mitigation and adaptation measures and activities will require integrated strategies at the national level through multi-stakeholder consultations. In support of policy and project development to address forest-based climate change mitigation and adaptation, the Council, at its Forty-fourth Session, adopted the Thematic Programme on Reducing Deforestation and Forest Degradation and Enhancing Environmental Services (REDD+). In addition, The ITTO Strategic Action Plan 2013-2018 highlights the need to understand the impacts of reducing emissions from deforestation and forest degradation (REDD+) on tropical forest development. In 2013 UNFCCC at Warsaw took a big step forward for making implementation of REDD+ possible through result-based finance of REDD+ activities that meet the requisite social and environmental safeguards. A prime requirement for the development of REDD+ activities include the construction of forest reference emission level/forest reference level (FREL/ FRL). However, this would be a difficult task in many tropical countries due to limited availability of reliable historical forest inventory data and limited human and financial resources. In addition, there is the increasing need for effective design and implementation of REDD+ strategies through improved policy, governance, legal and institutional arrangements.

**II. Description**

Support is required for ITTO to assist members in formulating and implementing an integrated forest sector response to climate change, and to guarantee an organized participation in the global debate related to the role of tropical forests in climate change mitigation and adaptation, including:

- Attendance at UNFCCC meetings where tropical forests will be brought to debate.
- Facilitate the participation of ITTO member countries in events where the theme of forests and climate change will be high in the agenda, for ITTO producer member countries to be well informed and benefit from possible incentives for sustainable forest management in the tropics.
- Organization of a side event at UNFCCC COPs on the role of sustainable forest management in the tropics to support climate change mitigation and adaptation and to restore degraded tropical forests.
- Taking into account the CPF Strategic Framework on Forests and Climate Change, participate in CPF related initiatives on forests and climate change to bring up tropical forest perspectives.

**III. Expected Outputs**

- a) ITTO producer member countries informed and supported on their initiatives to relate sustainable forest management and climate change, including project development and policy reforms;
- b) Update the developments in IPCC/UNFCCC relating to tropical forests and REDD+ at the Fifty-first and Fifty-second Sessions of the ITTC;
- c) The role of SFM in the tropics debated and disseminated in relevant international fora, including the UNFCCC COPs, through purpose-made information events; and
- d) Active ITTO participation in the CPF initiatives related to forests and climate change, including the initiative on measuring and assessment forest degradation.

**IV. Target Countries** ITTO member countries

**V. Duration & Timing** 24 months

**VI. Budget** US\$100,000

**IN COOPERATION WITH RELEVANT ORGANIZATIONS, CONTINUE TO STUDY THE  
IMPLICATIONS OF CLIMATE CHANGE FOR TROPICAL FORESTS AND THE CONTRIBUTION OF  
TROPICAL FORESTS TO THE MITIGATION OF THE EFFECTS OF CLIMATE CHANGE**

**(B) STUDY ON CARBON REMOVALS AND EMISSIONS ASSOCIATED WITH PRODUCTION AND USE OF  
HARVESTED TROPICAL WOOD PRODUCTS**

*[ITTA, 2006, Articles 1(f), (q), (s)]*  
*[Strategic Action Plan 2013-2018, Strategic Priority 4]*

**I. Background**

In recognition of the harvested wood products (HWP) as one of the carbon reservoirs, methodological guidance on how to estimate and report on the contribution of HWP to CO<sub>2</sub> removals and emissions was included in the IPCC Guidelines for National Greenhouse Gas Inventories in 2006. The incorporation of HWP in the national carbon accounting and reporting contributes to the promotion of wood use, in particular use of long-lasting wood products, in the context of climate change mitigation.

However, there has been limited information available for the estimation of carbon removals and emissions associated with the production and use of tropical wood products, including their carbon content, decay rate and life span. Further enhancement in this area, with particular relation to the carbon accounting and reporting of HWP, will contribute to the promotion of the use of quality tropical wood products in foreign markets and thereby further facilitate the improved processing of tropical wood.

**II. Description**

The objective of this study is to facilitate the estimation of carbon removals and emissions associated with the production and use of tropical wood products in line with the IPCC Guidelines for HWP through the following activities:

- Review of the documents related to the accounting and reporting of HWP and research findings available for the estimation of carbon removals and emissions, including the related work of ITTO;
- Implementation of a case study on some selected quality tropical wood products for the estimation of their carbon content, emissions from their production and their duration in the end-use markets; and
- Identification of methodologies, including key factors and necessary data, available for the estimation of long-term carbon removals and emissions associated with the production and use of tropical wood products.

**III. Expected Outputs**

- a) A case study report on some selected tropical wood products on their carbon content, emissions from their production and their duration in the end-use markets; and
- b) A synthesis report on the methodologies, including key factors and necessary data, available for the estimation of long-term carbon removals and emissions associated with the production and use of tropical timber products.

**IV. Target Countries** ITTO producer member countries in the Asia-pacific region

**V. Duration & Timing** 12 months

**VI. Budget** US\$70,000

Activity No. 13(a)

**CONTINUE TO PROMOTE THE UNDERSTANDING OF THE CONTRIBUTION OF ENVIRONMENTAL SERVICES TO THE SUSTAINABLE MANAGEMENT OF TROPICAL FORESTS**

**(A) MAKE PROVISION FOR PES CASE STUDIES TO ENABLE THE EFFECTIVE DESIGN AND IMPLEMENTATION OF PES SCHEMES IN THE TROPICS**

*[ITTA, 2006, Articles 1(a), (g), (j), (q), (r)]*  
*[Strategic Action Plan 2013-2018, Strategic Priority 4]*

**I. Background**

In recent years, there are many successful examples of PES schemes in the tropics to broaden and diversify the financial resource for SFM. However, the benefits of PES schemes are not relatively small to forest owners and managers. In accordance with the recommendations of the International Forum on Payments for Environmental Services of Tropical Forests (San José, Costa Rica on 7-10 April 2014) which was co-organized by ITTO, FAO, and Costa Rica's National Fund for Forest Finance (FONAFIFO), this activity will contribute to the expansion of PES schemes to more tropical forests. Policy recommendations by the International Forum on PES include:

- Raise awareness of the importance of environmental services
- Develop policies to increased market demand for the environmental services provided by tropical forests
- Ensure the PES schemes protect the rights of indigenous peoples, local and communities and vulnerable groups
- Strengthen governance and institutions to enable the effective implementation of PES schemes

**II. Description**

To strengthen PES schemes in tropical forests, PES case studies will assess successful examples (e.g. 3 cases per each tropical region) of PES schemes in the tropics taking into account the following:

- Successful public awareness programmes on the importance and value of tropical forest environmental services
- Effective policies, laws, governance and institutional arrangements for the effective and successful PES schemes
- Promotion of market demand for the environmental services provided by tropical forests
- Inclusive participation of indigenous peoples and local communities and valuable groups in PES schemes

**III. Expected Outputs**

- A policy brief to promote the effective design and implementation of PES schemes in the tropics
- Council and members informed about successful examples of PES schemes in the context of broadening and diversifying the financial resources for SFM

**IV. Target Countries** ITTO member countries

**V. Duration & Timing** 24 months in 2015 and 2016

**VI. Budget** US\$100,000

**CONTINUE TO PROMOTE THE UNDERSTANDING OF THE CONTRIBUTION OF ENVIRONMENTAL SERVICES TO THE SUSTAINABLE MANAGEMENT OF TROPICAL FORESTS**

**(B) PARTICIPATE IN IMPORTANT INTERNATIONAL PES RELATED MEETINGS/NETWORKS, INCLUDING FINANCING FOR SFM**

*[ITTA, 2006, Articles 1(a), (g), (j), (q), (r)]  
[Strategic Action Plan 2013-2018, Strategic Priority 4]*

**I. Background**

The International Forum on Payments for Environmental Services of Tropical Forests (San José, Costa Rica on 7-10 April 2014) which was co-organized by ITTO, FAO, and Costa Rica's National Fund for Forest Finance (FONAFIFO) has provided valuable recommendations to advance the effective PES schemes in the tropics. A policy brief highlighting the policy recommendations of the PES Forum has been published in all three ITTO working languages for wider dissemination and promotion in the internal community. The policy brief was disseminated through the ITTO/FAO joint side event on "The Role of PES for Achieving Sustainable Forest Management" organized at the World Forest Week (WFW) of the Twenty-second Session of the Committee on Forestry (COFO 22) which was held from 23 to 27 June 2014. This activity will enhance the further dissemination of policy recommendations of the PES Forum as well as ITTO partnership with other organizations to expand PES schemes to more tropical forests.

**II. Description**

In view of the importance of continuously promoting PES schemes to advance the achievement of SFM in the tropics, support will be provided for ITTO to actively participate in selected international PES meetings and networks to share the outcome of the PES Forum and to promote ITTO partnership with other organizations active in the promotion of PES schemes.

**III. Expected Outputs**

- Facilitate the active ITTO participation in important PES related meetings and networks
- ITTO producer member countries informed of key developments of PES schemes

**IV. Target Countries** ITTO member countries

**V. Duration & Timing** 24 months in 2015 and 2016

**VI. Budget** US\$40,000

Activity No. 14(a)

**CONTRIBUTE TO NATIONAL AND INTERNATIONAL EFFORTS IN THE PREVENTION AND  
MANAGEMENT OF FIRE IN TROPICAL TIMBER-PRODUCING FORESTS**

**(A) REVIEW AND UPDATE THE ITTO GUIDELINES ON FIRE MANAGEMENT IN TROPICAL FORESTS  
AND THE FAO FIRE MANAGEMENT VOLUNTARY GUIDELINES ON FIRE MANAGEMENT**

*[ITTA, 2006, Article 1(m)]*  
*[ITTC Decision 6(XXXIII)]*  
*[Strategic Action Plan 2013-2018, Strategic Priority 4]*

**I. Background**

The ITTO Guidelines on Fire Management in Tropical Forests (PS-6) was published in 1997 in order to promote the development of forest fire prevention and control strategies to the operational forest managers, planners and local communities in tropical countries. The FAO Fire Management Voluntary Guidelines were published in 2006 as part of a process to prepare a global strategy to enhance international cooperation in fire management. At the core of both Guidelines are principles and strategic actions of good fire management.

Considering the scientific insights of the state of forests and forest protection in the tropics in the last 15 years and the progress made in fire management research and development globally it is important to update both guidelines by taking into account mitigation and adaptation to climate change, new landscape approaches and assist in poverty alleviation. Since the publication of the ITTO guidelines more international agencies, like FAO, have recognized the seriousness of the issue and developed activities, including the publication of guidelines. Given the limited resources globally, more coordination in international fire management cooperation is recommended.

The purpose of this activity is to engage and support consultants to review and update both the ITTO Guidelines and FAO Guidelines on Fire Management), explore ways to integrate them and identify and involve selected countries in the field tests of the draft revised guidelines.

**II. Description**

Firstly review and update both Guidelines on Fire Management through the following actions: i) Assess and analyze the latest developments as regards the management, control and prevention of tropical forest fires since the publication of the ITTO Guidelines on Fire Management in Tropical Forests in 1997 (PS-6) taking into consideration the latest developments related to climate change mitigation and adaptation and assist in poverty alleviation; ii) Prepare and present a report at the Fifty-first Session of the Council containing: (a) A draft proposal of the revised Guidelines on Fire Management. The same will be presented at the 23rd session of the Committee on Forestry, (b) A proposal for planning field tests of the draft of the revised Guidelines on Fire Management, and (c) A proposal for communicating and disseminating the final version of the revised Guidelines. Secondly, conduct field tests of the draft revised Guidelines on Fire Management in selected ITTO Producing Countries in accordance with the specific recommendations to be made by the Fifty-first Session of the Council, and ii) Prepare and present a report at the Fifty-second Session of the ITTO Council and the 23th COFO session containing: (a) A draft of revised Guidelines on Fire Management integrating the findings of field tests carried out in selected producing countries; and (b) A proposal for communicating and disseminating the final version of the revised Guidelines.

**III. Expected Outputs**

The main expected outputs are the revised and updated Guidelines on Fire Management integrating the findings of field tests carried out in selected producing countries, based on the ITTO and the FAO Fire Management Guidelines and taking into account the recent developments related to climate change mitigation adaptation and poverty alleviation.

**IV. Target Countries** ITTO member countries

**V. Duration and Timing** 24 months

**VI. Budget** US\$100,000

Activity No. 14(b)

**CONTRIBUTE TO NATIONAL AND INTERNATIONAL EFFORTS IN  
THE PREVENTION AND MANAGEMENT OF FIRE IN  
TROPICAL TIMBER-PRODUCING FORESTS**

**(B) FURTHER ITTO'S COMMITMENT TO THE UNISDR GLOBAL WILDLAND ADVISORY GROUP,  
GWFN AND GFMC, AND PROVIDE SUPPORT FOR THE REGIONAL FOREST FIRE NETWORKS AND  
OTHER INTER-INSTITUTIONAL COOPERATION EFFORTS FOR THE 6TH INTERNATIONAL  
WILDLAND FIRE**

*[ITTA, 2006 Article 1(m)]*

*[ITTC Decision 6(XXXIII)]*

*[Strategic Action Plan 2013-2018, Strategic Priority 4]*

**I. Background**

In view of ITTO's commitment as a Core Member of the United Nations International Strategy for Disaster Reduction (UNISDR) Global Wildland Advisory Group, and the related Global Wildland Fire Network (GWFN) and the Global Fire Monitoring Center (GFMC), cooperating organizations and agencies have requested ITTO take a more proactive role in the organization of the meetings of the aforementioned regional forest fire-related networks focusing on the tropics, in the preparation for the 6<sup>th</sup> International Wildland Fire Conference in South Korea in May 2015, and in supporting participants from producer member countries at the aforementioned conference.

**II. Description**

Provide support for the Africa, Asia, and Latin America Regional Wildland Fire Networks and other inter-institutional cooperation efforts made by the United Nations International Strategy for Disaster Reduction (UNISDR) Global Wildland Advisory Group, and the related Global Wildland Fire Network (GWFN) and the Global Fire Monitoring Center (GFMC), in their preparatory meetings for the upcoming International Wildland Fire Conference, such as the holding of regional workshops in each ITTO tropical timber producing region (Africa, Asia-Pacific and Latin America), and the participation of ITTO and its member countries at the 6<sup>th</sup> International Wildland Fire Conference to be held in October 2015 in South Korea, as well as other forest fire-related meetings organized through inter-institutional cooperation.

**III. Expected Outputs**

ITTO will join the existing collaborative effort of the United Nations International Strategy for Disaster Reduction (UNISDR) Global Wildland Advisory Group, and the related Global Wildland Fire Network (GWFN) and the Global Fire Monitoring Center (GFMC) to promote and facilitate the successful implementation of forest fire policies, strategies and other initiatives in tropical regions via preliminary preparatory work towards the organization of the 6<sup>th</sup> International Wildland Fire Conference to be held in South Korea in October 2015, as a means to enhance forest conservation and people's livelihoods. Towards this goal the focus is on the delivery and dissemination of policy support and technical relevant information, recommendations and practical tools to government agencies, forest managers, local communities and supporting organizations, and to further organize a side-event and support the attendance of up to 18 participants from producer member countries implementing ITTO fire-related projects to present and interchange experiences at the 6<sup>th</sup> International Wildland Fire Conference to be held in October 2015 in South Korea.

**IV. Target Countries** ITTO member countries

**V. Duration & Timing** 12 months

**VI. Budget** US\$100,000

Activity No. 15

**CONTINUE TO PUBLISH THE ITTO TROPICAL FOREST UPDATE (TFU)**

*[ITTA, 2006, Articles 27, 28]  
[ITTO Strategic Action Plan 2013-2018, Strategic Priority 5]*

**I. Background**

The TFU has been produced since 1990, funded through the Special Account for projects and since the entry into force of the ITTA, 2006 from the Core-operational budget.

**II. Description**

The activity will allow for production and distribution of up to 4 issues of the TFU in ITTO's three working languages in both 2015 and 2016. Each issue of the TFU will be distributed to a combined mailing list of over 15,000 people (mostly in producer member countries) and will also be posted on the ITTO website.

**III. Expected Outputs**

Up to eight issues of TFU in the three ITTO working languages in hard copy and electronic versions.

**IV. Target Countries** Global

**V. Duration and Timing** 24 months; commencing when funding made available

**VI. Budget** US\$520,000

**COLLABORATE WITH THE TRADE ADVISORY GROUP (TAG) IN ORGANIZING AND HOLDING THE  
ITTO ANNUAL MARKET DISCUSSION ON THE WORLD TROPICAL TIMBER TRADE DURING  
SESSIONS OF THE ITTC IN 2015 AND 2016**

*[ITTA, 2006, Articles 1(e), (h)]  
[Strategic Action Plan 2013-2018, Strategic Priority 5]*

**I. Background**

The ITTO Annual Market Discussion is an annual forum for international dialogue on a selected theme of the international tropical timber trade. The event is important for delegates of ITTO member countries and trade representatives to discuss and deliberate on germane and often complex trade policy issues confronting tropical timber and timber products. This strategic policy activity strengthens the event by providing for the engagement of keynote speakers at the event.

**II. Description**

The theme of the ITTO Annual Market Discussion is selected by the Trade Advisory Group (TAG) in consultation with the Executive Director during the session of the ITTC preceding the event. The event is coordinated by the Secretariat and the Trade Advisory Group (TAG), in consultation with other relevant experts and held in a joint session of the technical committees. Keynote speakers will be selected and invited by the Executive Director in consultation with the Coordinator of TAG and will be provided with ITTO financial support to cover duty travel and DSA.

**III. Expected Outputs**

- a) Quality of keynote address presented at ITTO Annual Market Discussion enhanced;
- b) Germane issues on international trade in tropical timber identified, ventilated and deliberated upon with appropriate recommendations for ITTO member countries, trade, industry and other relevant stakeholders; and
- c) Quality and relevance of ITTO Annual Market Discussion improved.

**IV. Target Countries** ITTO member countries

**V. Duration and Timing** 24 months

**VI. Budget** US\$70,000



Activity No. 17

**CONTINUE TO PUBLISH THE ITTO MARKET INFORMATION SERVICE (MIS)**

*[ITTA, 2006, Articles 27, 28]  
[Strategic Action Plan 2013-2018, Strategic Priority 5]*

**I. Background**

The Market Information Service (MIS) has been part of the Secretariat's work since 1996. The main output of the activity [originally PD 16/93 Rev.3 (M)] is the *Tropical Timber Market Report* (TTMR). The report contains price data for about 500 tropical timber products as well as relevant market news from around the globe. The TTMR is disseminated online, by email and in hardcopy to over 12,000 subscribers.

**II. Description**

The Market Information Service serves to broaden awareness and disseminate information on the state of the tropical timber market. It is undertaken by a full-time Coordinator, who is responsible for publishing the *TTMR* and liaising with eleven market correspondents in producer and consumer countries to obtain up-to-date market news, information and prices on tropical timber products. The Market Information Service Coordinator also engages with other experts in the trade and works with the Trade Advisory Group (TAG) to convene the ITTO Annual Market Discussion.

**III. Expected Outputs**

- a) Publication of up to 46 issues of the Tropical Timber Market Report (the number of issues published annually will depend on funding availability);
- b) Strengthened information base on the market situation for tropical timber products;
- c) Trade experts and associations from around the globe engaged; and
- d) Council and other members of the public informed about markets for tropical timber products.

**IV. Target Countries**      Global

**V. Duration and Timing**      24 months

**VI. Budget**      US\$400,000

## ENHANCEMENT OF STATISTICAL WORK AND DATABASES ON STATISTICS

*[ITTA, 2006, Article 27]*

*[Strategic Action Plan 2013-2018, Strategic Priority 5]*

### I. Background

The Joint Forest Sector Questionnaire is the primary data source of ITTO forestry sector statistics and is a collaborative activity undertaken by ITTO, FAO, UNECE and Eurostat. These organizations meet annually to review datasets of the previous year and determine any improvements that are required, plan the next year's questionnaire, and make recommendations on changes to international customs classifications for timber codes. ITTO's participation ensures that tropical wood products are given the appropriate attention in international statistical reporting mechanisms.

Statistical data derived from the Joint Forest Sector Questionnaire is, however, insufficient to provide a complete analysis of the tropical timber market situation. Additional data and other information are required to complete the analysis and to provide a cross check with ITTO derived datasets. A major source of inaccurate reporting of international data on tropical timber production and trade is the deficiency in usage of accurate conversion factors, particularly for weight to volume measurements.

### II. Description

This strategic policy activity is aimed at:

- a) Maintaining the involvement of ITTO staff in the work of the Inter-secretariat Working Group on Forestry Sector Statistics and Joint Forest Sector Questionnaire Process;
- b) Maintaining data subscriptions and maintenance of access to international forest products trade databases and additional market and trade information; and
- c) Reviewing and consolidating tropical wood products conversion factors for determining wood products production and trade statistics.

### III. Expected Outputs

- a) JFSQ process and the accuracy of international statistical data on tropical timber production and trade improved and enhanced; and
- b) Recommendations on appropriate conversion factors formulated and provided to ITTO member countries in the JFSQ process.

**IV. Target Countries** ITTO member countries

**V. Duration and Timing** 24 months

**VI. Budget** US\$40,000

Activity No. 19

**FURTHER ENHANCE PUBLIC RELATIONS, EDUCATION AND OUTREACH ACTIVITIES TO  
BEST CONVEY THE ACHIEVEMENT OF THE OBJECTIVES OF THE ORGANIZATION**

*[ITTA, 2006, Article 1]  
[ITTC Decision 5(XXVII)]  
[ITTO Strategic Action Plan 2013-2018, Strategic Priority 5]*

**I. Background**

ITTO undertakes a range of activities globally, the outputs of which need to be widely disseminated in order to promote understanding of the Organization's work and goals amongst various stakeholders.

**II. Description**

The two-part activity will allow the Secretariat to undertake:

- a) A range of regular, on-going public relations and outreach activities including publishing selected studies when insufficient funds remain in activity budgets to do so; publishing the Organization's annual report; improvements and updates to the ITTO website in the three official languages of ITTO and Japanese; enhancement of the ITTO photo database; publishing the electronic newsletter of ITTO, development of posters and other outreach materials; and other ad hoc initiatives, possibly in collaboration with relevant partners.
- b) Prepare outreach materials and booths to exhibit the work of ITTO at important forest related fora; other ad hoc outreach activities deemed important to Council.
- c) Coverage of ITTC Session by the Earth Negotiations Bulletin (ENB)

**III. Expected Outputs**

- a) At least 3 new Technical Series documents or other official publications; 2 annual reports; Regularly updated/improved website in 3 languages plus Japanese; enhanced photo database; preparation and distribution of "Tropical Forest News" newsletter every two months, and various outreach materials.
- b) Prepare outreach materials and booths to exhibit the work of the organization at relevant fora (e.g. UNFCCC CoP21 in Paris 2015, XIV World Forestry Congress, CBD CoP in 2016, UNFF-11, 23-COFO, and other fora not covered under other BWP activities); other ad hoc outputs (e.g. translation of website and selected outreach materials into Japanese).
- c) Coverage of ITTC session by the Earth Negotiations Bulletin (ENB).

**IV. Target Countries** Global

**V. Duration and Timing** 24 months; commencing when funding made available

**VI. Budget** US\$473,329

- a) US\$204,021 (publication of reports including Annual Reports: \$60,000; improvements, translation and updating of website: \$134,021; \$10,000 balance for other regular outreach activities)
- b) US\$169,308 (participation and side events/booths at up to 2-3 fora per year at average cost of \$30,000 per fora; balance for other ad hoc outreach activities)
- c) US\$100,000 (daily digital coverage of ITTC sessions)

Activity No. 20

**IMPROVE BRANDING, POSITIONING AND MARKETING OF ITTO**

[ITTA, 2006, Articles 1(a), (b), (f), (h), (o)]

[ITTA, 2006, Articles 1(a), (b), (f), (h), (o)]

[ITTO Strategic Action Plan 2013-2018, Strategic Priority 5]

**I. Background**

As a follow-up to the fundraising and knowledge management strategies developed for ITTO under the BWP 2013-2014, this activity aims at improving ITTO's visibility among international organizations, as well as other platforms (i.e. private sector, academy, donors, NGOs, etc.) by delivering compelling case studies and messages on the added value of the work of ITTO in promoting SFM and legal and sustainable timber trade.

**II. Description**

Based on the impacts and results of recently completed ITTO projects and activities, compelling case studies will be developed for the various areas of work of the organization and translated into high-impact and attractive marketing and communication materials, such as videos, multimedia, pamphlets, etc., to help as supporting tools in fundraising and outreach activities.

**III. Expected Outputs**

- a) Two high quality videos of the work of the organization;
- b) Multimedia developed and disseminated;
- c) Printed material (pamphlets, brochures, and posters)

**IV. Target Countries** Global

**V. Duration and Timing** 24 months

**VI. Budget** US\$250,000.00

Activity No. 21

**IMPLEMENTATION OF THE ITTO KNOWLEDGE MANAGEMENT STRATEGY AND ACTION PLAN**

*[ITTA, 2006, Articles 1 (c), (r)]*  
*[Strategic Action Plan 2013-2018, Strategic Priority 5]*

**I. Background**

In fulfilling its mission, ITTO deals with a diversity of knowledge and the most critical knowledge is related to field practice through projects and thematic programmes. This knowledge is embedded in project teams and project partners who work in areas of forest management and conservation, forest industry, timber and NTFPs trade, and on issues linked to community development, biodiversity conservation, poverty alleviation, SME development, etc. This Activity is a follow-up on Activity 22 of the BWP 2013-2014 on the development of an ITTO Knowledge Management Strategy and Action Plan, which was presented and approved at the 49<sup>th</sup> ITTC, Libreville, Gabon, 25-30 November 2013

**II. Description**

Following the development of the new ITTO website and the integration of the ITTO web-based systems under Phases 1 and 2 of the ITTO KM Strategy and Action Plan, the emphasis of the activity will be on a) staff capacity building/training including the use of social networks, outreach and communications; b) strengthening knowledge sharing (networking) and learning from ITTO projects, including at the regional level through the ITTO regional officers; c) a re-assessment of the KM Strategy and its objectives in 2016 and d) the production of targeted publications synthesizing key results of ITTO projects to take advantage of lessons learned in order to strengthen and improve the effectiveness of future project work. The activity will use funding pledged under the BWP 2013-2014 for components a, b and c while it is seeking additional funding for component d). Component d) is supplementing Activity 19 and is aimed at increased production of project-related (synthesis) publications to promote knowledge sharing and dissemination

**III. Expected outputs**

- Enhanced capacity of ITTO staff including in the use of social networks/media and in terms of outreach and communications.
- Enhanced knowledge sharing/networking and learning from ITTO projects
- Re-examination of the ITTO KM Strategy & Action Plan and its objectives
- Targeted publications and other materials synthesizing key results of ITTO projects

**IV. Target Countries** ITTO member countries

**V. Duration and Timing** 24 months

**VI. Budget** US\$ 180,000 (using US\$ 80,000 from the BWP 2013-2014)

- a. US\$ 30,000 (from BWP 2013-2014)
- b. US\$ 30,000 (from BWP 2013-2014)
- c. US\$ 20,000 (from BWP 2013-2014)
- d. US\$ 100,000

Activity No. 22

**UNDERTAKE THE BIENNIAL REVIEW AND ASSESSMENT OF THE WORLD TIMBER SITUATION**

*[ITTA, 2006, Article 28]  
[Strategic Action Plan 2013-2018, Strategic Priority 5]*

**I. Background**

ITTO's Biennial Review and Assessment of the World Timber Situation compiles the most up-to-date and reliable international statistics available on global production and trade of timber, with an emphasis on the tropics. It also provides information on trends in forest area, forest management and the economies of ITTO member countries. The review is based on information submitted by ITTO member countries through the Joint Forest Sector Questionnaire, supplemented by other sources as necessary.

Under the ITTA, 1994, draft elements were produced by the ITTO Secretariat to assist the International Tropical Timber Council (ITTC) in undertaking its annual review of the international timber situation. In accordance with Article 28 of ITTA, 2006, the review and assessment of the international timber situation will be undertaken biennially beginning with the 2015-2016 biennium to be undertaken by the ITTC at its Fifty-second Session in 2016.

The ITTC will undertake the biennial review and assessment based on draft elements for the review and assessment of the international timber situation. These draft elements will be prepared by the Secretariat and will comprise statistics and available data on production, imports and exports of timber products, with emphasis on tropical timber products, and an analysis of economic and market developments. The elements for the review will be mainly based on information extracted from national responses to the ITTO/UNECE/FAO/EUROSTAT Joint Forest Sector Questionnaire and from other sources.

**II. Description**

The biennial review and assessment of the world timber situation for 2013-2014 will be published in mid-2015. The draft elements for the biennial review and assessment of the world timber situation for 2015-2016 will be considered by the ITTC at its Fifty-second Session in 2016, and the publication of the biennial review and assessment of the world timber situation for 2015-2016 will be released in 2017.

**III. Expected Outputs**

- a) Biennial review and assessment for the 2013-2014 biennium published in 2015.
- b) Draft elements for the biennial review and assessment for the 2015-2016 biennium considered at the Fifty-second Session of the ITTC in 2016;

**IV. Target Countries** ITTO member countries

**V. Duration and Timing** 24 months

**VI. Budget** US\$90,000

Activity No. 23

**CREATION OF WEB BASED 'ONE-STOP' INTERACTIVE PROFILES OF THE WOOD BASED INDUSTRY, TRADE AND FORESTRY SECTORS IN PRODUCER MEMBER COUNTRIES TO SUPPORT TROPICAL TIMBER MARKET TRANSPARANCY AND DIVERSIFICATION**

*[ITTA, 2006, Article 1]  
[Strategic Action Plan 2013-2018, Strategic Priority 5]*

**I. Background**

In the face of the recent downturn in demand in traditional markets tropical timber exporters have had some success in 'new and emerging' markets. South-East Asian exporters have seen sales to East Asia rise, West African exporters have seen exports increase to regional markets such as Algeria, Nigeria and South Africa; all tropical timber exporters have had some success in Middle East markets but the full potential of these new and emerging markets is yet to be realized.

At present a high proportion of purchases in the new and emerging markets are made by a handful of traders who then redistribute products through a supply chain, often with multiple players. The high number of players in the supply chain increases transaction costs and the price of timber rises at each step which can undermine the price competitiveness of tropical timber. Even in the well-established Chinese and Indian markets, for example, the trade in tropical timber is in the hands of just a few major importers.

One of the main hurdles facing prospective buyers in new and emerging markets wanting to import tropical timber is finding information to assess and create a trading opportunity. Few producer countries have dedicated timber promotion agencies, those that do deliver a 'one-stop' location where information on all aspects of forest production, SFM, legality, certification, products and industry and trade contacts can be found.

While emerging markets offer producer countries new opportunities, it is the traditional markets such as the US, EU, Japan (as well as China and India) whose tropical timber trade has been well established for decades that represent the foundation of the tropical timber trade. In recent years exporters of tropical timber have had to adjust to new and challenging market policies, in particular the verification of the legality of wood products offered for export and/or proof of sustainability. The US, EU, Australia, Japan and others have in place various laws and regulations to ensure illegal timber is eliminated from the supply chain. Private sector is also increasingly taking steps in order to source timber products which are verified or certified as legally and sustainably harvested.

In order to assist operators to comply with legality and sustainability policies in the global timber markets, it is essential that tropical timber exporters better understand market requirements and that importers can access supplier country legislation and regulations to be sure the supplier delivers appropriate documentation. Currently much information is available from a variety of sources both at the national and global level, but access to such dispersed information is not easy. This can undermine the potential for expanding markets for tropical wood products. The implementation of this activity aims to help fill this information gap.

**II. Description**

With a view to address the constraints identified above, the ITTO could facilitate the creation of a web based 'one-stop' trade and forestry sector profile of producer member countries. In the development of the database, the ITTO will work closely with Members and business community who are primarily responsible for providing the required information and will liaise with other organizations/platforms such as TRAFFIC, APEC EGILAT, Legal Atlas, Global Forest Watch, Forest Legality Alliance, Transparency International, FSC Global Forest Registry, etc. which are already working on these issues and similar databases. The first step of the activity will be a thorough analysis of already existing platforms, available information and identified gaps in order to avoid duplications and contradictions.

Example of types of information that could be included in producer profile (not in order of priority):

- Industry profile: number and type of mills and plants, production and exports in recent years
- Export product range
- Forest and timber industry legislation and regulations including information on log and wood product bans and restrictions imposed through national legislation

- Descriptions of national action on certification, timber legality assurance, SFM, FLEGT VPA, etc.
- Product price trends
- Trade and company news
- Association profiles and contact information
- A password accessed site for private enterprises to post company profiles or links to company websites
- Contact links to national agencies

To ensure the effectiveness and use of the database it will be important that the trade/industry profile website becomes widely known. This will require ITTO, industry, and participating member countries to continually promote the new website with a view to attracting private sector and other funding for its maintenance. ITTO can do this through its various publications and at meetings/conferences. Member countries could be encouraged to assist in promotion of the new website.

### **III. Expected Outputs**

A website as part of ITTO's homepage bringing together the vast intelligence ITTO already has on producer member country industry and trade and to include information provided directly by producer member countries, trade and industry associations, ITTO regional officers and private enterprises. There are synergies between this activity and the IMM project [Activity 25] with each feeding data and information into the other. Work undertaken by other organizations in this area should also be considered.

**IV. Beneficiary countries:** ITTO member countries

**V. Duration:** 24 months

**VI. Budget** US\$150,000



Activity No. 24

## **DEVELOPMENT OF ENVIRONMENTAL PRODUCT DECLARATION (EPD) FOR SELECTED TROPICAL WOOD PRODUCTS**

*[ITTA, 2006, Articles 1(a), (f), (s)]*  
*[Strategic Action Plan 2013-2018, Strategic Priority 5]*

### **I. Background**

ITTO has previously conducted a thorough review of information on Life Cycle Analysis (LCA) of Tropical Timber Products [PPD 48/02 (M)], reported in 2004. Since the 2004 study by ITTO, the Organization has done very little work on the report's findings, specifically regarding "a coordinated effort to simulate further LCA work of direct relevance to tropical forests and products". During 2013-2014, ITTO has started modest studies on EPD for meranti plywood in Indonesia and Malaysia, khaya timber in Ghana, and ipe decking in Brazil. This proposal is to build on the initial 2013-2014 work.

Environmental Product Declarations (EPD's) are gaining market momentum as a tool that defines socially and environmentally responsible construction materials. LCA ratings are significant factors in establishing EPD's (an EPD is defined in ISO 14025 as quantified environmental data based on the ISO 14040). Tropical timber products are at a significant competitive disadvantage without transparent and complete LCA information. The defining of LCA ratings for tropical wood products will help ITTO producer countries meet the environmental, social and economic goals consistent with the ITTO's objective of enhancing international trade in legally harvested tropical timber from sustainably managed forests.

### **II. Description**

Considering the development on studies related to EPD and LCA, activities undertaken by other organizations such as FAO; as well as latest international timber markets' requirements, the following proposal outlines a process for compiling EPD's through development of a Life Cycle Inventory database and comparative LCA reports for 3 products, in line with ISO standards, including carbon footprint assessments for 3 products in line to the PAS2030 specification. The three products proposed for assessment namely plywood, lumber and decking will be chosen to represent the three geographic regions.

The outputs will fill critical gaps in the data for tropical wood products in the Life Cycle Inventory; increase acceptance and specification of tropical wood products as a green building material.

### **III. Expected Outputs**

- a) Compile Life Cycle Inventory database.
- b) LCA reports for 3 products conducted in line with ISO standards.
- c) Assessment of the carbon footprint for 3 products in line with the PAS2050 methodology.
- d) EPD for each product.

**IV. Target Countries**            Global

**V. Duration and Timing**        24 months

**VI. Budget**                        US\$180,000

## **PROMOTE TRADE IN TROPICAL TIMBER AND TROPICAL TIMBER PRODUCTS FROM SUSTAINABLY MANAGED AND LEGALLY HARVESTED SOURCES**

*[ITTA, 2006, Articles 1(d), (k), (n), (o)]  
[Strategic Action Plan 2013-2018, Strategic Priority 5]*

### **I. Background**

The Independent Market Monitoring (IMM) mechanism has been established to support bilateral Voluntary Partnership Agreements (VPA) between the EU and timber supplying countries. VPA's are a key element of the EU's Forest Law Enforcement Governance and Trade (FLEGT) Action Plan which defines the EU's policy to promote legal logging and trade in legally licensed timber. Once agreed, the VPAs include commitments and action from both parties to develop a Legality Assurance System (LAS) which licenses timber and timber products for export to the EU.

The VPA process operates alongside the EU Timber Regulation (EUTR), adopted in October 2010 and enforced throughout the EU since March 2013, which requires that operators implement a due diligence system to ensure negligible risk of any illegal timber or timber products being placed on the internal EU market. VPA licenses together with CITES certificates are the only forms of documentation recognised in EUTR as sufficient assurance of legal origin to require no further due diligence by operators.

The EU (through the EC) has selected ITTO to implement an Independent Market Monitoring system for FLEGT-licensed timber being placed on the EU market. Detailed terms of reference ("project description") and budget have been concluded in liaison with the EU/EC and are available on request from the Secretariat.

### **II. Description**

The role of the IMM is to allow the VPA partner countries, the EU member states and the European Commission to better understand the market incentives of entering into a VPA, and to monitor how the EU and wider international market for FLEGT licensed timber develops during the life of the VPA. It also builds on the opportunity presented by LAS development to improve the quality of timber trade statistics and effectiveness of timber market development programmes for legally licensed FLEGT timber.

The IMM systems primary objectives are to:

- Collect, analyse, report and disseminate information on acceptance and trends of FLEGT-licensed timber on the EU market.
- Improve knowledge and understanding of the impacts of VPAs on timber prices, trade and market trends globally.
- Ensure VPA countries and the EC provide reliable statistics and information on FLEGT timber trade and acceptance in their reporting.
- Inform decisions by VPA Joint Implementation Committees (JICs) by providing timely & accurate information on market impact.
- Contribute to monitoring the impacts of the FLEGT Action Plan and to inform its implementation.
- Develop a long-term strategy for sustaining the IMM in consultation with the EU and VPA partner countries.

### **III. Expected Outputs**

- a) An IMM Baseline Report will be published in late 2014 providing comprehensive data on forest products trade flows into the EU from VPA and potential VPA countries during the ten year period 2004 to 2013. This data will be supplemented by VPA country production data derived from ITTO and VPA Partner countries. Data will be summarised in a variety of charts, maps and other visualisation tools and will be supported by a commentary on market trends.
- b) Beginning in 2015, IMM will prepare an Annual Report to summarise the status of licensing in VPA Partner countries, provide an overview of major market trends and implications for VPA licensing, and a systematic review of market impacts against agreed indicators. The report will include country annexes, detailing developments in each VPA country and markets for their timber products. IMM will also work closely with each JIC to assist in preparation of market-related aspects of their own FLEGT VPA Annual Report mandated under the terms of the agreements. Where relevant and feasible, the IMM will also

undertake specific studies of issues or markets at the request of VPA countries and with the approval/support of a steering committee.

- c) An IMM website will be developed for real-time distribution and visualisation of data relating to trade in VPA licensed timber and associated market impacts as such data become available. The website will also be used as a hub for on-line collection of market survey data. Starting in the last quarter 2014, IMM will issue a regular quarterly e-newsletter via the website and by email. The newsletter will perform the dual role of regularly reporting on IMM activities and commenting on the latest quarterly trends in trade in VPA licensed timber products.
- d) IMM will also contribute regular articles to ITTO's Tropical Timber Market (TTM) Report, published every two weeks to improve transparency in international tropical timber markets, and Tropical Forest Update which is published quarterly in English, French and Spanish.

**IV. Target Countries**            Global (focus on EU market and VPA partner countries)

**V. Duration and Timing**        48 months (2014-2017)

**VI. Budget**                        EUR 4,375,000 (approximately US\$6,000,000)

**CONSIDER ADVICE FROM AND FACILITATE INVOLVEMENT OF THE  
TRADE ADVISORY GROUP (TAG) AND THE CIVIL SOCIETY ADVISORY GROUP (CSAG)**

*[ITTC Decisions 9(XXVIII), 2(XXXII)]  
[Strategic Action Plan 2013-2018, Strategic Priority 6]*

**I. Background**

Since the formal establishment of the Trade Advisory Group (TAG) and the Civil Society Advisory Group (CSAG) in 1999 and 2002 respectively, ITTO has benefited tremendously from these advisory groups in terms of their advice, expertise, contributions, inputs and participation in the sessions of ITTC and its associated Committees as well as in the implementation of ITTO projects, pre-projects and activities. The contributions of these advisory groups particularly in the sessions of the ITTC can be further enhanced if adequate participation of representatives of these groups is facilitated and assisted.

**II. Description**

This activity is aimed at encouraging active and meaningful participation of TAG and CSAG members in the sessions of the ITTC by providing financial support covering duty travel and daily subsistence allowances for selected members to attend the sessions of the ITTC. The selection of the members of TAG and CSAG to be provided with ITTO financial support will be taken by the Executive Director based on the recommendations made by the coordinators of TAG and CSAG respectively, taking into account the need for balance between producers and consumers, and the need to ensure the balanced participation and effectiveness of these advisory groups.

**III. Expected Outputs**

- a) Adequate and more effective participation of TAG and CSAG members in ITTC Sessions;
- b) Improved quality of ITTC decisions and deliberation; and
- c) Overall efficiency and effectiveness of ITTC and ITTO enhanced.

**IV. Target Countries** ITTO member countries

**V. Duration & Timing** 24 months

**VI. Budget** US\$80,000

Activity No. 27

**CONTINUE TO PROVIDE FOR ITTO'S COOPERATION AND CONSULTATION WITH THE  
COLLABORATIVE PARTNERSHIP ON FORESTS (CPF) IN SUPPORT OF THE  
UNITED NATIONS FORUM ON FORESTS (UNFF) AND OTHER RELEVANT INTERNATIONAL AND  
REGIONAL ORGANIZATIONS, INSTITUTIONS AND INITIATIVES**

*[ITTA, 2006, Article 15]*

*[ITTC Decision 7(XXX)]*

*[Strategic Action Plan 2013-2018, Strategic Priority 6]*

**I. Background**

As a founding member of the CPF, ITTO has established, maintained and strengthened cooperation with the UNFF since its establishment in 2000. Following the Tenth Session of the UNFF held in April 2013, ITTO and other members of the CPF have been called upon to collaborate and make contributions to the follow-up of the outcomes of the session involving inter-sessional work and preparations leading to the convening of the Eleventh Session of the UNFF in New York in 2015.

**II. Description**

Through this activity, ITTO will be able to collaborate and contribute concretely and meaningfully to the work of the UNFF and CPF by providing relevant inputs, participating effectively in the relevant work and meetings of the UNFF and CPF and their activities and shouldering part of the costs of these activities on the basis of equitable cost-sharing with other members of the CPF.

**III. Expected Outputs**

- a) Representation of ITTO at UNFF and CPF enhanced;
- b) Cooperation and collaboration between ITTO, UNFF and CPF maintained and strengthened;
- c) ITTO's outreach, communication and interaction at international and regional levels broadened;
- d) Perspective and interests of tropical forests and timber in UNFF and CPF work and activities adequately presented;
- e) ITTO's knowledge and awareness of major and emerging forest issues and developments enhanced; and
- f) Efficiency and effectiveness of ITTO's work enhanced and synergized through cooperation and collaboration.

**IV. Target Countries**      Global

**V. Duration and Timing**      24 months

**VI. Budget**      US\$100,000

**DECIDE ON ELIGIBLE FELLOWSHIP APPLICATIONS IN 2015 AND 2016 BASED ON THE  
RECOMMENDATIONS OF THE FELLOWSHIP SELECTION PANEL**

*[ITTC Decision 4(XXVII)]  
[Strategic Action Plan 2013-2018, Strategic Priority 6]*

**I. Background**

The ITTO Fellowship programme began in 1989 under PD 60/89(M,F,I) and was replaced by PD 001/93 (M,F,I) in 1993 which was also subsequently replaced in 1999 by the Freezailah Fellowship Fund through Council Decision 4(XXVII). As at November this year, the Programme which began in 1989, has enabled more than 1,180 young and mid-career people from over 42 countries working for governments, research institutions, universities, civil society and the private sector to pursue their professional development and improved their career prospects. The Fellowships are awarded mainly to nationals of ITTO Producer member countries.

**II. Description**

Based on the strategic priority 6 of the draft Strategic Action Plan 2013-2018 on “Building and Developing Human Resource Capacity to implement SFM and increase trade in forest goods and services from sustainably managed forests” the Fellowship programme is geared towards building capacity in the following priority areas:

- Improving the transparency of the tropical timber market;
- Improving marketing and distribution of tropical timber species from sustainably managed sources;
- Improving market access for tropical timber exports from sustainably managed source;
- Securing the tropical timber resource base;
- Improving the tropical timber resource base, including through the application of criteria and indicators for sustainable forest management;
- Enhancing, technical, financial and human capacities to manage the tropical timber resource base;
- Promoting increased and further processing of tropical timber from sustainably managed sources;
- Improving marketing and standardization of tropical timber exports; and
- Improving efficiency of processing tropical timber from sustainable sources.

**III. Expected Outputs**

100-120 Awards for the two year period of 2015-2016 as established by Decision 4(XXVIII).

**IV. Target Countries** ITTO producer member countries

**V. Duration and Timing** 24 months

**VI. Budget** US\$800,000

Activity No. 29

**ENHANCE THE TECHNICAL CAPACITY OF MEMBER COUNTRIES, PARTICULARLY DEVELOPING MEMBER COUNTRIES, TO MEET THE STATISTICS AND REPORTING REQUIREMENTS**

*[ITTA, 2006, Article 28(5)]  
[Strategic Action Plan 2013-2018, Strategic Priority 6]*

**I. Background**

The level and quality of reporting on forestry sector statistics by ITTO producer countries is variable and many countries are unable to meet their international and national statistical reporting requirements. Although ITTO has conducted a number of regional statistical training workshops, country-level assistance is also required because each country's problems and solutions will differ and a more effective approach is to tailor training needs accordingly. ITTO will work in liaison with FAO and other partners in delivering these workshops, building on collaborative relationships developed under previous related BWP activities.

**II. Description**

The purpose of this activity is to support up to four country-level training workshops or other activities (including, where appropriate, regional workshops), on request, to enable producer countries to meet their reporting requirements on forestry sector statistics. Although the objectives of country-level workshops will be tailored to specific needs, these will include the following:

- a) Establish and reinforce a network of forest products statistical correspondents;
- b) Review and assess the current state of national forest products statistics at regional and national levels, identifying the main weaknesses and constraints of the current systems;
- c) Improve the framework for future national statistical processes, including methodologies for statistical reporting and requirements for resources and equipment;
- d) Provide training on standardized international definitions as a base for completing the Joint Forest Sector Questionnaire; and
- e) Promote an information culture.

**III. Expected Outputs**

- a) Information on the status and constraints of current national forestry sector statistics discussed;
- b) The network of different actors in the value chain, including the public and private sectors, are linked to generate national statistics on production, consumption and trade in wood products. Agreement is reached on sustainable cooperation on forestry sector statistics between the various agencies;
- c) A roadmap for strengthening the national system of forest products national and international statistical reporting is developed; and
- d) The country's international reporting requirements and requirements of the ITTO Joint Forest Sector Questionnaire are understood.

**IV. Target Countries** ITTO member countries

**V. Duration and Timing** 24 months

**VI. Budget** US\$100,000

## **STRENGTHENING THE CAPACITY TO PROMOTE EFFICIENT WOOD PROCESSING TECHNOLOGIES IN TROPICAL TIMBER PRODUCING COUNTRIES**

*[ITTA, 2006, Articles 1(f), (i)]  
[Strategic Action Plan 2013-2018, Strategic Priority 6]*

### **I. Background**

Forest industries generate value for tropical forest resources thereby contributing to their sustainable management. Since 2000 there has been a decline in production and trade of both tropical sawn wood and tropical plywood. Examples of problems in forest industries include structural deficiencies and managerial weaknesses. The latter is particularly common in small and medium-sized enterprises (SMEs). Management systems in SMEs may be inadequate for the effective planning and control of operations, posing difficulties for effective supply chain management and product tracking. These enterprises may not have sufficient capacity to apply appropriate technology and management methods, which may be a barrier to integration with established supply chains. There is a lack of efficiency in wood processing that causes a high rate of waste/residue. In some countries/industries, only 15% of the timber volume felled ends up in value added products and the rest is lost. Up to half of the felled volume remains in the forest and up to 25% is industrial residue from primary and secondary processing. To overcome the above situation, it will be necessary for producers in tropical countries to improve their capacity to promote efficient wood processing technology to help reduce waste and improve product quality. This activity will help to meet this goal by convening in-house training at the country level to promote efficiency in wood processing industries.

### **II. Description**

The activity is intended to pilot the applicability of training approaches and methodologies developed in the implementation of ITTO Project PD 286/04 Rev. 1 (I) 'Strengthening the Capacity to Promote Efficient Wood Processing Technologies in Indonesia'. This pilot activity will be undertaken in producer member countries in Africa, Asia and Latin America where forest industry production chains often encounter problems of inefficiency and lack of human resource capacity. Forest industries, forest industry associations, forestry training and research institutions, as well as representatives from relevant government agencies will take part in the in-house training. During the implementation of the 2010-2011 BWP, this activity has been carried out in PNG, Guyana, Myanmar, and Malaysia. Under the 2012-2013/2013-2014 BWP this activity has been tested in Ghana, Cameroon, Mexico and Guatemala. More training is needed to facilitate other producer member countries to improve their wood-based industries.

The scope of the in-house training will include strengthening capacity in common problem areas in the wood-based industries, namely: log stocking and loading, kiln drying and boilers, saw doctoring, finger jointing, laminating, packaging, waste control, maintenance and work safety.

The activity will also produce outreach materials summarizing the results of the in-house training in eight producer member countries already carried out since 2010 under previous BWP activities, and the results of additional training carried out under this activity. These outreach materials will ensure that the benefits of the in-house training provided under this activity reach the widest possible range of industries and other stakeholders.

### **III. Expected Outputs**

- a) Awareness and understanding of forest industry managers/owners, government training and research institutions increased on the importance of improving efficiency in forest industries;
- b) Improve knowledge, skill and mentality of forest industry operators;
- c) Validated approaches and methodology of in-house training applicable to be further disseminated and implemented in different places; and
- d) Outreach material summarizing results of in-house training.

**IV. Target Countries** Selected ITTO producer member countries

**V. Duration and Timing** 24 months

**VI. Budget** US\$250,000



Activity No. 31

**MATCHING THE NEEDS OF FOREST INDUSTRY WITH THE INNOVATIONS, TECHNOLOGIES  
AND KNOW-HOW DEVELOPED THROUGH ITTO PROJECTS**

*[ITTA, 2006, Articles 1(f), (i), (p)]*  
*[Strategic Action Plan 2013-2018, Strategic Priority 6]*

**I. Background**

This activity will build on the results of the activity of the same name carried out during the 2013-2014 BWP, which aimed to strengthen ITTO's outreach by making better use of information developed by ITTO's past projects. In particular by making existing knowledge about lesser used species more available.

Under the BWP 2013-2014 a scalable web platform was built in order to disseminate silvicultural, technical and market information about lesser used tropical timber species (LUS) to different audiences and to develop value-added products in support of the environmentally, socially and economically sustainable use of tropical production forests for generations to come. The initial website contains comprehensive information on about 60 LUS and species of forestry or agroforestry importance growing in tropical America.

**II. Description**

Under the BWP 2015-2016, the intention is to expand the website to species from tropical Africa and Asia, and to strengthen regional support structures that can update the platform and keep it relevant to the needs of producer and consumer businesses.

**III. Expected Outputs**

- a) At least 60 complete profiles for LUS of tropical Africa and Southeast Asia added to the dedicated website.
- b) At least one regional structure for future update and evolution of the website identified and developed.
- c) The web platform has been scaled-up to deliver silvicultural, technical and marketing information of relevance to its target audiences and consistent with ITTO's Knowledge Management Strategy.

**IV. Target Countries** Selected ITTO member countries

**V. Duration and Timing** 24 months

**VI. Budget** US\$240,000

**IMPROVING FORESTRY EXTENSION SCHEMES TO ENSURE THE IMPLEMENTATION OF  
SUSTAINABLE FOREST MANAGEMENT (SFM) AND CONTRIBUTE TO THE CONSERVATION OF  
TROPICAL FOREST ECOSYSTEMS**

*[ITTA, 2006, Article 1(a), (c), (d), (i), (j), (m), (r)]  
[Strategic Action Plan 2013-2018, Strategic Priority 6]*

**I. Background**

The sustainability of forest management, particularly in the tropics, depends much on the capacity of the members of local and indigenous communities living in and around forests, as well as forest owners, managers and practitioners, who are directly involved in the management and use of forest resources. In this context, forestry extension service provided by forest professionals is of crucial importance to advance sustainable management of tropical forests.

In view of the above, it is essential to ensure that the institutions and professionals responsible for the implementation and administration of forestry extension have adequate capacity to guide, operate, assess and improve the extension service and scheme based on both the scientific knowledge and technical expertise and the need of forest owners, managers and practitioners, local and indigenous communities and other stakeholders in accordance with the national and local circumstances.

**II. Description**

Under this activity, a five-day international seminar will be organized in a selected country in Latin America in October 2015 to discuss forestry extension services and schemes with the aim of contributing to the field practice of sustainable management of tropical forests and tropical forest ecosystems.

The seminar will be targeted to the institutions and professionals related to forest extension. Guest speakers will include public officers, technical advisors, academicians and researchers from major forestry and timber producing countries.

The seminar will discuss the following topics:

- Global overview of forestry extension schemes and services;
- Challenges and opportunities for forestry extension service;
- Role of forest professionals in the development of forest management skills;
- Consideration of biodiversity conservation in forestry operations;
- Share of responsibility between forest professionals and clients;
- Certification schemes for forestry extension service;
- Governance and assistance schemes to improve the quality of forestry extension service;
- Mechanisms for monitoring and evaluation of forestry extension service; and
- Financial incentives for high-quality forestry extension service.

**III. Expected Outputs**

- a) Recommendations for the development/improvement of forestry extension schemes and services in ITTO member countries, including a proposal for regular organization of this seminar; and
- b) Establishment of partnerships and networks for sharing information and knowledge on the best practices among institutions and experts.

**IV. Target Countries** ITTO member countries

**V. Duration & Timing** 12 months in 2015

**VI. Budget** US\$ 300,000

Activity No. 33

**ENHANCE THE COOPERATION BETWEEN ITTO AND WORLD CUSTOMS ORGANIZATION (WCO),  
THROUGH THE PREPARATION OF GUIDELINES FOR FRONTLINE CUSTOMS OFFICIALS IN  
COMBATting ILLEGAL TIMBER TRADE**

*[ITTA, 2006, Articles 1(d), (k), (n)];  
[Strategic Action Plan 2013-2018, Strategic Priorities 1, 6]*

**I. Background**

Timber is the most valuable natural resource commodity traded with an annual turnover estimated at more than USD300 billion. However, illegal trade is a threat to sustainable forest management with illegal logging, including processing, estimated to cost the world economy between US\$30-100 billion which is between 10-30% of the total global wood trade (UNEP and INTERPOL, 2012. *Green Carbon, Black Trade*). Customs also work to ensure that government's revenue is maximized from efficient timber trade, that supply chains work at optimal efficiency and that through appropriate border control techniques illegal timber trade is eliminated or reduced. Currently, there is a lack of timber specific guidelines and reference material for frontline Customs and other border officials use in their daily operational work and in cross training.

**II. Description**

The World Customs Organization (WCO) has an MOU with TRAFFIC to assist WCO in developing Timber Guidelines to help customs officers at the border. TRAFFIC wishes to work with ITTO to develop the Guidelines which will help ITTO to assist customs officers of members at the border to validate and verify legality of timber products in trade to prevent loss of revenue for timber products with tariffs. The Guidelines will also contribute to enhance revenue collection through enhanced enforcement of illegal timber trade, monitoring of the trade and greater control capability of customs on timber trade. This will allow Customs to support the efforts of national policies and other agencies' mandate on the forestry sector and contribute to safeguard social, conservation and environmental needs and services of their country. This activity is part of a phased approach by WCO towards enhancing the capacity of frontline customs in their daily operational work on timber trade.

This activity will enable Customs and other border agencies in ITTO and other WCO members in coordination with UN Office on Drugs and Crime to have access to frontline reference materials and training tools. These resources will strengthen the capacity of Customs on the timber front and provide new skills for improved timber related data collection and enforcement. Improved data collection by officers can then feed into ITTO's and other international organizations' statistics which will in turn improve the effectiveness of monitoring operations. The long term impact of the project will be achieved through wide distribution of developed materials to key actors in ITTO and WCO members that will use and share the new skills and knowledge, and further train personnel through train the trainer tools.

**III. Expected Outputs:**

- a) The 1<sup>st</sup> phase is the finalization of the Timber Guidelines, followed by the piloting of the guidelines in one member country of ITTO. Funding is requested from ITTO to support this Phase I. The piloting will include at least 1 validation workshop in each of the sub-regions of the country, and one national workshop, discussions with the national Customs agency and field visits. Phase II will involve creating the modules and platforms for outreach and communications to customs agencies worldwide. The modules will be validated and piloted across the WCO/ITTO regions to take into account cultural, language, operational and other differences. Partnership and fundraising activities strengthened between ITTO and WCO.

**IV. Target Countries** Malaysia – for pilot phase. TRAFFIC, with support from WCO is in discussions with Customs Malaysia for their endorsement.

**V. Duration and Timing** 18 months; commencing when funding is available

**VI. Budget**

Phase I: ITTO:	US\$224,500
TRAFFIC:	US\$30,000 (including in-kind)
WCO:	US\$5,100 (including in-kind)

Phase II: WCO and TRAFFIC are in discussions for possible GEF funding.

**UNDERTAKE A STUDY TO ASSESS THE USE OF THE VARIOUS ITTO GUIDELINES ON THE SUSTAINABLE MANAGEMENT OF PLANTATIONS, SECONDARY FORESTS, BIODIVERSITY AND NATURAL FORESTS IN THE TROPICS**

*[ITTA, 2006, Article 1(a), (d), (m), (r)]*  
*[Strategic Action Plan 2013-2018]*

**I. Background**

ITTO has developed a large number of policy guidelines as a reference for policy decisions and as a technical guidance on sustainable forest management in the tropics. ITTO policy guidelines published as its Policy Development Series include:

- ITTO Guidelines for the Sustainable Management of Natural Tropical Forests (1992).
- Criteria for the Sustainable Management of Natural Tropical Forests (1992).
- ITTO Guidelines for the Establishment and Sustainable Management of Planted Tropical Forests (1993).
- ITTO Guidelines for Fire Management in Tropical Forests (1997)
- ITTO Guidelines for the Restoration, Management and Rehabilitation of Degraded and Secondary Tropical Forests (2002)
- Revised ITTO Criteria and Indicators for the Sustainable Management of Tropical Forests including Reporting Format (2005)
- ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Timber Production Forests (2009)
- ITTO Voluntary Guidelines for the Sustainable Management of Natural Tropical Forests (2014)

The ITTO policy guidelines are intended for national and subnational governments, private-sector organizations, civil-society organizations, research and education institutions, forest managers and other groups and bodies engaged in sustainable forest management.

**II. Description**

The purpose of this activity is to conduct a survey to assess the use of key ITTO policy guidelines from a full range of tropical forest stakeholders, through a professional online survey services provider, with the aim of analyzing the impacts of ITTO policy guidelines and their best use towards the achievement of sustainable forest management in the tropics. An on-line survey will be designed to identify the use of key ITTO policy guidelines and to receive feedback on the importance of developing and promoting the policy guidelines in the context of ITTO's work on SFM, and suggestions related to ITTO's work on the policy guidelines.

**III. Expected Outputs**

- Information on the status of using key ITTO policy guidelines and feedback from tropical forest stakeholders
- Recommendations improving outreach and access of ITTO policy guidelines by a border group of stakeholders, and practitioners
- Report to the Fifty-second Council Session

**IV. Target Countries** Global

**V. Duration & Timing** 24 months

**VI. Budget** US\$50,000 (including consultant and on-line survey services provider fees, questionnaire development in the three languages).

Activity No. 51

**STUDY ON REGIONAL ITTO PRESENCE AND REPRESENTATION**

**I. Background**

The ITTO Regional Officers for Africa and Latin America and the Caribbean, under the management of the Executive Director provide services to members in relation to the project cycle, thematic programmes and the general representation of the Organization. Under Decision 7(XLIX) a discussion on the issue of ITTO's regional presence and representation was held during the Fiftieth Council Session in Yokohama. A study will be conducted to consider the possible role and objectives, feasibility and budgetary implications of strengthening regional representation, inter alia through the possibility of establishing regional offices.

**II. Description**

The objective of the study is to inform Council's deliberations at its 51<sup>st</sup> Session on ITTO presence and representation in the regions. The study should address the following issues:

- The pros and cons of Regional Offices versus Regional Officers, including a cost benefit analysis. In particular, the following factors should be considered: the quantification of the critical mass of projects and activities to justify a regional office, the current financial situation of ITTO, possible mobilization of additional resources, etc.
- The added value of establishing a Regional Office comparing to the current situation.
- Proposed roles and responsibilities of the Regional Officers in relation to Headquarters, including staff division of labor.
- Selection Criteria for a Regional Office (including security, accessibility, communications, host country arrangement, cost, financial and in-kind contributions by the host country and/or other organizations, possibility to partner with other organizations, etc.)

The study should be fact based and without prejudice to the decision to be made by the Council. The study should be completed in timely manner so that it is distributed to members before the 51<sup>st</sup> Session.

The work will be carried out by the Secretariat with the support of a Consultant.

**III. Expected Outputs**

- A study to help inform Council's deliberation on ITTO Regional Presence and Representation

**IV. Target Countries** ITTO member countries

**V. Duration** 2 -3 months

**VI. Budget** US\$25,000 (from Working Capital Account)

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Distr.  
GENERAL

ITTC(L)/21  
8 November 2014

Original: ENGLISH

FIFTIETH SESSION  
3-8 November 2014  
Yokohama, Japan

## DECISION 3(L)

### ADMISSION AND ACTIVITIES OF OBSERVERS DURING COUNCIL SESSIONS

The International Tropical Timber Council,

Recalling Decision 9(XXVIII) on 'Enhancing Participation of Members of Civil Society in the Relevant Activities of the ITTO', which invited the establishment of open-ended Advisory Groups to contribute to the work of the Council and led to the formation of ITTO's Trade Advisory Group (TAG) and Civil Society Advisory Group (CSAG);

Recognizing the important role that observers play in bringing new issues, perspectives and concerns regarding tropical forests to the attention of ITTO members to promote cooperation among stakeholders ;

Noting that it was unable to reach consensus regarding the admission of one observer to the 50<sup>th</sup> session;

Emphasizing its desire to maintain positive and mutually respectful relationships with all observers;

Confirming its intention to ensure that sessions remain as transparent as possible and that its work continues to be disseminated to all stakeholders;

Decides to:

1. Request the Executive Director to compile a background paper including information on the procedures of relevant international organizations regarding the admission, the rights and responsibilities of, and the activities undertaken by observers at official sessions and side events;
2. Request the Executive Director to establish a working group consisting of 3 representatives each from producer and consumer members and one representative each from the TAG and CSAG to:
  - review the background paper along with ITTO's rules of procedure and any other relevant UN documents and develop guidelines for the admission and rights and responsibilities of observers that are consistent with the ITTA, 2006;
  - develop guidelines for the activities of observers that may be undertaken during sessions of Council (including side events);
  - make recommendations to Council to enhance its engagement with observers.
3. Consider the report of the working group at its 51<sup>st</sup> Session and adopt improved procedures to be applied in the admission of observers governing activities to be undertaken by them; and
4. Requests member countries to make voluntary contributions of \$13,000 for the consultant fee and \$27,000 for a working group meeting available through the 2015-16 Biennial Work Program to meet the financial requirements of implementing this Decision. If the funds for the working group meeting are unavailable, the working group shall operate electronically.

**ANNEX**

**Indicative Budget (assumes 3 day workshop in Yokohama)**

Background paper consultancy	
Fee	\$10,000
Participation in working group (travel/DSA)	\$3,000
Sub-total	\$13,000
Working group	
Travel (8 participants)	\$20,000
DSA (3 day workshop)	\$7,000
Sub-total	\$27,000
Total	\$40,000

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## **ANNEX IV**

### **REPORTS OF THE ASSOCIATED SESSIONS OF THE FOUR COMMITTEES**

**Documents: CEM-CFI(XLVIII)/6**

**CRF(XLVIII)/7**

**CFA(XXIX)/9**



Distr.  
GENERAL

CEM-CFI(XLVIII)/6  
8 November 2014

ENGLISH ONLY

FORTY-EIGHTH SESSION  
3-8 November 2014  
Yokohama, Japan

## **REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL**

### **FORTY-EIGHTH SESSION OF THE COMMITTEE ON ECONOMIC INFORMATION AND MARKET INTELLIGENCE AND THE COMMITTEE ON FOREST INDUSTRY**

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##### **Report**

**Appendix A: Report on the ITTO Annual Market Discussion – 2014**

**Appendix B: Statement of the Trade Advisory Group (T-A-G)**



## REPORT

### 1. Opening of the Session

The Forty-eighth Session of the Committees was opened on 3 November 2014 at the Joint Session of the Committee on Economics, Statistics and Markets (CEM) and the Committee on Forest Industry (CFI), co-chaired by Mr. Shingi Koto (Japan), Chairperson of CEM and Mr. Björn Merzell (Sweden), Chairperson of CFI. Dr. B.C.Y. Freezailah (Malaysia), Vice-Chairperson of the Council chaired the Joint Session of the Committees on 4 and 5 November 2014 which considered items 4 and 8A of the Agenda. The Chairperson of CEM chaired the Joint Session of the Committees on 5 November 2014 which considered item 6 of the Agenda. The list of participants is presented in document ITTC(L)/Info. 2.

### 2. Adoption of Agenda and Organization of Work

The Agenda for the Joint Session of the CEM and the CFI as contained in document CEM-CFI(XLVIII)/1 was duly adopted.

### 3. Admission of Observers

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

### 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-seventh and Forty-eighth meetings held on 3-7 February 2014 and on 4-8 August 2014 in Yokohama, Japan as contained in documents ITTC/EP-47 and ITTC/EP-48, respectively.

### 5. New Projects and Pre-projects

The Committees noted the 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-seventh and Forty-eighth Meetings as follows:

<b>Committee on Economic Information and Market Intelligence</b>		
PD/PPD NUMBER	TITLE	SUBMITTING COUNTRY
PD 746/14 Rev.2 (M)	Strengthening the Production, Marketing and Conservation of Pinabete in Guatemala	Guatemala
PD 756/14 Rev.1 (M)	Development of a Business Management Services Program for Forest MSMEs (Micro, Small and Medium Enterprises) in Guatemala	Guatemala

<b>Committee on Forest Industry</b>		
PD/PPD NUMBER	TITLE	SUBMITTING COUNTRY
PD 709/13 Rev.2 (I)	Enhancing Bali Wooden Handicraft Industry by Improving the Quality of Planted-Wood Raw Materials and Complying to Legality Standard	Indonesia
PD 719/13 Rev.2 (I)	Competitiveness and Business Strengthening for a Carpenter Group in Region VII (Huehuetenango – Quiché), Guatemala	Guatemala
PD 720/13 Rev.3 (I)	Strengthening of Two Community Associations to Improve the Forest Industry in the Department of Huehuetenango, Guatemala	Guatemala

PD 737/14 Rev.1 (I)	Developing Supply Capacity of Wood-based Biomass Energy through Improved Enabling Conditions and Efficient Utilization of Degraded Forest Lands Involving Local Communities in North Sumatra Province of Indonesia	Indonesia
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6. ITTO Annual Market Discussion – 2014

The Committees noted the summary of the ITTO Annual Market Discussion – 2014, held in the Joint Session of All Committees on 5 November 2014, as contained in Appendix A. The theme of the Market Discussion was “Domestic and Emerging International Markets – A Changing Market Landscape”. Mr. Shingi Koto, Chairperson of CEM, 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. Isac Zugman Vice President, ABIMCI Chairman, Lavrasul SA	Evolution of the Brazilian Timber Sector – High Value Exports and Imports
Mr. Jirawat Tangkijngamwong Chairman, Thai Timber Association Director, Deesawat Industries Co., Ltd./ Deesawat Design Co., Ltd.	Thailand, Opportunities for Timber Exporters
Mr. Roy Southey Chairman, The Wood Foundation South Africa Executive Director, Sawmilling Southeys South Africa	South Africa – the Emerging Market Opportunity, What We Have and What We Need
Ms. Cindy Squires, Esq. Executive Director Intl. Wood Products Association	Global Timber Forum Update and How Can We Go About Creating New Markets for Old Products – a Carrot vs Stick Approach
Mr. Enzo Barattini Retired Deputy Head, European Commission	EU Experience with Working with the Private Sector – Lessons for ITTO and the Trade Advisory Group
Mr. Gordon Gresham Marketing Advisor	25 Years of Observing ITTO

The Committees further noted the statement of the Trade Advisory Group (TAG) presented during the Market Discussion as contained in Appendix B.

7. Report on Completed Projects and Pre-projects

The Committees considered the Report of Completed Projects and Pre-projects as contained in document CEM-CFI(XLVIII)/2 as follows:

**Committee on Economics, Statistics and Markets**

None.

**Committee on Forest Industry**

PD 39/93 Rev.4 (I) Ph II	The Development, Application and Evaluation of Biomass Energy through Briquetting, Gasification and Combustion of (Wood and Agricultural) Residues (Cameroon)
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The implementation of the project has been terminated following the objection of CFC in October 2012 to the request by the Government of Cameroon for the project’s duration to be extended further beyond its planned date of completion. The Cameroonian Government has responded in July 2014 to

the CFC's request to return the project's unspent budget. The Secretariat confirmed that remaining funds (US\$5,223.12) have been refunded to the CFC.

The representative of Cameroon expressed its appreciation to the CFC for their support in funding the project implementation and highlighted the lessons learned from the project implementation, as well as further utilization of the project's outputs to develop their biomass energy programme.

The Committees duly declared the project terminated.

PD 521/08 Rev.3 (I) Participatory Forest Management for Sustainable Utilization of Non Timber Forest Products (NTFP) Surrounding the Protected Area of Rinjani and Mutis Timau Mt, Nusa Tenggara Indonesia

The representative of Indonesia reported on the completion of the project, as all activities have been carried out and outputs achieved satisfactorily.

The result of this project contributed to the sustainable management of the protected area in Nusa Tenggara Indonesia. The project achieved two outputs: (1) capacity built in local communities to obtain permits for the utilization of NTFPs through a series of training exercises, development of a model for small scale forest economy and a series of extension activities for improving awareness of economic, social and ecological benefits of the protected area; and (2) plan for the economically viable extraction of NTFPs elaborated through a participatory process.

The project has achieved its objectives, completed its outputs and produced four technical reports, namely:

- (1) Training Module Development to Improve the Capacity of Local Community Groups for Sustainable Utilization of Non Timber Forest Products;
- (2) Policy Analysis of Non Timber Forest Products in West Nusa Tenggara Province and East Nusa Tenggara Province;
- (3) Management Plan of Non Timber Forest Products Within Community Forest in Central and North Lombok, West Nusa Tenggara Province; and
- (4) Dealing with Non Timber Forest Products for Income Generating of Local Communities in Pilot Villages (Rinjani and Mutis).

The Secretariat informed the Committees that the completion report, technical reports and final financial audit report had been delivered by the executing agency in accordance with the project agreement. The Committees duly declared the project complete.

## 8. Ex-post Evaluation

### **(A) Ex-post Evaluation Reports**

To facilitate the sharing of experiences and lessons learned from ex-post evaluation of projects among members, the consideration of ex-post evaluation reports was undertaken in a Joint Session of all Committees. The Committees considered the executive summaries of the ex-post evaluation reports as contained in document CEM-CFI(XLVIII)/3.

#### **Committee on Economics, Statistics and Markets**

PD 406/06 Rev.1 (M) Establishment of the National Forest and Timber Marketing Statistics System (Ecuador)

A presentation was made for the Committees by the consultant, Dr. Luiz Carlos Estraviz Rodriguez (Brazil), on the results of his ex post evaluation on the project.

The consultant noted that the specific objectives of the project were achieved through the following outcomes:

- A system for the management of forest resources at the national level from field level use to final consumption;
- Information feeds a central database enabling consolidation, organization and consultation;

- Adequate technological solution enables connectivity, good coordination and effective participation of all stakeholders;
- A regulatory legal framework that persuades stakeholders to participate;
- Good quality communications and outreach material.

The consultant found that the main outcome of the implemented strategy is the convergence of data and information flows in an arrangement that has facilitated the operation of the National Forest Directorate while promoting user participation and intensifying the use of geo-referenced statistical information. This outcome has significantly strengthened the capacity of the Ecuadorian government to manage, monitor and disseminate information on how forest resources are contributing to promote national development.

The consultant also assessed that ITTO funds contributed to the project were appropriately and effectively used. The government of Ecuador maintained its commitment to the project and after the end of the contract with ITTO expanded significantly its participation, ensuring that the outcomes of the project are effectively sustainable. The experience accumulated with the development of the forest management information system (SAF) motivated the government to expand the scope and develop an integrated and similar program for planted forests.

Lessons learned from this project were as follows:

- A well-orchestrated set of previously planned activities led to the success of the project, including other governmental initiatives that are external to the project and strong participation of the private sector;
- Adequate evolution of the legal framework and policies, promoting the rational use of forest resources and services, contributed significantly to achievement of the outcomes;
- Perseverance and dedication of governmental officials working together with targeted beneficiaries including all main representatives of the private sector helped to ensure success.
- 
- The following recommendations were made by the consultant:
- Governmental responsibilities on monitoring forest plantations should be transferred from the Ministry of Environment (MAE) to the Ministry of Agriculture and Livestock (MAGAP);
- A system should be developed by MAGAP to deal specifically with forest plantations;
- The decision splits the responsibilities of managing forest resources and is not expected to affect the way forest information is being managed on one single database;
- The SAF (run by MAE to monitor the use of native forests) and the new system (run by MAGAP to monitor forest plantations) should be further developed in parallel, streamlining bureaucracy and sharing the same database.

The consultant concluded that the Ecuadorian experience in developing a national forest and timber marketing statistics system can be reported as being successful. Ecuador needs to maintain this successful case study as an example to the rest of the world.

Following the presentation, the representative of Ecuador expressed appreciation to the consultant and the ITTO Secretariat for conducting the ex-post evaluation of the project. He confirmed the SAF system which was established through this project is sustainably running and the other system for forest plantation monitoring is also in place. The two systems which are run by the Ministry of Environment and the Ministry of Agriculture and Livestock will contribute to improving timber traceability and monitoring thereby increasing the potential for sustainability.

The Committees commended the consultant for his report and presentation.

#### **Committee on Forest Industry**

PD 40/00 Rev.4 (I)

Utilization of Small-Diameter Logs (SDL) from Sustainable Source for Bio-Composite Products (Indonesia)

A presentation was made for the Committees by the consultant, Prof. Zhou Yongdong (China), on the results of his ex post evaluation on the project.

The project, stemming from earlier studies conducted in Indonesia, was urgently needed to help sustain wood-based industry which was experiencing a continuing shortfall in supply of large diameter logs. The consultant noted that the specific objectives of the project were achieved through delivery of



seven outputs for which 18 activities had been fully implemented within the sanctioned budget and work plan i.e. US\$865,163 and 49 months, including 13 months of extension without additional funding, respectively.

The evaluation found that the executing agency satisfactorily completed all outputs. The project was implemented in an effective manner in full compliance with the project agreement and established ITTO rules and procedures; the required documents had been prepared in accordance with existing ITTO manuals and submitted in a timely manner to ITTO; and adequate management and monitoring of activities were critical to the success of this project.

Several post project developments showed positive indications of sustained project outcomes in the longer term. Some positive policies were issued in West Java Province (Indonesia) to ease the transportation of logs from plantation forests, and to allow state-owned forest farms to provide planting technologies to local communities. These developments encouraged the development of local plantation forest and wood industries.

Project implementation has strengthened the capacity of collaborating institutions through provision of basic facilities and competent professionals to carry out future studies on SDL utilization; and the establishment of a network between research institutions and wood industries through project activities.

Following the presentation, the representative of Indonesia expressed his gratitude to the consultant and the ITTO Secretariat for conducting the ex-post evaluation of the project, to the donor (the CFC) for funding the project, and to the collaborating countries: Malaysia, the Philippines and PNG. He confirmed Indonesia's commitment to the sustainability of the project outputs and requested further ITTO support for the crucial activities initiated under the project for the benefit of the forest industry sector in Indonesia, the Philippines, Malaysia and PNG.

The representative of Indonesia noted that the recommendation regarding lowering taxes on SDL might be difficult to implement since it could lead to over-harvesting. Indonesia will need time to ensure relevant agencies coordinate to come up with workable policies and regulations in this regard that are consistent with its goal to promote sustainable forest management.

The Committees commended the consultant for his report and presentation.

PD 334/05 Rev.2 (I) Demonstration and Application of Production and Utilization Technologies for Rattan Sustainable Development in the ASEAN Member Countries (Philippines)

A presentation was made for the Committees by the consultant, Prof. Yu Yan (China), on the results of his ex-post evaluation of the project.

The project, which was implemented from April 2006 to November 2010 by the Ecosystems Research and Development Bureau (ERDB), based in Laguna, Philippines, aimed to strengthen ASEAN collaboration on sustainable management and utilization of the region's rattan resources. This was to be achieved through field-applied demonstration of rattan production and utilization technologies, with the goal of improving the socio-economic status of local rattan producer communities. The project was initially scheduled to last 48 months, with a total budget of US\$899,873, of which ITTO contributed US\$629,873, with the Government of the Philippines providing the rest of the funding. The project lasted for 54 months, with one approved 6-month no-cost extension.

The main project outputs were: (1) twenty training workshops conducted on rattan production and utilization technologies in ASEAN member countries (Cambodia, Indonesia, Lao PDR, Myanmar, Philippines, Thailand and Vietnam), with 500 participants and five training modules prepared and distributed during the different workshops; (2) eight small research projects completed on topics and relevant results presented in the project technical reports and in a regional rattan conference; (3) 222 hectares of rattan plantation plots established and maintained (versus 200 hectares as originally planned); (4) seven Rattan Newsletter issues published; (5) a Regional Conference on Production and Utilization Technologies for Rattan (an additional output from the original proposal) held in the Philippines from the 29th August to 1st September, 2010, where two publications were launched entitled "A Field Guide to Philippine Rattans" and "The ASEAN Rattans"; and (6) a project website ([www.aseanrattan.com](http://www.aseanrattan.com)) and database on rattans launched.

The Committees commended the consultant for his report and presentation.

PD 523/08 Rev.1 (I)

Operational Strategies for the Promotion of Efficient Utilization of Rubber Wood from Sustainable Sources in Indonesia

A presentation was made for the Committees by the consultant, Mr. Amha bin Buang (Malaysia), on the results of his ex post evaluation on the project.

The implementation of the project activities has contributed in some measure to the achievement of the planned outputs. However, there are gaps in the attainment of some of the outputs even on the basis of the revised indicators, casting some doubt as to whether all planned outputs have in fact been achieved in full. The gaps in the attainment of some of the project outputs have some bearing on the extent to which the strategic objective has been achieved. Furthermore, the performance of the project in relation to its revised outcome indicators has yielded mixed outcomes, making it appear that the strategic objective of the project has not been achieved in full. There is hardly any information and analysis that can be used as a basis to establish with certainty that the implementation of the project will contribute towards the attainment of its development objective.

In spite of the gaps in the achievement of some of the outputs and objectives of the project, its effects and impact are quite considerable, particularly in relation to the big rubber companies, rubber smallholders, policy review and enhancement, investment and appropriate technologies for rubberwood utilization. It has been implemented without any significant adverse impact on the environment while its impact on the local communities which constitute one of the key project stakeholders and target beneficiaries was salutary.

Following the presentation, the representative of Indonesia expressed his gratitude to donors (the Government of Japan, Korea, and Japan Lumber Importers Association) and ITTO for funding the project, and for the excellent work of the consultant, Mr. Amha bin Buang. He confirmed that the recommendations made in the report would be implemented to further promote the utilization of rubberwood harvested from replanting areas which would benefit especially small holders and farmers.

The Committees commended the consultant for his report and presentation.

#### **(B) Selection of Projects for Ex-post Evaluation**

The Secretariat reminded the Committees of Decision 3(XXVIII) which provided guidelines for the selection of projects for ex-post evaluation and established a pooled fund for ex-post evaluations to be drawn from unused project monitoring and evaluation funds.

#### **Committee on Economics, Statistics and Markets**

In view of the lack of available funding, no project was selected for ex-post evaluation. The Secretariat reviewed the structure of the pooled accounts established under Decision 3(XXVIII) and suggested that members may wish to consider at future Sessions the possibility of establishing guidelines to allow sharing between the pooled accounts established for ex-post evaluation of projects under the different Committees.

#### **Committee on Forest Industry**

The Committees duly selected the following project for ex-post evaluation:

PD 523/08 Rev.1 (I)

Operational Strategies for the Promotion of Efficient Utilization of Rubber Wood from Sustainable Sources in Indonesia

#### 9. Policy Work

Six issues/activities under the CEM and two issues/activities under the CFI were discussed by the Committees.

## **Committee on Economics, Statistics and Markets**

### **(i) Market Access**

The Secretariat reported on recent developments relating to market access for tropical timber in 2013-2014. In 2013, a number of factors and actions had effects on tropical timber market access, such as the developments of timber legality requirements, the progress of international environmental regimes, various trade measures on timber products, strengthened public procurement policies, and progress in certification, etc.

The policies and legislative actions related to timber legality continued to receive considerable attention of tropical timber countries as these requirements may have implications for tropical timber markets. Among others, the EU Timber Regulation, the Lacey Act Amendments of the USA, as well as the Illegal Logging Prohibition Act of Australia, are becoming major concerns for some producers and consumers.

The EUTR came into force on 3 March 2013, requiring importers in the EU to demonstrate due diligence in their trade in timber and timber related products originating in the EU market as well as from outside. It applies to a wide range of timber and timber products produced within the EU and products imported. Attention has concentrated on issues relating to its implementation, including consistency of application, risk assessment guidance, cost implications, etc.

The implementation of Lacey Act 2008 Amendments has also created changes in the practices of importers, manufacturers, and timber companies to avoid the imports of illegally sourced timber in the USA. It expanded protections to a broader range of plant species and extended its coverage to timber and timber products. In July 2013, US agencies APHIS and FWS, who are responsible for provisions of the Lacey Act, published a regulation establishing definitions for the terms "common food crop" and "common cultivar". Additionally, the web-based system called "Lacey Act Web Governance System (LAWGS)" was also developed and launched.

Similar to the EUTR and Lacey Act, the Australian Illegal Logging Prohibition Act 2012 which was adopted in 2012 prohibits both the import of illegally logged timber and the processing of illegally logged raw logs. In May 2013, the Australian Government adopted the Illegal Logging Prohibition Amendment Regulation, which defined the timber products to which the Act applies and the due diligence requirements for importers and processors. These requirements are to come into effect before the end of 2014.

With regard to international environmental governance, the 16th meeting of the Conference of the Parties (CoP16) of CITES was held in Bangkok, Thailand in March 2013. This meeting decided to include over 200 commercially valuable timber species under the control of CITES. In particular, the tree species in Appendix II, in which the international trade is closely controlled, were increased to more than 200 species from less than 100 species in Appendix II following the CoP15 meeting in 2010. These steps tended to strengthen enforcement efforts for the legal, sustainable and traceable trade of timber species, especially for tropical timber species.

### **(ii) Forest and Timber Certification**

The Secretariat reported on recent developments of forest certification in ITTO producing member countries.

According to the most recent statistics available, the total area of certified forests in ITTO producing member countries in 2013 was 25.5 million hectares, which accounted for 5.7% of the world's total area of certified forests of about 444 million hectares. The number of Chain of Custody (CoCs) certificates in ITTO producing member countries was 2,653, which accounted for 9.7% of the total number of CoCs in the world.

The two major international certification systems, namely FSC and PEFC, continued to be the main schemes being implemented in ITTO producing member countries. The situation in 2013 for ITTO producing member countries was as follows:

- a. The FSC certified forest area reached 17.2 million hectares in ITTO producing countries by the end of 2013, which accounted for about 9% of the total FSC certified forest area in the world. Meanwhile, the number of CoC certificates reached 2,259 in ITTO producing countries, accounting

for 8.3% of the world total. The three ITTO producing member countries with the highest FSC certified forest area are Brazil, Gabon and Indonesia. Brazil remained first with 7.0 million hectares of FSC certified forest and 1,030 CoC certificates, while Gabon took second position with 2.1 million hectares and Indonesia overtook the Republic of Congo with 1.7 million hectares.

- b. The PEFC certified forest area in ITTO producing countries reached 6.4 million hectares by the end of 2013, accounting for about 2.5% of the total PEFC certified forest area in the world. The two main ITTO producing member countries with PEFC certified forest area were Malaysia (4.7 million hectares) and Brazil (1.7 million hectares). The number of PEFC CoC certificates reached 388 in ITTO producing countries, accounting for 3.9% of the total in the world. Malaysia (282) held almost three quarters of these.

In addition, there were three significant national certification systems in ITTO producing member countries in 2013 as follows: Brazilian Forest Certification Programme (CERFLOR), Malaysian Timber Certification Council (MTCC), and Indonesian Ecolabelling Institute (LEI). CERFLOR and MTCC have been endorsed by PEFC, and their certified areas and are included in the PEFC statistics above. In Indonesia, LEI certified forests reached 1.9 million hectares of forest in 2013 and 6 CoC certificates. Indonesia has also developed and enforced the SVLK (Indonesian Timber Legality Assurance System – Indo-TLAS), which is based on a certification approach and requires all business units to obtain legality certificates.

As in previous years, PEFC accounts for almost two-thirds of all certified forests globally while almost one-third is under FSC. However, FSC held the biggest share of certified forests in ITTO producing member countries in 2013. PEFC is expected to expand in tropical forests in coming years through endorsements of certification systems in ITTO producing member countries such as Indonesia and Cameroon. The Indonesian Forestry Certification Cooperation (IFCC) system is currently under PEFC assessment, and the China Forest Certification Council (CFCC) was endorsed by PEFC in early 2014.

- (iii) Selected Data and Analysis from ITTO Biennial Review and Assessment of the World Timber Situation

Additional information from the Draft Elements of the Biennial Review of the Tropical Timber Market Situation 2013-2014 was presented by the consultant (Ms. Frances Maplesden, New Zealand), focusing on the Southeast Asian region, including Cambodia, Indonesia, Malaysia, Myanmar, Philippines, Thailand and Viet Nam. This region has had regular problems with data inconsistencies and had been the focus of a joint FAO/ITTO statistical training workshop in China in 2014. The consultant provided draft data from the 2014 Joint Forest Sector Questionnaire (JQ) indicating the importance of the region for production and trade in all the primary wood products. However, there are some limitations in the data on production and trade for the region. There are a number of countries that had not provided a JQ to the Secretariat in 2014 - India, Viet Nam and Indonesia - and most of the others had not provided a complete dataset. The Secretariat has inconsistent production data for Indonesia, Myanmar, Thailand and Viet Nam and very limited alternative sources of information to cross check this data. Consumption figures are derived from production and trade figures and this compounds the unreliability of the data. Viet Nam has not reported data to any known sources in 2014 and therefore data can only be derived from their trading partners' estimates. However, problems occur, and estimates are required, if the trading partner is a non-reporter, such as Lao PDR, and also when the trading partner usually provides poor quality, unreliable statistics – as is the case with Thailand.

- (iv) Analyze the Economic Impact of Governmental Procurement Policies on Tropical Timber Markets

The Committees took note of the revised report which had incorporated comments received from several members (Australia, China, European Union, Malaysia, Mexico, New Zealand and the Philippines) following consideration of a first draft of the report at the Forty-seventh CEM Session.

The representative of Malaysia noted the importance of the report and called for efforts to disseminate it to all countries, possibly through a follow-up workshop. The representative of Indonesia supported the proposal for follow-up work to ensure the results of the study are regularly updated and disseminated. He noted that illegal forest activities in his country had been detrimental to the image of Indonesia's forests and forest products. Indonesia was trying to address such problems, including through initiatives like the Timber Legality Assurance System developed in partnership with the EU, but these efforts required corresponding efforts on the part of importers of its wood products to exclude illegal forest products from their markets. He urged ITTO to encourage all importing countries to follow the example

of the EU, USA, Australia and others in this regard. The representative of the EU agreed that both supply and demand measures were required to ensure the legal and sustainable trade of forest products called for by many procurement policies. Both bilateral and multilateral assistance is important in this regard.

The representative of the USA requested more information on Malaysia's proposal for a follow-up workshop, including the envisaged focus of such a workshop. She proposed that any follow up workshop should focus on the recommendations of the report, including on identifying ways in which ITTO and others could assist in the implementation of the recommendations. The Secretariat noted that its intention was to publish the revised report as part of its Technical Series and disseminate it to all members in hard copy and electronically via the ITTO website. Any follow-up workshop would need to be discussed under the 2015-16 (or subsequent) Biennial Work Programme. The representative of the EU agreed that publishing the report as part of ITTO's Technical Series was the best means of disseminating it and that individual countries bore the responsibility for taking the recommendations of the report forward at the national level. Any follow-up workshop such as proposed by Malaysia should focus on the recommendations of the report and encourage a forward-looking exchange of views on this important topic.

The observer from FSC made the following specific comments on the report for consideration of the Committees and in any follow-up work by ITTO on this topic:

- The consultants linked timber procurement policies to “environmental credentials of forest products”. That is only part of the motivation. As the consultants wrote, the first objective usually is timber legality. That is however not for environmental reasons alone, but also for social ones since illegal logging is considered also as a menace for people living in and/or dependent on forests and forestry, a driver for corruption and undermining the rule of law and tax income in producer countries. And when public authorities go one step further, seeking wood products with a sustainable forest management origin, the social motivation often plays a role, even though that is not always clearly expressed.
- The consultants also concluded that from 2005 there is less interest amongst governments for procurement of sustainably produced timber products and more focus on legal origin. We doubt that. A Chatham House publication of September 2014, on public procurement related to legal and sustainable timber, states that between 2008 and 2013 the number of countries with timber procurement policies have increased from 9 to 26, with more in preparation. All but two of these encourage or require sustainable sourcing in addition to legality. The countries mentioned are predominantly in Europe, but also include Australia, China, Ghana, Japan, Mexico, and New Zealand. The impacts of these national policies differ. Some are voluntary guidelines, others are binding on the central government only, and some require sustainable procurement by all levels of government.
- The consultants stated that “public timber procurement policies apply to government purchases of timber that in reality are a very small portion of the modern marketplace”. We think they are underestimating this. Apparently they look at central government only and conclude, for example for Belgium, that this covers less than 2% in the timber market. But this is the tip of the iceberg only: other levels of government need to be taken into account. In Belgium definitely regional governments should be considered, but for many countries in the world certainly cities also need to be considered in any analysis of public procurement. Cities are often the pioneers in sustainable procurement practices, and when national/regional governments follow, more cities follow again. Together they have a much bigger impact on the markets. Chatham House estimates this on average at 12% of GDP, and when knock-on effects are included, it could lead to a market leverage of up to 25%.
- The consultants rightfully observe that “many procurement policies accept third-party systems of verification as sufficient for legality assurance or forest sustainability” but that the specifics differ from country to country. Indeed, we believe that the success of forest certification schemes (as regards tropical timber this is predominantly FSC) has encouraged public authorities to require sustainably sourced products. While governments differ in their specific demands and requirements, it is a fact that forest certification plays a key role, as it helps public authorities to choose without having to do verification themselves. And in particular for tropical timber, success in the public sector could help regaining market share in those countries where it has been going down. But for that sustainable forest management needs to be practiced in the tropical countries at a larger scale, and made visible through certificates. FSC is keen on assisting in this process, and calls upon ITTO to not only use certification as a measure of impact, but also actively promote credible and effective certification, in particular for smallholders and communities, for which such support could be a decisive difference.

The Committees took due note of the comments and discussion regarding the revised report and urged the Secretariat to publish it as part of the ITTO Technical Series as soon as possible and ensure its wide distribution.

(v) Independent Market Monitoring of FLEGT-licensed Timber

The Secretariat provided a brief summary of the preliminary work carried out under the IMM project to date. This has included development of a baseline report containing data on EU imports which will be used to gauge the impacts of voluntary partnership agreements (VPAs) on timber trade, consultation with VPA partner countries and development of indicators to facilitate monitoring of timber flows in EU and VPA partner countries. A Steering Committee would be convened in December 2014 and a wider Advisory Committee in the first quarter of 2015. The Secretariat noted that a more detailed presentation would be provided by the lead consultant at the next Session.

(vi) Items on Policy Work for 2015

The Committees considered and agreed on the following items for policy work in 2015:

- Market access (including tax aspects of free trade agreements related to tropical timber);
- Forest and timber certification;
- Selected data and analysis from ITTO Biennial Review and Assessment of the World Timber Situation; and
- Independent market monitoring of FLEGT-licensed timber.

**Committee on Forest Industry**

(i) Matching the needs of the forest industry with innovations, technologies and know-how developed through ITTO projects [PP-A/47-263]

The Secretariat made a presentation on the implementation of the activity, which included:

- An analysis of past ITTO projects in the field of forest industry (2013);
- A global survey carried out in 2013 on the needs of the forest industry from which the relevant topics for further dissemination arose, including:
  - Better access to information on lesser used timber species (LUS),
  - Support to value-added production, and
  - Promote certified forestry and its end-products;
- Based on the nature of above topics and the available know how on ITTO projects, the subject on 'better access to information on LUS' was selected, and a website to disseminate the information is being constructed. A demonstration of the website and its various sections was provided. The Secretariat highlighted that 60 LUS profiles from Latin America have been updated and enhanced on this new website.

The Secretariat also informed the Committees that since the activity was only partially funded under the BWP 2013-2014, a follow-up activity was included in the proposed BWP 2015-2016 in order to expand the information on LUS to species from Southeast Asia and tropical Africa.

The representative of USA inquired if the website has been already been used and if there had been any comments or feedback from users. The Secretariat informed that although the website is still under construction and therefore not yet open to the public, private sector organizations of Latin America had been consulted during its construction and had recognized the usefulness of the information provided on LUS.

The representative of Côte d'Ivoire inquired when the expansion of the LUS site to species of Southeast Asia and tropical Africa was envisaged. The Secretariat reiterated that the activity was partially funded, and therefore work was initiated with countries in Latin America as this was the region with the largest number of responses to the global survey. The Secretariat also informed the Committees that the main purpose of the activity was to disseminate knowledge generated by ITTO projects and therefore, a follow-up activity for the expansion of the LUS site to other regions was included in the proposed BWP 2015-2016, and that such expansion would be subject to availability of funds.

(ii) Items on Policy Work for 2015

The Committees considered and agreed on the following items for policy work in 2015:

- Development of Environmental Product Declaration (EPD) for three tropical wood products; and
- Improving market perceptions of tropical timber.

10. Biennial Work Programme of the Committees for 2015-2016

The Committees considered eleven activities under the responsibility of CEM and CFI under the Draft ITTO Biennial Work Programme for 2015-2016 (BWP 2015-2016) as contained in document ITTC(L)/10.

On activity 23 (Creation and maintenance of web-based 'one-stop' interactive profiles of the wood based industry, trade and forestry sectors in producer member countries to support tropical timber market diversification), the representative of the EU welcomed this proposal from the TAG saying it will enhance transparency and deliver information required to support the trade in legal timber. However, the description of the proposal in the draft BWP was unclear in some areas and the aims unrealistic in terms of the proposed budget. He requested clarification on how this activity would be implemented given the limited manpower within the Secretariat. The representative of the EU also requested that the focus of the activity (currently mainly on the EUTR) be expanded as the objective should be to provide information on import regulations and legislation in all relevant countries. He informed the meeting that initial discussions had taken place with representatives of the TAG to further develop the proposal and revise the terms of reference.

The representative of USA supported the comments of the EU especially in terms of matching expected outputs and budget. She also recommended that before embarking on this activity, the work being done by others in this area be assessed. She reported that work on compiling forestry legislation in tropical countries is being undertaken by, for example, a Legal Atlas initiative and within the framework of APEC. She stressed that duplication of effort should be avoided.

On activity 24 (Development of Environmental Product Declaration (EPD) for selected tropical wood products), the Secretariat took note of the views of the representative of USA that the activity to undertake EPDs for tropical timber products in the BWP 2013-2014 was considered a pilot exercise to illustrate the standards and procedures for undertaking this kind of assessment and that the private sector should be primarily responsible for taking this work forward. She indicated that the activity could remain in the current BWP but that there should not be an expectation that ITTO would undertake numerous EPDs. The Secretariat also took note of the suggestion from the representative of the EU to establish contact with FAO which had approved a programme to work on EPDs for forest products during the most recent COFO meeting.

On activity 33 (Enhance the cooperation between ITTO and World Customs Organization (WCO) through the preparation of Guidelines for frontline Customs officials in monitoring legal timber trade and to combat illegal timber trade), the representative of the EU noted that the partnership proposed between ITTO, the World Customs Organization (WCO) and TRAFFIC appeared promising. He felt that ITTO could be an important source of technical expertise for the WCO regarding tropical timber. He recommended that cooperation with the UN Office on Drug Control and Crime Prevention also be explored in the context of this activity.

The Secretariat noted that the Committees' comments and proposals on all three of these activities would be conveyed to the Chairperson's Open-Ended Drafting Group meeting that was finalizing the BWP 2015-2016.

11. Review of Projects and Pre-projects in Progress

The Committees considered the Report of Projects and Pre-projects in Progress as contained in documents CEM-CFI(XLVIII)/4 and took note of progress in the implementation of the following projects and pre-projects:

**(A) Projects and Pre-projects under implementation**

**Committee on Economics, Statistics and Markets**

1. PD 124/01 Rev.4 (M) Phase III Stage 2 Promotion of Sustainable Management of African Forests (Africa)
2. PD 449/07 Rev.2 (M) Enhancing Forest Law Enforcement in Papua New Guinea
3. PD 599/11 Rev.1 (M) Development and Testing of National Forest Stock Monitoring System (FSMS) with Improved Governance Capabilities at all Levels of the Forest Administration (Philippines)
4. PD 620/11 Rev.1 (M) Development and Implementation of a Species Identification and Timber Tracking System in Africa with DNA Fingerprints and Stable Isotopes (Germany)
5. PD 621/11 Rev.3 (M) Traceability of Timber Produced by Forest Concessions and Native Communities in Madre de Dios and Ucayali (Peru)
6. PD 678/12 Rev.1 (M) Establishment of a National Forest Statistics Information Management System in Benin
7. PD 692/13 Rev.1 (M) Implementation and Operationalization of a National Information System for the Sustainable Management of Forest Resources (Côte d'Ivoire)
8. PPD 167/13 Rev.1 (M) Feasibility Study on the Certification of ONAB's National Plantation Estates (Benin)

**Committee on Forest Industry**

1. PD 73/89 (M,F,I) Assistance for Project Identification and Formulation (Global)
2. PD 364/05 Rev.4 (I) Providing Village Communities with Basic Technological Training for Extracting Valuable Essential Oils from *Eucalyptus citriodora* Plantations in Rural Areas of Congo (Rep. of Congo)
3. PD 433/06 Rev.3 (I) Sustainable Model for the Brazilian Wood Flooring Production Chain
4. PD 457/07 Rev.5 (I) Operational Supportive System for Promoting the Further Processing of Timber in Five Countries of the Congo Basin (Gabon)
5. PD 506/08 Rev.1 (I) Reviving Forestry Education in Liberia
6. PD 540/09 Rev.2 (I) Support to Improve the Productivity of the Peruvian Timber Industry for the Production of Higher Value-added Products
7. PD 600/11 Rev.1 (I) Model Capacity Building for Efficient and Sustainable Utilization of Bamboo Resources in Indonesia
8. PD 687/13 Rev.1 (I) Strengthening the Performance of the Wood Processing Sector in Guyana, through Building Local Capacity and Enhancing National Systems that Promote Forest Products Trade and Sustainable Utilization of Forest Resources
9. PD 722/13 Rev.1 (I) Capacity Building and Reduced Impact Logging (RIL) in Dry Inland Forest in the Permanent Forest on Peninsular Malaysia



**(B) Projects and Pre-projects pending agreement**

**Committee on Economics, Statistics and Markets**

None.

**Committee on Forest Industry**

None.

**(C) Projects and Pre-projects pending financing**

**Committee on Economics, Statistics and Markets**

1. PD 124/01 Rev.3 (M) Phase III Stage 3 Promotion of Sustainable Management of African Forests (Africa)
2. PD 686/13 Rev.1 (M) Enhanced Research and Promotion of Non-Traditional Broadleaved Timber Species in Honduras
3. PD 694/13 Rev.2 (M) Promoting Development of Teak Plantations on Farmlands to Improve Quality, Marketing and Livelihood of Local Communities in Forest-Savannah Transition Zone, Ghana

**Committee on Forest Industry**

1. PD 660/12 Rev.3 (I) Enhancing Industrial and Community Utilization of Wood Residues through Briquette and Charcoal Production for Environmental and Livelihood Improvement in Ghana
2. PD 689/13 Rev.1 (I) Promoting Biological and Non-Biological Agent Prevention and Control Techniques in Mechanical Timber Processing in Peru
3. PD 698/13 Rev.2 (I) Facilitating Forest-Industry-Market Integration (Guatemala)
4. PD 700/13 Rev.1 (I) Development of Intra-African Trade and Further Processing in Tropical Timber and Timber Products – Phase I
5. PD 709/13 Rev.2 (I) Enhancing Bali Wooden Handicraft Industry by Improving the Quality of Planted-Wood Raw Materials and Complying to Legality Standard (Indonesia)
6. PD 719/13 Rev.2 (I) Competitiveness and Business Strengthening for a Carpenter Group in Region VII (Huehuetenango-Quiché), Guatemala
7. PD 737/14 Rev.1 (I) Developing Supply Capacity of Wood-based Biomass Energy through Improved Enabling Conditions and Efficient Utilization of Degraded Forest Lands Involving Local Communities in North Sumatra Province of Indonesia
8. PPD 172/13 Rev.1 (I) Platform for Genetic Improvement of *Tabebuia* Species – Critical Information Development Phase for Implementation in Campeche, Mexico
9. PPD 173/13 Rev.1 (I) Management of Tropical Forest Species for the Production of Timber for Rural and Tourism Infrastructure Construction in South-east Mexico

The Committees held discussions on the following projects:

**Committee on Economics, Statistics and Markets**

PD 449/07 Rev.2 (M)                      Enhancing Forest Law Enforcement in Papua New Guinea

The Secretariat reported that this project has experienced considerable delays due to the change of project personnel and preparation of the required reports. The implementing agency has submitted the revised project completion report and technical reports in July 2014, but is still working on the final financial audit report. This project will be presented to the next Session of the Committee to be declared complete if the final financial audit report is submitted and deemed satisfactory prior to the Committee Session.

Following the report by the Secretariat, the representative of PNG explained that the implementing agency is currently working on the final financial audit report which will be submitted to ITTO before the end of 2014 so that the project can be declared complete at the next Session of the Committee. The representative of PNG expressed her appreciation to the ITTO Secretariat as well as the Government of Japan, the Government of USA and the Japan Lumber Importers' Association (JLIA), for funding the project. The representative of Japan hoped this project would be declared complete at the next Committee Session. He also requested more information on the capacity building activities carried out by this project. The representative of PNG responded that this project has implemented training workshops on standards for forest industry and timber tracking systems. PNG is working together with the Australian Government on another project in relation to the operation and use of the timber tracking system. The Secretariat added that details of the training activities implemented by this project were contained in the completion report, technical reports and progress reports which will be available through the new Project Search function on ITTO's website.

PD 620/11 Rev.1 (M)                      Development and Implementation of a Species Identification and Timber Tracking System in Africa with DNA Fingerprints and Stable Isotopes (Germany)

The project is in Year 3 and progressing well, however it has experienced a delay of six months during the initial phase of field sampling. As the samples collected in the field provide the basis for all follow-up activities, this initial delay has affected all subsequent steps. Therefore, the second meeting of the Project Steering Committee (PSC) held in Pointe Noire, Congo on 3 December 2014 has recommended an extension of the project for a period of six months, until 31 July 2015. The extension will entail three components, i.e., additional samples and additional stable isotopes screened for iroko, a final project meeting and six months of additional project coordination. The additional isotopes are required due to the fact that the analysis of the original three isotopes (C, H and O) did not produce satisfactory results. The proposed final project meeting will include relevant stakeholders from participating countries and is likely to be held in Douala, Cameroon. The additional funding required for the proposed extension is US\$220,751. The representative of Germany stated that the German donors are very satisfied with the progress and performance of the project. He also noted that Germany is assigning great importance to this project and that the German contribution to the project is also meant as 'seed-funding' to attract additional donors. He also announced that the German Government has received and approved a proposal for the extension of the project. The German Government will provide an additional US\$220,751 during this Session to finance the extension as proposed.

**Committee on Forest Industry**

PD 73/89 (M,F,I)                              Assistance for Project Identification and Formulation (Global)

The Secretariat informed the Committees that funds available under this long-running project had been depleted and that no further assistance could be offered to members for project formulation until additional funds were provided. In response to a query from the representative of the USA, he indicated that an alternative approach to funding this work under a project requiring voluntary contributions would be for an additional levy to be added to the programme support charge added to all projects to provide funds for such assistance in future.

The Committees noted the importance of support for project formulation and decided to recommend that additional funds be made available by donors for this project at this Session and that the issue of an

additional programme support charge to provide funds for project formulation assistance be included on the agenda of the Committee on Finance and Administration at its next Session.

PD 364/05 Rev.4 (I) Providing Village Communities with Basic Technological Training for Extracting Valuable Essential Oils from *Eucalyptus citriodora* Plantations in Rural Areas of Congo (Rep. of Congo)

The Secretariat reported to the Committees on the slow implementation of the project's activities, in particular for those activities to be carried out in DRC, in spite of the latest approval from CFC (the donor) to modify the targets set in the logical framework matrix. The Committees encouraged the Government of the Republic of Congo and the Executing Agency to work with the Secretariat in order to expedite project implementation and allow the project to be declared complete at its next Session. Further, the Committees recommended that if the project was not satisfactorily declared as completed at its next Session of the Committees, it should be terminated.

The representative of the Republic of Congo noted that the project is ambitious and that laboratory results of the quality of the essential oils carried out in France were quite satisfactory. He acknowledged the delays in the implementation of project activities which were due to it being executed in two countries. He stressed that the will to satisfactorily complete the project exists, and that dialogue with the collaborating executing agency in DRC is underway to allow the project to be declared complete at the next Session of the Committees.

PD 457/07 Rev.5 (I) Operational Supportive System for Promoting the Further Processing of Timber in Five Countries of the Congo Basin (Gabon)

The Secretariat explained the various delays in the implementation of this project and the lack of submission of satisfactory biennial progress reports, annual financial audits and updated YPOs.

The Committees agreed to the Secretariat's proposal to take all possible efforts to encourage the Executing Agency to speed up the implementation of the planned activities and to complete all pending project reporting requirements prior to the organization of the 2nd Project Steering Committee (PSC) meeting scheduled on 10 December 2014. If satisfactory progress was not observed during the PSC meeting, the Secretariat would insist on changes to the project team.

PD 506/08 Rev.1 (I) Reviving Forestry Education in Liberia

In accordance with the recommendation of the Committee on Forest Industry during its Forty-seventh Session, a Special Financial Monitoring Mission (SFMM) was carried out by Mr. Manohar, the Finance/Administrative Officer of ITTO, from 30 June to 4 July 2014 in Monrovia, Liberia.

Following the presentation of the mission report by the Secretariat, the Committee recommended to release the project balance of US\$39,130 subject to the Executing Agency fulfilling the conditions set out under the recommendations listed in the mission report, and granted a 6 (six) month extension without additional funds. The Committee expressed its desire for this project to be declared complete at its next Session but will take into account the existing situation in Liberia and the ability of the Executing Agency to re-commence project implementation.

PD 608/11 Rev.2 (I) Life Cycle Assessment-Based Initiative for Carbon Foot Print Reduction and Improved Utilization of Tropical Timber Products from Malaysia

Following a request from the representative of Malaysia to renew the approved status of the project following its lapsing under the sunset provision, the Committee agreed to recommend that the approved status of this project be reinstated as of the date of adoption of the report of the Forty-eighth Session of the CEM-CFI and that funding be made available for its implementation.

The representative of Peru also made a request to the Committees to extend the sunset period of the project PD 689/13 Rev.1 (I) "Promoting Biological and Non-Biological Agent Prevention and Control Techniques in Mechanical Timber Processing in Peru", which will lose its status as an approved project under the sunset clause if it is not funded by 30 November 2014. The Secretariat informed the Committees that since this project has not yet lost its approved status under the sunset clause, the

Government of Peru should resubmit the project proposal to the ITTO Secretariat before the end of November 2014 in order for the project not to lose its status as an approved project in accordance with ITTO Rules and Procedures.

The Committees also noted that from Part C of the list presented at the start of the report on this agenda item, PD 686/13 Rev.1 (M), PD 694/13 Rev.2 (M), PD 660/12 Rev.3 (I), PD 689/13 Rev.1 (I), PD 698/13 Rev.2 (I), PD 700/13 Rev.1 (I), PPD 172/13 Rev.1 (I) and PPD 173/13 Rev.1 (I) would lose their status as approved projects and pre-projects under the sunset clause if they were not funded before the next Session of the Committees.

12. Election of Chairpersons and Vice-Chairpersons for 2015

Following the usual consultations undertaken by the producer and consumer groups, Dr. Teguh Raharjo (Indonesia) was elected Chairperson of the CEM for 2015. Mr. Miguel R. Mendieta (Honduras) was elected Chairperson of the CFI and Mr Satoshi Teramura (Japan) was elected Vice-chair for 2015.

13. Dates and Venues of the Forty-ninth and Fiftieth Sessions of the Committees

The Forty-ninth Session of the Committees will be held in conjunction with the Fifty-first Session of the International Tropical Timber Council in Kuala Lumpur, Malaysia, on 16-21 November 2015.

The Fiftieth Session of the Committees will be held in conjunction with the Fifty-second Session of the International Tropical Timber Council.

14. Other Business

Mr. Jean-Guenole Cornet of ONF International, a representative of the Moringa Agroforestry Fund (MAF), made a presentation MAF's innovative way of supporting sustainable local development by adding value to forests. The MAF is a private equity fund that focuses on investments in agroforestry in developing and least developed countries.

15. Recommendations to the International Tropical Timber Council

- (i) The Committees recommended that funding be made immediately available for the following projects and pre-projects approved under the time-bound electronic no-objection procedure for the spring and autumn project cycles 2014:

**Committee on Economics, Statistics and Markets**

- |                     |  |
|---------------------|--|
| PD 746/14 Rev.2 (M) | Strengthening the Production, Marketing and Conservation of Pinabete in Guatemala [US\$508,872]  |
| PD 756/14 Rev.1 (M) | Development of a Business Management Services Program of Forest MSMEs (Micro, Small and Medium Enterprises) in Guatemala [US\$149,341] |

**Committee on Forest Industry**

- |                     |   |
|---------------------|---|
| PD 709/13 Rev.2 (I) | Enhancing Bali Wooden Handicraft Industry by Improving the Quality of Planted-Wood Raw Materials and Complying to Legality Standard (Indonesia) [US\$540,008] |
| PD 719/13 Rev.2 (I) | Competitiveness and Business Strengthening for a Carpenter Group in Region VII (Huehuetenango-Quiché), Guatemala [US\$149,968]                                |
| PD 720/13 Rev.3 (I) | Strengthening of Two Community Associations to Improve the Forest Industry in the Department of Huehuetenango, Guatemala [US\$129,371]                        |

PD 737/14 Rev.1 (I) Developing Supply Capacity for Wood-based Biomass Energy through Improved Enabling Conditions and Efficient Utilization of Degraded Forest Lands Involving Local Communities in North Sumatra Province of Indonesia [US\$594,832]

- (ii) The Committees recommended that the following project regain its approved status and that funding be made immediately available for its implementation:

**Committee on Forest Industry**

PD 608/11 Rev.2 (I) Life Cycle Assessment-Based Initiative for Carbon Foot Print Reduction and Improved Utilization of Tropical Timber Products from Malaysia [US\$629,843]

- (iii) The Committees recommended that additional funding be made immediately available for the following projects approved and (partially) funded at earlier Sessions:

**Committee on Economics, Statistics and Markets**

PD 124/01 Rev.4 (M) Promotion of Sustainable Management of African Forests (Africa)  
Phase III Stage 3 [Phase III Stage 3 – US\$418,144]

PD 620/11 Rev.1 (M) Development and Implementation of a Species Identification and Timber Tracking System in Africa with DNA Fingerprints and Stable Isotopes (Germany) [US\$220,751]

**Committee on Forest Industry**

PD 73/89 (M,F,I) Assistance for Project Identification and Formulation (Global)

- (iv) The Committees recommended that funding be made immediately available for the following projects and pre-projects approved at earlier Sessions:

**Committee on Economics, Statistics and Markets**

PD 686/13 Rev.1 (M) Enhanced Research and Promotion of Non-Traditional Broadleaved Timber Species in Honduras [US\$408,285]

PD 694/13 Rev.2 (M) Promoting Development of Teak Plantations on Farmlands to Improve Quality, Marketing and Livelihood of Local Communities in Forest-Savannah Transition Zone, Ghana [US\$567,022]

**Committee on Forest Industry**

PD 660/12 Rev.3 (I) Enhancing Industrial and Community Utilization of Wood Residues through Briquette and Charcoal Production for Environmental and Livelihood Improvement in Ghana [US\$705,107]

PD 689/13 Rev.1 (I) Promoting Biological and Non-Biological Agent Prevention and Control Techniques in Mechanical Timber Processing in Peru [US\$456,696]

PD 698/13 Rev.2 (I) Facilitating Forest-Industry-Market Integration (Guatemala) [US\$419,440]

PD 700/13 Rev.1 (I) Development of Intra-African Trade and Further Processing in Tropical Timber and Timber Products – Phase I [US\$5,159,245]

PPD 172/13 Rev.1 (I) Platform for Genetic Improvement of *Tabebuia* Species – Critical Information Development Phase for Implementation in Campeche, Mexico [US\$96,600]

PPD 173/13 Rev.1 (I) Management of Tropical Forest Species for the Production of Timber for Rural and Tourism Infrastructure Construction in South-east Mexico [US\$54,058]

- (v) The Committees recommended that the issue of including an additional programme support charge on projects to provide funds for project formulation assistance under the regular project cycle be included on the agenda of the Committee on Finance and Administration at its next Session.

16. Report of the Session

The Committees adopted this report for submission to the Council, with due acknowledgement to the work of the Secretariat under the able guidance of the Chairpersons of the Committees.

## APPENDIX A

### REPORT ON THE ITTO ANNUAL MARKET DISCUSSION - 2014 “Domestic and Emerging International Markets – A Changing Market Landscape” 5 November 2014, Yokohama, Japan

Six speakers addressed the 2014 Market Discussion, which was convened under a Joint Session of the Committees and organized by the Trade Advisory Group (TAG). These were: Isac Zugman, Vice President ABIMCI and Chairman of Lavrasul SA, Brazil; Jirawat Tangkijngamwong, Chairman of the Thai Timber Association and Director of Deesawat Industries Co. Ltd/ Deesawat Design Co., Ltd.; Roy Southey, Chairman, The Wood Foundation South Africa and Executive Director, Sawmilling Southey's South Africa; Cindy Squires, Executive Director, International Wood Products Association, USA; Enzo Barattini, retired Deputy Head, European Commission, Belgium; and Gordon Gresham, Marketing Advisor, UK.

The presentations made during the 2014 Market Discussion are (available on the ITTO website) were:

- Evolution of the Brazilian timber sector – high value exports and imports (Isac Zugman)
- Thailand, opportunities for timber exporters (Jirawat Tangkijngamwong)
- South Africa – the emerging market opportunity, what we have and what we need (Roy Southey)
- Global Timber Forum update and how can we create new markets for old products – a carrot vs stick approach (Cindy Squires)
- EU experience with working with the private sector - lessons for ITTO and the Trade Advisory Group (Enzo Barattini)
- 25 years of observing ITTO (Gordon Gresham)

In addition to presentations on the rapid growth in domestic consumption in tropical producer countries such as Brazil and Thailand and opportunities for an expansion of trade in tropical timber in South Africa, the 2014 Market Discussion had a second focus. In celebration of the Fiftieth ITTC Session and the long standing participation of the TAG in ITTO's work, an opportunity was taken to present to Council commentary on issues related to strengthening private sector involvement with ITTO.

The Market Discussion was chaired by Mr. Shingi Koto (Chairperson of CEM, Japan) and moderated by Mr. Barney Chan, (TAG Coordinator, Malaysia).

#### **Interventions and Discussion**

The representative of Indonesia commented that despite tropical timber being an eco-friendly material, it seems this is not a powerful enough message to sway market perceptions. He noted that in presentations on international and domestic market trends and opportunities in Thailand and South Africa mention was made of the poor perception of tropical timber in both international and domestic markets. He asked how the negative perceptions of tropical timber in the minds of consumers can be reversed.

The Moderator responded that reversing the negative perceptions of tropical timber in the marketplace had been discussed by the TAG over several days during this Session and that ideas on a way forward were included in the Trade Statement which was then read to the Joint Session. The 2014 Trade Statement prepared by the TAG can be found in Appendix B.

The TAG suggested the following theme for the 2015 Annual Market Discussion: “Raising the profile of tropical timber in the market place”.

#### **Trade Advisory Group Co-coordinators**

Mr. Barney Chan (Malaysia) and Mr. André de Boer (Netherlands) were confirmed by consensus within the TAG as its Co-coordinators for 2015-2016.

## APPENDIX B

### STATEMENT OF THE TRADE ADVISORY GROUP (TAG)

Presented at the 2014 Annual Market Discussion by  
Barney Chan (TAG Coordinator)  
5 November 2014

Chairman,  
Ladies and Gentlemen,

Today we have reached an auspicious milestone for our Organization. We are meeting together as ITTO for the fiftieth time. In the ebb and flow of international relationships, this indeed is a remarkable achievement over the last 29 years.

Today also marked a significant milestone for the TAG as 15 members from consumer and producer countries came together in Yokohama for a pre-meeting to brainstorm how the TAG can enhance the work of Council.

This milestone presented us with an opportunity to discuss how to craft a new vision and a clear strategy for the next 50 years. This Statement is the result of our combined efforts.

Before I present the results of our meeting, we would like to take this opportunity to recognize and thank Emmanuel Ze Meka who worked tirelessly as the Executive Director to support the TAG. In particular, his recent encouragement for us to suggest ideas for inclusion in the ITTO's Biennial Work Programme (BWP). Thank you, Emmanuel.

We would like to draw Council's attention to our two proposals in the BWP:

- Development of Environmental Product Declaration (EPD) for three tropical wood products; and
- Creation and maintenance of 'One-Stop' interactive online producer country industry and profiles on trade and production and all relevant legislation related to forestry and the timber trade.

Now back to our main issue.

Enhancement of the international trade in tropical timber and timber products is one of ITTO's key fundamental objectives, and since its inception, the Organization has funded studies and supported other activities aimed at increasing the market share of tropical timber and timber products.

Unfortunately, today, the challenges to the international tropical timber and timber products trade have intensified. For example:

- Rising regulatory and consumer requirements;
- Increasing production and transaction costs; and
- Competition from alternative materials;

To name but just a few.

These challenges have resulted in declining competitiveness and market share, and low appreciation of our products, particularly in eco-sensitive markets. Declining market share continues to have major socio-economic impacts for producer countries, as the trade, in most cases, is one of the major income-generating sectors of their economies.

We see that, as a result of attempts by several producer countries to meet the requirements of major eco-sensitive markets through certification and verifying legality, consumer perception of tropical timber is improving, and we need to further build on these positive developments.

The TAG has a sufficient understanding of the reasons for the continual declining market share and competitiveness of tropical timber and timber products. What is needed now is a comprehensive strategy.

The TAG has developed ideas on how this strategy could be developed.



In the context of developing an innovative strategy, the view recently expressed by the EC Commissioner for Development on this subject is relevant and I quote: "The impact that private sector actors can have on development is now widely recognised, and donors around the world are seeking ways to effectively engage with the private sector in creating jobs, providing incomes, goods and services, advancing innovation, and generating public revenues essential for economic, social and environmental welfare."

We envisage an approach that 'blends' private sector initiatives and ITTC resources.

The TAG would like to suggest that the Secretariat be provided with resources to contract consultants to develop comprehensive and innovative ideas on the strategy to help all stakeholders in continually improving the market position and technical foundation of tropical timber and timber products as the environmentally-friendly material of choice. The TAG is ready to assist the Secretariat in developing the Terms of Reference to enable the desired objectives to be realised.

The strategy should draw on the accumulated experience and expertise of the ITTO, and public and private sector actors to secure the future of tropical forests and the international tropical timber trade.

This is not just 'more of the same', rather a more comprehensive approach to take advantage of opportunities presented by the international market place.

\* \* \*



Distr.  
GENERAL

CRF(XLVIII)/7  
8 November 2014

ENGLISH ONLY

FORTY-EIGHTH SESSION  
3-8 November 2014  
Yokohama, Japan

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

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**Report**

**Appendix Activity to undertake a survey to assess the use of ITTO Guidelines  
under the ITTO BWP 2015-2016**



### **Item 1 - Opening of the Session**

The Forty-eighth Session of the Committee on Reforestation and Forest Management (CRF) was opened on 4 November 2014 at the Joint Session with the Committee on Economic Information and Market Intelligence (CEM), and the Committee on Forest Industry (CFI) chaired by Dr. B.C.Y. Freezailah (Malaysia), Vice-Chairperson of the Council assisted by Mr. Jorge Malleux (Peru), Chairperson of the CRF. This Joint Session considered agenda items 4, 6, 8 of CRF as contained in document CRF(XLVIII)/1 Rev.1. The Joint Session of the Committees was also convened under the chairmanship of Mr. Shingi Koto (Japan), Chairperson of CEM, to consider agenda item 6 of CRF. The subsequent meetings of the CRF were chaired by Mr. Jorge Malleux (Peru), assisted by Mr. Taivo Denks (Estonia), Vice-Chairperson of the CRF. The list of participants is presented in document ITTC(L)/Info.2.

### **Item 2 - Adoption of Agenda and Organization of Work**

The agenda for the CRF as contained in document CRF(XLVIII)/1 Rev.1 was duly adopted. To ensure all agenda items are covered within the limited time allocated to the Committee, the Chairperson of the CRF proposed to organize the Session in the following order: item 5, item 9, item 10, item 11, item 12, item 13, item 14, item 15 and item 16.

### **Item 3 - Admission of Observers**

The Committees admitted the observers listed in document ITTC(L)/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-seventh and Forty-eighth meetings held on 3-7 February 2014 and on 4-8 August 2014 in Yokohama, Japan as contained in documents ITTC/EP-47 and ITTC/EP-48, respectively.

### **Item 5 – New Projects and Pre-Projects**

The Committee 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), as contained in document ITTC/EP-47, following the recommendations of the Expert Panel at its Forty-seventh as follows:

#### **Forty-seventh Expert Panel**

##### Category 1:

PD/PPD NUMBER	TITLE	SUBMITTING COUNTRY
PD 684/13 Rev.3 (F)	Biodiversity Conservation with Collaboration of Local Communities in Traditionally Owned Forest Areas of South Western Ghana	Ghana
PD 690/13 Rev.3 (F)	Bamboo for Life: An Alternative for the Rehabilitation of Degraded Forests and Sustainable Rural Development in the Peruvian Amazon Region	Peru
PD 712/13 Rev.2 (F)	Enhancing the Implementation of Landscape Management of Giam Siak Kecil-Bukit Batu Biosphere Reserve (GSK-BR) in Riau Province of Sumatra Island, Sumatra	Indonesia
PD 713/13 Rev. 2 (F)	Operationalising the Policy on Sustainable Management of Sandalwood Resource Through Improved Livelihood and Increased Participation of Local Communities	Indonesia
PD 717/13 Rev.2 (F)	Enrichment of Young Forest Plantations with Selected NTFPs for Livelihood Improvement and Support of Forest Fringe Communities in Atwima Mponua District of Ghana, in order to Secure and Protect the Resources on a Sustainable Forest Management Basis	Ghana

PD 721/13 Rev.2 (F)	Building a Participatory and Inclusive Sustainable Forest Management Process for the Reduction of Deforestation and Forest Degradation in the Ixil Forest Areas of the Municipality of Nebaj, Quiché, Guatemala	Guatemala
PD 725/13 Rev.2 (F)	Rehabilitation of Degraded Forest Land in the Ahua Forest Reserve by the Women Members of Association Malebi in Compensation for the Forest Resources Removed to Meet the Need for Fuel Wood (Charcoal and Fire Wood)	Côte d'Ivoire
PD 736/14 Rev.1 (F)	Enhancing Conservation and Sustainable Production of Indonesian Rosewood ( <i>Dalbergia</i> spp)	Indonesia
PD 739/14 Rev.1 (F)	Initiating the Conservation of Eboni Species ( <i>Diospyros celebica</i> Bakh) Involving Local Stakeholders in Sulawesi	Indonesia
PD 742/14 Rev.1 (F)	Local Capacity Building for the Management of Secondary and Residual Primary Forests in the Provinces of Coronel Portillo and Padre Abad, Department of Ucayali, Peru	Peru
PD 747/14 Rev.1 (F)	Strengthening Community Forest Management Through the Implementation of Forest Training and Extension in Guatemala	Guatemala
PPD 169/13 Rev.2 (F)	Identification of a Project for the Reforestation and Management of the Large Ndjock-Lipan Forest Complex in the Bondjock, Departement of Nyong-and-Kélé, Central Cameroon	Cameroon
PPD 170/13 Rev.2 (F)	Identification of a Project in Support of Natural Regeneration and the Establishment of Forest Plantations in the Mbam-and-Kim Department	Cameroon
PPD 177/14 Rev.1 (F)	Inventory of Mangrove Ecosystem and Development of a Management Plan for Gabon	Gabon

Category 4:

PD/PPD NUMBER	TITLE	SUBMITTING COUNTRY
PD 734/14 (F)	Restoring Timber Resources with Indigenous Tree Species in Degraded Cocoa Agro-Ecosystems in the High Forest Zone of Ghana	Ghana

The Committee also noted the following projects and pre-projects which were approved under the time-bound electronic no objection procedure to accept Expert Panel ratings pursuant to ITTC Decision 6(XLIII), as contained in Document ITTC/EP-48, following the recommendations of the Expert Panel for the Technical Appraisal of Project Proposals at its Forty-eighth Meeting held in Yokohama, Japan on 4-8 August 2014.

**Forty-eighth Expert Panel**

Category 1:

PD/PPD NUMBER	TITLE	SUBMITTING COUNTRY
PD 733/14 Rev.2 (F)	Promoting Forest Restoration through Multiple-Use of Degraded Forest Lands within Anwhiaso East Forest Reserve in Ghana	Ghana
PD 735/14 Rev.2 (F)	Enhancing Partnership Efforts to Restore Peat Swamp Forests in Sumatra	Indonesia
PD 740/14 Rev.2 (F)	Sustainable Forest Management Through REDD+ Mechanisms in Kampong Thom Province	Cambodia
PD 741/14 Rev.2 (F)	Capacity Building for Sustainable Management of Tropical Dry Forests on the North Coast of Peru	Peru
PD 752/14 Rev.1 (F)	Restoring Mangrove Forest Landscapes: An Opportunity for Social Development at the Alvarado Lagoon System (ALS) Ramsar Site, Veracruz, Mexico	Mexico
PD 764/14 Rev.1 (F)	Enabling Customary Landowners to Participate Effectively in Community Forest Management Schemes Within 6 Pilots Areas of PNG	PNG

PPD 180/14 Rev.1 (F)	Pre-Project for the Rehabilitation and Sustainable Management of the Mangrove Forests in the Coastal Area of Côte d'Ivoire	Cote d'Ivoire
PPD 181/14 Rev.1 (F)	Feasibility Study on the Payment of Ecosystem Services Provided by Forests in Benin	Benin

Category 4:

PD/PPD NUMBER	TITLE	SUBMITTING COUNTRY
PD 616/11 Rev.2 (F)	Strategic Planning and Capacity building for Sustainable Community Based Natural Resource Management in Madang Province	PNG
PD 685/13 Rev.2 (F)	Community Participation in Mangrove and Forest Conservation at Muni-Pomadze Ramsar Site, Ghana	Ghana
PD 706/13 Rev.2 (F)	Contribution to the Implementation of a Participatory REDD+ Mechanism in the Mangrove Forests of Cameroon	Cameroon
PD 753/14 (F)	Participatory Forest Rehabilitation in Cremas around the Bia Conservation Area	Ghana
PD 755/14 (F)	Project for the Participatory Implementation of the Mangrove Master Plan in the Wouri Estuary, Cameroon	Cameroon
PD 760/14 (F)	Development of an Alternative Strategy for Sustainable Management of Education and Training Forests Involving Stakeholders to Support Forestry Human Resource Development	Indonesia

**Item 6 – ITTO Annual Market Discussion -2014**

The Committees noted the summary of the ITTO Annual Market Discussion – 2014, held in the Joint Session of the Committees on 5 November 2014, as contained in Appendix A of document CEM-CFI(XLVIII)/6. The theme of the Market Discussion was “Domestic and Emerging International Markets – A Changing Market Landscape”. Mr. Shingi Koto, Chairperson of CEM, 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. Isac Zugman Vice President, ABIMCI Chairman, Lavrasul SA	Evolution of the Brazilian Timber Sector – High Value Exports and Imports
Mr. Jirawat Tangkijngamwong Chairman, Thai Timber Association Director, Deesawat Industries Co., Ltd./ Deesawat Design Co., Ltd.	Thailand, Opportunities for Timber Exporters
Mr. Roy Southey Chairman, The Wood Foundation South Africa Executive Director, Sawmilling Southeys South Africa	South Africa – the Emerging Market Opportunity, What We Have and What We Need
Ms. Cindy Squires, Esq. Executive Director Intl. Wood Products Association	Global Timber Forum Update and How Can We Go About Creating New Markets for Old Products – a Carrot vs Stick Approach
Mr. Enzo Barattini Retired Deputy Head, European Commission	EU Experience with Working with the Private Sector – Lessons for ITTO and the Trade Advisory Group
Mr. Gordon Gresham Marketing Advisor	25 Years of Observing ITTO

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(XLVIII)/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(XLVIII)/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 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 took note that implementation of this project had contributed to support the implementation of a sustainable forest development master plan in the Eco-Floristic Area IV, in Togo. The project's lessons and results had been a good basis for a better understanding, by local communities, of the critical issue regarding land tenure, which was the key reason of the slow involvement of local communities in the project implementation.

The Secretariat informed the Committee that the completion report, consultant's technical reports, workshop reports and final financial audit report had been delivered by the implementing agency in accordance with the Project Agreement. The Committee therefore decided to consider the project as completed.

##### **2) PD 372/05 Rev.1 (F) Contribution to Forest Rehabilitation in Thailand's Areas Affected by Tsunami Disaster (Thailand)**

The delegation of Thailand made a presentation on the main outcomes of the project. He highlighted the project achievements in developing a community-based coastal resource management system to enhance the contribution of forests to sustainable livelihoods and ecological security (CBM-SLES) in the 2004 Tsunami natural disaster affected areas in southern Thailand. He also outlined bamboo use in the Tsunami affected areas in order to meet the medium and long-term needs in rural house construction. He further informed the Committee that key technical reports resulting from the implementation of the project have been posted on the Executing Agency's website for wider dissemination. He thanked ITTO and the donors for their support to the implementation of the project.

The delegation of Switzerland commended the Executing Agency for the successful implementation of the project with the effective engagement of diversified social groups as well as many interesting results even beyond the project document. He recommended that an ex-post evaluation be carried to assess the social, economic and environmental impacts of the project.

The Secretariat informed the Committee that the completion report, technical reports and satisfactory final financial audit report had been delivered by the Executing Agency in accordance with the Project Agreement. The Committee therefore decided to consider the project as completed.

##### **3) PD 376/05 Rev.2 (F) To Develop and Promote a Monitoring Information System to Support the Sustainable Development of Tree Resources Outside Forest at the Sub-District Level in Thailand (Thailand)**

The delegation of Thailand made a presentation on the main outcomes of the project. The Committee noted that the project's three outputs had been achieved by significantly contributing to the development of standard inventory and monitoring procedures for Tree Resources Outside Forest (TROF) towards their sustainable management in Thailand. Two demonstration sites - one in Ubon Ratchatani, northeastern province and the other in Chumpon, southern province - for TROF assessment and monitoring had been established to build awareness and research for continued policy development for TROF. Key technical reports resulting from the implementation of the project have been posted on the Executing Agency for wider dissemination. He thanked ITTO and the donors for their support to the implementation of the project.



The Secretariat informed the Committee that the completion report, technical reports and satisfactory final financial audit report had been delivered by the Executing Agency in accordance with the Project Agreement. The Committee therefore decided to consider the project as completed.

**4) PD 501/08 Rev.1 (F) Promoting Household Reforestation in Tropical Zone of Southwestern China through Development and Extension of Household-Oriented Techniques (China)**

The Committee took note that implementation of this project had led to the promotion of appropriate household-oriented reforestation techniques through a close cooperation between the Yunnan Academy of Forestry and selected local households in the tropical area of Yunnan Province. The project implementation had been an opportunity for arrangements made with key stakeholders, which contributed to the smooth implementation of the project, as the responsibilities and rights of each stakeholder were clearly defined prior to the involvement in the project implementation.

The Secretariat informed the Committee that the completion report, technical reports and final financial audit report had been delivered by the implementing agency in accordance with the Project Agreement. The Committee therefore decided to consider the project as completed.

**7.2 Completed Pre-projects**

**1) PPD 165/12 Rev.1 (F) Study for the Rehabilitation and Sustainable Management of Sacred Forests on RAMSAR Sites 1017 and 1018 in Benin**

The Committee took note that implementation of this pre-project had contributed to evaluate the potential of Sacred Forests located in the Ramsar Sites 1017 and 1018, in order to formulate a project aiming to support their rehabilitation and sustainable management.

The Secretariat informed the Committee that the completion report, consultant technical reports and final financial audit report had been delivered by the implementing agency in accordance with the Pre-project Agreement. The Committee therefore decided to consider the pre-project as completed.

**Item 8 - Ex-post Evaluation**

**(A) Ex-post Evaluation Reports**

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

**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)

The Committees took note of the presentation of the synthesis of the evaluations as contained in document CRF(XLVIII)/4 Rev.1, for the completed project PD 66/01 Rev.1 (F), by the Team Leader of the evaluation team, Dr. Marc Dourojeanni (Peru). The synthesis was prepared with the information and data analyzed in the full report prepared by the Team Leader and the national consultant, Mr. Etienne Nkomo.

He informed the Committees that the project was not considered as successful, but not as a failure, because most its outputs were not fully achieved during its implementation due to, among others, the delay in formalizing the establishment of the Mengine Gorilla Sanctuary. He reminded the Committees of the importance of establishing the Mengine Gorilla Sanctuary as a contribution of this project to the conservation biodiversity in this particular part of the Congo Basin, as the situation of biodiversity would be even worse without the current main project outcomes. He highlighted the major lessons learned and recommendations for similar future projects as well as the improvements in the management of this project:

- Projects that include financing in protected areas management must be conditioned to their previous legal establishment ("gazetting process").
- A different case is when the project is exclusively oriented to assist in the preparation of the documentation (scientific justification research, delimitation studies, public consultation, draft decree or resolution, etc.) necessary for the country to establish a new protected area.

- Transboundary or bi-nationally managed protected areas, as well as international ecological corridors, are unquestionably necessary but their possibility of success is limited and very difficult to achieve.
- Careful attention must be given to the implications of logistics in remote or isolated areas.
- The assessment of the socio-economic and cultural reality of the region must be well known and taken into consideration in project design.
- Activities related to economic incentive programs for communities should form part of project design.
- Mid-term evaluations are always very useful tools.
- Flexibility on Project deliverables should be allowed especially when currency fluctuations outside of the Project control significantly increase costs.
- Economic sustainability for protected areas is almost a dream, but it is possible to be partially achieved.
- Political willingness or support and country's bureaucracy must be carefully evaluated and prudently considered in project design.

Following the presentation, the Delegation of Cameroon expressed its gratitude to the governments of Japan, Switzerland and USA for financing this project. The Delegation of Cameroon commended the evaluation team for the findings, lessons learned and recommendations provided in its report and ensured the Committees that these are useful elements to be capitalized for the preparation of a second phase of this project.

The Delegation of Switzerland expressed its appreciation for the response to its request in previous sessions for the inclusion of management responses to the ex-post evaluation full report and executive summary. It was noted that the management response was missing in the reports distributed in the Committee. Therefore, it was requested to the Secretariat to provide the reason why the management response of the Executing Agency to this ITTO ex-post evaluation was not annexed to both the full report and executive summary. The Secretariat responded that there was a mistake in compiling the report although the management response was provided. The Delegation of Switzerland has appreciated receiving the right version of both documents with the management response added as annex.

The Committees commended the consultant for his report and presentation.

## **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

The Committees were informed that the results of the ex-post evaluation of the thematic Group Evaluation on Community Participation in SFM will be reported at the 49<sup>th</sup> CRF Session in 2015.

## **3) Thematic Group Evaluation: Plantation Establishment**

PD 396/06 Rev.2 (F)	Strategy for Developing Plantation Forest: A Conflict Resolution Approach in Indonesia
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The consultant, Dr. Zhuang Zuofeng (China) made a presentation on his ex-post evaluation report on this project as contained in document CRF(XLVIII)/5. He indicated that the project had basically been successfully implemented with the two specific objectives achieved through developing, adopting and demonstrating technical guidelines on "Strategy, Legal Framework and Institutional Arrangement of Collaborative Plantation Forest Management" and "Practical Mechanism of Conflict Resolution on Plantation Forest Development in Indonesia" in Jambi and South Kalimantan provinces. The project had also contributed to improving the capacity of farmer groups through various trainings and MOUs on collaborative plantation forest management between farmer groups and plantation forest concessionaires working for the activities in the demonstration site.

He also proposed a number of recommendations including: key stakeholders and partners should be identified from the very beginning and their roles and responsibilities should be clarified at different phases in

the project management cycle; effective collaboration mechanisms should be developed to motivate and encourage the local forest authorities and professionals to actively join the project implementation and follow-up actions; and capacity building should be continuously provided for the villagers under the government capacity building programs. Technical supports from local forest authorities still needed to help farmer groups to develop forest management plans for the collaborative plantation forests.

The delegation of Indonesia commended the consultant for his report and presentation. He also thanked the donors for their support and informed the Committees about the on-going conflict resolution related activities in plantation forests 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

The Committees were informed that the results of the ex-post evaluation of the thematic Group Evaluation on Forest Fire will be reported at the 49<sup>th</sup> CRF Session in 2015.

#### **5) Thematic Group Evaluation: Forest Governance**

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

The Committees were informed that the results of the ex-post evaluation of the thematic Group Evaluation on Forest Governance will be reported at the 49<sup>th</sup> CRF Session in 2015.

### **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 Secretariat informed the Committee that the International Forum on Payments for Environmental Services of Tropical Forests (PES Forum) was successfully organized in San José, Costa Rica on 7-10 April 2014 in close partnership with FAO and Costa Rica's National Fund for Forest Finance (FONAFIFO). The PES Forum was attended by more than 150 people from 60 countries from governments, regional and international development partners, civil-society organizations and the private sector. The Committee was informed that the outcomes of the PES Forum were presented by Dr. Eva Muller (FAO) at the ITTO/FAO joint side event entitled "Promoting PES in the Tropics: The Way Forward" which was held on 3 November 2014 on the occasion of the Fiftieth Session of the ITTC. Highlights of her presentation included the following policy recommendations for scaling up PES schemes: raise awareness of the importance of environmental services; develop policies to increase market demand for the environmental services provided by tropical forests; ensure that PES schemes protect the rights of indigenous peoples, local communities and vulnerable groups; and strengthen governance and institutions to enable the effective implementation of PES schemes.

The Committee was further informed by the Secretariat of the following: ITTO Newsletter – *Tropical Forest Update* (Volume 23 Number 1 2014) featured all presentations and discussions made during the PES Forum; and a policy brief outlining the outcomes of the PES Forum had been published in English, and posted on ITTO and FAO websites and circulated at the relevant international events, including the FAO/ITTO joint side event on PES during FAO's Twenty-second Session of the Committee on Forestry (23-27 June 2014, Rome, Italy) and the CBD COP12 (6-17 October 2014, PyeongChang, Korea). Moreover, the outcomes of the PES Forum would be presented at the ITTO/FAO joint side event on PES at the IUCN World Parks Congress 2014 (12-19 November, Sydney, Australia). The Committee noted that follow-up activities had been included in the draft ITTO Biennial Work Programme 2015-2016.

The Secretariat thanked the donor countries, namely the governments of Switzerland and USA, as well as FAO Forestry Department, GIZ, APFNet and AFoCo for their support. The delegation of EU thanked ITTO for jointly organizing the PES Forum with FAO and encouraged further cooperation with FAO and other partners, including the World Bank, in promoting PES as well as enhancement of closer

partnership between investors and beneficiaries of PES. He also encouraged the continued discussion of this subject in order to share experiences and lessons learned from the implementation of PES schemes.

**(ii) 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); Decision 4(XLIX)] [PP-A/48-284]**

The Committee was briefed by the Secretariat on the implementation of ITTC Decision 4(XLIX) on ITTO Voluntary Guidelines for the Sustainable Management of Natural Tropical Forests (ITTO Voluntary Guidelines) which was adopted by the Council at its Forty-ninth Session in Gabon in November 2013, as follows: the draft ITTO Voluntary Guidelines received comments from the governments of Malaysia, Mexico and Peru by 30 April 2014; the final draft of the ITTO Voluntary Guidelines was prepared in May 2014, taking into account the comments received from the three members; the final draft was posted on the ITTO website during the period from 1 June to 31 July 2014 under the electronic no-objection procedure; and based on such a procedure, the final draft ITTO Voluntary Guidelines was adopted for updating and replacing the original ITTO Guidelines for the Sustainable Management of Natural Tropical Forests which was published in 1990.

Since the development of ITTO Voluntary Guidelines has been benefited from the inputs of many people since 2010, the Secretariat thanked the leading consultant, Dr. Jürgen Blaser (Switzerland) for his great contributions and other consultants including Dr. Cesar Sabogal (FAO), Dr. James Gasana (Switzerland), Mr. Ricardo M. Umali (the Philippines) and Dato' Shaharuddin Mohamad Ismail (Malaysia). The Secretariat also thanked the donors, namely the governments of Switzerland, Japan, USA, Norway and France for their support.

The Committee noted that an information brochure summarizing the ITTO Voluntary Guidelines was published in English and editing work on the adopted ITTO Voluntary Guidelines is underway. The Committee also noted that the full implementation of Decision 4(XLIX) requires: (i) publication of the ITTO Voluntary Guidelines in the three official languages of ITTO; and (ii) organization of three regional capacity building workshops to promote the understanding of the ITTO Voluntary Guidelines and encourage country-level initiatives. The Committee was informed that these two activities had been included in the draft ITTO Biennial Work Programmes 2015-2016 (BWP 2015-2016) as its Activity 4 entitled "Publication, dissemination and application of the ITTO Voluntary Guidelines for the Sustainable Management of Natural Tropical Forests".

The Committee further noted that in line with the adopted ITTO Voluntary Guidelines, there is the need to revise the 2005 version of the ITTO Criteria and Indicators for the Sustainable Management of Tropical Forests (ITTO C&I) which include a simplified set of indicators and a shortened format for reporting. The Secretariat informed the Committee that a small expert group would be convened in early 2015 to review the 2005 version of the ITTO C&I by utilizing the secured commitment under Activity 10b of the BWP 2013-2014. This expert group meeting will closely look into the guidance specified in the ITTO Voluntary Guidelines, recommendations from national ITTO C&I workshops and ITTO C&I field projects, and developments in international forestry. The Committee noted that the Secretariat is planning to prepare a draft revised ITTO C&I for consideration of members and for eventual approval through a no-objection procedure in due course by incorporating members' comments so that the revised reporting ITTO C&I format can be used for the 2016 SFM Tropics report.

The delegation of EU welcomed the adoption of the ITTO Voluntary Guidelines as an important tool for policy makers in promoting SFM practices in the tropics and encouraged the wider application of the ITTO Voluntary Guidelines as an international reference document for the sustainable management of natural tropical forests. The delegation of Malaysia noted the importance of conducting the three regional capacity building workshops under the BWP 2015-2016 and expressed his willingness to cooperate. He sought clarification on the reflection of Malaysian comments in the preparation of the final draft of the ITTO Voluntary Guidelines. The Secretariat replied that the most of the comments made by Malaysia had been incorporated into the final draft and pointed out that it contains a table summarizing long-term research and development needs to support SFM in natural tropical forests as an annex attached to the adopted ITTO Voluntary Guidelines.

On the proposed revision of the 2005 ITTO C&I, the delegation of Cameroon expressed his concern over the possible overlap with FAO's on-going work on evaluation of C&I and their use in policy and

practice in the region. The Secretariat explained that based on ITTO's long-term cooperation with FAO on promotion of C&I to strengthen SFM, the ITTO C&I revision process will benefit from FAO's on-going work.

The delegation of PNG pointed out the importance of including the issues of land tenure and partnership building in the organization of the three regional capacity building workshops with participation of NGOs and the private sector. The delegations of Congo and Cameroon emphasized the importance of adopting national C&I to support national timber certification schemes and sought information on ITTO technical assistance in adopting national C&I. The Secretariat responded that members may submit a proposal to develop and implement national C&I in line with the ATO/ITTO Principles, Criteria and Indicators for the Sustainable Management of African Natural Tropical Forests (ATO/ITTO PCI). In addition, the Secretariat added that the on-going ITTO project [PD 124/01 Rev.4 (M) Phase III Stage 2 "Promotion of Sustainable Management of African Forests (ITTO/ATO)"] has included capacity building activities at national levels in the region for the development of national PCIs with the application of the ATO/ITTO PCIs.

**(iii) 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) and (b), ITTO Biennial Work Programme 2013-2014 / Decision 2(XLVII)] [PP-A/48-276 and PP-A/49-288]**

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

- As the implementation of the first step of this Activity, reports of the following national case studies have been finalized for all three tropical timber producing regions, including photos of the sites covered by these case studies:
  - Ghana (Africa) by a 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) by Dr. Hiras SIDABUTAR; and
  - Mexico (Latin America) by Dr. David DOUTERLUNGNE (within the framework of cooperation between BirdLife International and ITTO).
- The second step of the implementation of this Activity has been planned as follows:
  - A draft memorandum of understanding (MoU) was sent for review to IUCN, which is the leading institution of the Global Partnership on Forest Landscape Restoration (GPFLR), in July 2014. The MoU will formalize the collaboration between the ITTO Secretariat and the IUCN-GPFLR Coordination Unit regarding the establishment of a network 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
  - The compilation of the findings, results and lessons, which have been documented in the three national case study reports, will be carried out by an international consultant to be selected by IUCN, in accordance with the provisions of the abovementioned MOU. The report of the international consultant will provide basic information and data for the preparation of outreach and communication materials (leaflet/brochure and poster) to be shared through the network of GPFLR members on learning sites for forest landscape restoration and rehabilitation. It is planned that the international consultant participates in the 2nd Global Landscape Forum to be held during the 20th Meeting of the Conference of the Parties to the UNFCCC in Lima, Peru, on 6-7 December 2014, under a joint IUCN-ITTO side event, for information sharing on learning sites of good practices for forest landscape restoration and rehabilitation.
- As there is no reaction from IUCN-GPFLR Coordination Unit since July 2014, the Committee noted that the Secretariat may need to contact other relevant organizations/institutions for the implementation of this second step in 2015.

**(iv) ITTO contribution to United Nations International Strategy for Disaster Reduction (UNISDR) and support to regional fire networks [Activity 45, 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 held at the Global Fire Monitoring Center (GFMC) in Freiburg (Germany) in June 2014, to discuss the roadmap 2014-2015. Members and associates of the Global Wildland Fire Network, represented by the UNISDR Wildland Fire Advisory Group (WFAG), members of the International Fire Aviation Working Group (IFAWG) and representatives of the Republic of Korea of the 6th International Wildland Fire Conference (2015), also participated at this meeting.

On the first and second day, the regional networks and international organizations reported on the status, projects or strategic plans for enhancing transboundary cooperation in fire management. On the third day, members of the SKCOC and regional networks presented their views and approaches in preparation of the 6th International Wildland Fire Conference. Suggestions from regions and international organizations for themes to be addressed by the 6th International Wildland Fire Conference were also discussed. On the fourth day a Round Table of Regional Wildland Fire Networks and Centers discussed transboundary fire issues and the roadmap towards a successful 6th International Wildland Fire Conference. The conference is to be held at the Alpensia Resort, in Pyeongchang-gun County, Gangwon-do Province, Republic of Korea in October 2015. A discussion followed at which the members of the ILC first commended the SKCOC in its achievements to date and each further contributed with their views and approaches in the preparation of the 6<sup>th</sup> International Wildland Fire Conference.

The Secretariat further informed the Committee that, as the financial support for the Global Wildland Fire Network appeared to be waning, steps are being taken by the GFMC to establish the International Wildfire Preparedness Mechanism (IWPM) under the auspices of the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA).

The Committee also noted that the WFAG/GWFN further reiterated its wish for ITTO to continue providing support and further collaborate both technically and financially in its endeavors and, that as such, ITTO continued to seek support for the regional networks in the tropics of Africa, America and Asia and was pursuing potential partnerships to develop a tropical forest fire prevention and management programme with a view towards, among others, updating its forest fire guidelines with a view towards incorporating elements related to REDD, climate change mitigation and poverty alleviation. Moreover, in order to achieve the aforementioned, the Secretariat has included an Activity in the BWP 2015-2016 under section 14 in order to continue contributing to national and international efforts in the prevention and management of fire in tropical timber producing countries with a view towards sourcing fresh funds to support the participation of producer member-countries and ITTO projects at this upcoming 6<sup>th</sup> International Wildland Fire Conference.

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.

**(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(XLIII)] [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, Surinam 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 several workshops to elaborate on the Harmonization of the ACTO/ITTO C&I and the Permanent Secretariat of ACTO has submitted to ITTO and its member countries the draft final set of harmonized ACTO/ITTO C&I for last comments and adjustments before seeking the final endorsement from ACTO Member countries and ITTC and publicly launching the initiative. The aforementioned document, entitled 48RFM-4 "ACTO/ITTO Criteria and Indicators for Sustainability of the Amazon Forest" is available upon request from the Secretariat.

**(vi) 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 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 CBD and GEF. This international effort promotes activities consistent in principle with 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 Tenth Meeting of the Conference of the Parties to the Convention on Biological Diversity (CBD COP10) held 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 an international organization specialized in tropical forests. ITTO became a partner of IPSI, and has been very active ever since. Moreover, ITTO is currently a member of IPSI's Steering Committee and has been regularly participating at its meetings.
- Most recently, ITTO has participated at the First Satoyama Regional Workshop focused on "Revitalizing Production Landscapes: Travel and Dialogue for People and Biodiversity" and the Seventh International Partnership for the Satoyama Initiative (IPSI) Steering Committee Meeting, both held in Florence, Italy in May 2014. ITTO further attended the Eighth Meeting of the IPSI Steering Committee (SC-8) and the Fifth IPSI Global Conference (IPSI-5), which were held in the Alpensia Convention Center in Pyeongchang, Republic of Korea on 3-5 October 2014, back-to-back with the Twelfth Meeting of the Conference of the Parties to the Convention on Biological Diversity (CBD COP 12). At this conference, ITTO gave a presentation highlighting the achievements of its collaborative activity with IPSI in Benin with NGO CESAREN. ITTO further explored other potential collaborative activities in India, Ghana and Guatemala, and continues to actively strengthen its synergies with IPSI.

**(vii) Organization of a Regional Workshop on SFM and Forest Education in Latin America [Decision 6(XLIX)] [PP-A/49-293]**

The Chairperson of the Committee, as a member of the Peruvian delegation, reported and the Committee took note regarding the joint collaboration of ITTO and FAO in the organization of a Regional Workshop on SFM and Forest Education in Latin America to be held on the premises of the National Agrarian University La Molina on 8-10 December 2015, with a view towards:

- Assessing the current situation as regards forestry education, which was initiated in the region during the sixties;
- Discussing a new profile for the forestry professionals in view of the global agendas on forestry and environmental issues, and the new skill requirements demanded by the public, private and civil society sectors; and
- Proposing a roadmap for enhancing forestry education during the next 50 years both at technical and university levels.

The workshop expects to draw some 60 participants from 15 countries in the region.

#### **Item 10 – Biennial Work Programme of the Committees for 2015-2016**

The Committee noted the proposed activities for CRF in the Draft ITTO Biennial Work Programme 2015-2016 (BWP 2015-2016) as contained in document ITTC(L)/10 and agreed that these activities be submitted for the consideration of the Council at its current Session. Furthermore the Committee considered the activity to conduct a survey to assess the use of ITTO guidelines proposed by the delegation of USA. With the support of the delegation of Cameroon, the Committee recommended that this activity, as contained in Appendix, be submitted for the consideration of the Council at its current session for the inclusion in the BWP 2015-2016.

#### **Item 11 - Review of Implementation of Approved Projects and Pre-projects**

##### **11.1 Projects**

The Committee took note of a status report [document CRF(XLVIII)/3] prepared by the Secretariat on 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 (39), B) awaiting the signing of an Agreement (5), C) projects awaiting financing (29), or D) falling under the sunset provision since the last Session (5).

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 as 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 audit reports 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 audit reports 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 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 recalled that at its previous session it observed that the implementation of this project had been progressing at a slow pace, that the Executing Agency CODECHOCO continued to be haphazard in submitting its progress reports and other documents in paper format, 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 all these are required to fully achieve the project's objectives and report the project as satisfactory. In addition, a satisfactory annual financial audit report for year 2010 was also still pending, and no further disbursements have been made based on the lack of submission of this financial audit report. While the project was slated to have been completed in December 2010, the Committee further observed that prior to its last session the Executing Agency had submitted, however very late, a progress report, an 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 audit report.

The Committee further noted that at its previous session it had urged 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, and that since the Forty-seventh Session of the Committee and in accordance with the ITTO Regional Officer's report, the Executing Agency had submitted revisions of the aforementioned progress report, YPO and a request for an extension in time, but upon review by ITTO Regional Officer these were considered to continue being unsatisfactory, and were sent back once again for the required adjustments. To date these have not been resubmitted, apparently due to administrative changes within CODECHOCO that affected the coordination of the project.

In this light, the Committee once again urged the Executing Agency to immediately submit all previously mentioned documents and initiate the actions required to reactivate the project, or otherwise request it be terminated.

**2) 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 recalled that at its previous session it had noted that the latest progress report received for this project only covered the implementation of its activities until March 2013. It further stated that all activities but one have been completed, but the description of these were lacking, and so were the technical reports, workshop aide memoirs and other means of verification, such as manuals, publications, maps, pamphlets, videos, etc. Moreover, it further observed that the project was slated to have been completed in March 2012 but had 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.

At that same session, the Committee further observed that the 2010-2011 financial audit report had been the most recent one 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 was also still withholding the originally programmed 8th and last disbursement for an additional US\$50,000. The Committee also took note that the Executing Agency, The State Forest Institute of Minas Gerais (IEF/MG), had unofficially requested the Secretariat to consider this project as completed, but had not submitted the required completion report, technical reports and other means of verification to the ITTO Secretariat.

Additionally, it also noted at that time that the final financial audit report was also pending, and taking into account the financial audit report for 2010-2011, there also was still approximately US\$50,000 unaccounted for that needed to be reimbursed to ITTO if the project was deemed as completed. In addition, the Executing Agency also needed to submit 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 the remaining funds to the original donors, as per ITTO procedures.

Based on the aforementioned facts, the Committee further recalled that at its previous session in Libreville, Gabon last year, it had recommended an independent mid-term evaluation be carried out to assess what had 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.

The Committee took note that the independent mid-term evaluation took place in May 2014 in the project's area of influence and documented in both an executive summary [CRF(XLVIII)/6] and the full report (48RFM-4), which are available from the Secretariat. Overall, the Committee observed that the mid-evaluation's main recommendation was that the Executing Agency expedite the preparation and submission to the ITTO Secretariat of a proper Completion Report, a final financial audit report, an Official Notification relinquishing the ITTO last disbursement of US\$50,000, and finally, reimburse to ITTO the unspent amount of ITTO funds (approximately US\$55,000), as per ITTO rules of procedure.

The Committee further noted that the Executing Agency is currently following up on the mid-term evaluation's recommendations and seeing to it that the necessary ITTO procedures are complied with for the closure of this project in due time.

In this light, this project is expected to be reported as completed to the CRF at its next session in 2015.

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

The Committee noted that this project was reported as completed at a previous CRF session and documented as such in CRF(XLIII)/2. It also noted that the implementing agency had already submitted the financial audit report for the period ended 31 December 2006 relating to the project implementation with all installments of ITTO funds, except the contingencies amounting to US\$10,000. This financial audit report was considered satisfactory by the Division of Operations.

The Secretariat informed the Committee that the financial statement on US\$10,000 of contingency funds, used for the holding of a national workshop for the dissemination of project findings and results, in July 2009, had been delivered by the implementing agency in accordance with the Project Agreement. The Committee therefore decided to consider the project as completed.

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

The Committee recalled that at its previous session in Libreville, Gabon last year, it had urged 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 annual financial audit reports, and further regularize all project staff positions financed with ITTO funds via no-objection requests.

The Committee further noted that since the forty-seventh Session of the Committee, the Secretariat had not received any information on progress in project implementation of the project, nor any of the abovementioned documents. Several reminders sent by the Regional Officer requesting for information on follow up actions to the recommendations made by the committee have gone unanswered by EMBRAPA, albeit ITTO's Regional Officer's continued efforts in contacting with the Executing Agency and further assisting EMBRAPA in complying with ITTO's procedures and getting this project back on track.

In this light, the Committee once again 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.

**5) 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 at the Project's last Steering Committee meeting held in February 2014 it was observed that all its outputs had already been achieved, and that only the editing, publishing and peer review of the scientific and technical documents was pending. It further observed the need of a final extension until December 2014, so as to allow the peer review of the scientific papers to be produced by the project.

As such, the Executing Agency further submitted to the Secretariat a formal request and a justification for the aforementioned extension in time. The Secretariat reviewed the corresponding document and considered it 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. The project is expected to be reported as completed to the CRF at its next session in 2015.

**6) 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 at the Project's last Steering Committee meeting held in February 2014 it was observed that most outputs had already been achieved, but that INIFAP wished to include an additional activity financed with new counterpart funds provided by UNDP so as to also train other communities in the application of the regionally-developed C&I, in particular at the Santa Catarina Ixtpeji community forests.

Moreover, the Project Steering Committee at that meeting further recommended, among others, that the EA and CONAFOR include the proposed additional output, funded with counterpart funds from UNDP, to provide further training in the application of the C&I developed for certain regions of Mexico, and further extend the project with budgetary modifications until December 2014.

As such, the Executing Agency further submitted a formal request and a justification for an extension in time until December 2014, together with the required budget amendments and an updated Yearly Plan of operations in order to successfully incorporate the new activity and successfully complete the project. 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. The project is expected to be reported as completed to the CRF at its next session in 2015.

**7) 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 implementing 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 implementing agency to submit the final financial audit report at its earliest convenience, not later than end of March 2015.

**8) 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 recalled that at its previous session it had already noted that 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 at that time urged 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 audit report, so as to report this project as completed at its next session.

Based on the latest communications between the EA and the ITTO Regional Officer, project activities were completed in June 2013 and a completion report, the Magdalena Medio Forest Reserve Land-Use Plan and an article for the TFU have been submitted to the Secretariat. However, the Secretariat requested the aforementioned first two documents be resubmitted in a visually-attractive format adequate for posting on ITTO's website.

In this light, the Committee urged the aforementioned revised documents and the final financial audit report to be promptly submitted to the Secretariat, so as to be able to report this project as completed at the next session.

**9) 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 the EA requested an extension in time until September 2015 in order to successfully complete the project's activities, and that it is currently preparing the supporting documents to justify this request and expects the aforementioned justification to be submitted to the Secretariat shortly after discussing the matter at the next Project Steering Committee meeting to be held at the end of November 2014.

**10) 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 since the Forty-seventh session of the Committee and in accordance with the project's most recent progress report and second YPO submitted in June 2014, progress in project implementation continued to be sluggish, even though the second disbursement was released this last July.

The Committee also recalled that at its previous session it had already noted that the Executing Agency had been late in submitting its progress reports and other documentation, and when submitted these were

incomplete and did not follow ITTO formats, and that it was also hiring project staff without requesting no-objections from the Secretariat as per ITTO's rules of procedure, and that it had urged 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 annual financial audit reports, and further regularize all project staff positions financed with ITTO funds via no-objection requests.

The Committee further observed that during this last year several communications sent by ITTO's Regional Officer requesting for information on follow up actions have gone unanswered by IPDA, strongly suggesting that the Executing Agency appeared to have insufficient capability to properly manage and supervise the project operations, albeit ITTO's Regional Officer continuing efforts in assisting IPDA in complying with ITTO's procedures and getting this project back on track.

In this light, the Committee once again 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.

**11) PD 470/07 Rev.1 (F) Development and Implementation of Criteria and Indicators for Sustainable Management of Planted Forests and Community Forests (Thailand)**

The Secretariat reported that the implementation of this project's activities has been progressing at a very slow pace in 2014 due to the change of the project coordinator. The delegation of Thailand informed the Committee that the engagement of a new coordinator will be finalized soon towards the successful implementation of the project in accordance with the project document. He also informed the Committee that the PSC meeting will be held in mid-December 2014 to review the efficient and effective implementation of the project.

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

The Committee took note of the findings of a special monitoring mission, recommended by the 47<sup>th</sup> Committee Session. It was carried by the Secretariat, from 25 June to 02 July 2014, for an in-depth technical and financial assessment of the project implementation, although the risk of Ebola virus outbreak. It also noted that for the reactivation of project activities, with the support of an international consultant, as soon as the Ebola virus related medical situation is considered as significantly improved in Liberia, the following actions have been recommended:

- The Executing Agency should submit, by 31 December 2014, a Yearly Plan of Operation (YPO), for the implementation of the project in 2015, with an appropriate budget based on the remaining ITTO funds not disbursed yet (three instalments and contingency of ITTO funds, for a total amount of US\$141,954); and
- The project implementation should be extended until end of December 2015, if an acceptable YPO for the extension period is submitted by 31 December 2014, in order to allow the Executing Agency to complete all project activities.

Therefore, the Committee requested the implementing agency to take the necessary arrangements for the completion of all planned project activities, as soon as the Ebola virus related medical situation is considered as significantly improved in Liberia, during the project extension period.

**13) PD 552/09 Rev.1 (F) Encouraging Customary Landowners in the Lowlands of Papua New Guinea's Central Porvince to Reforest their Grasslands with High Value Trees**

The Secretariat reported that the financial audit report for the year 2013 has not yet been submitted by the Executing Agency and that the implementation of this project's activities has been quite slow in 2014. The delegation of PNG informed the Committee that the required financial audit report will be submitted soon and that there is a need to extend the project duration without additional funds to ensure the full achievement of the project objectives. The Committee requested the Executing Agency to submit a budget-neutral extension proposal to the Secretariat for review and approval.

**14) PD 590/10 Rev.1 (F) Integrated Fire Management in Rural Communities of Guatemala: Establishment of Pilot Sites for the Implementation of Sustainable Integrated Fire Management Practices**

The Committee noted that this project is currently finalizing its activities and is to submit its completion report, other relevant technical documents and the final financial audit report to the Secretariat shortly.

The project coordinator, Ing. Carlos Gomez, 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 use and management of fire in forestry practices by the local communities in Guatemala.

This project is expected to be reported as successfully completed to the CRF at its next session in 2015.

**15) PD 622/11 Rev.1 (F) Marketing of Native Plant Seeds, Seedlings and Timber Products to Improve Living Standards and Strengthen Regional Forest Policies in the Amazon Region of Peru: A Pilot Case on the Taulia Molinopampa Rural Community**

The committee took note that this project has currently concluded all its field activities and will further submit the completion report, other relevant technical documents and the final financial audit report to the Secretariat shortly. In this light, this project is expected to be reported as completed during the 49th CRF Session.

**(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 took note that this project will start soon as the project agreement was recently finalized.

**2) PD 563/09 Rev.4 (F) Community Based Forest Management of Sungai Medihit Watershed (Malaysia)**

The Secretariat informed the Committee that the Asia-Pacific Network for Sustainable Forest Management and Rehabilitation (APFNet) in China has pledged its financial contribution to support the project implementation under the collaboration framework between ITTO and APFNet. In the project implementation, ITTO role has been specified as Supervisory Agency to provide all necessary assistance to ensure effective and successful implementation of the Project in collaboration with the Executing Agency (Sarawak Forest Department). The Committee noted that there is an urgent need for the Executing Agency to expedite all the necessary administrative arrangements, including the establishment of a competent project management team and the speedy review of the project agreement, for the early commencement of the project.

The delegation of Malaysia welcomed the partnership between ITTO and APFNet and reported that the establishment of a project management team will be finalized soon. The Committee was informed that the project site is located in a very remote area with the engagement of two different local indigenous communities. In light of this, the Committee urged the Sarawak Forest Department to take the speedy establishment of a competent project management team to meet such challenges and to successfully implement the project in accordance the rules and procedures of ITTO and APFNet.

**3) PD 602/11 Rev.3 (F) Tropical Forest Governance in the Region of Darien, Panama**

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-nine (29) projects approved at earlier and current Sessions are still awaiting funding, out of which ten (10) 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 618/11 Rev.4 (F) Establishment of Spatial Forest Resources Information System (SPA-FRIS) in West Papua Province (Indonesia)
- 5) \*PD 631/12 Rev.2 (F) Reforestation of Coastal Wetlands in Southern Ghana Using Indigenous Tree and Bamboo Species
- 6) \*PD 645/12 Rev.3 (F) Promoting Sustainable Forest Management of Rinjani Barat Forest Management Unit (Indonesia)
- 7) \*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
- 8) \*PD 665/12 Rev.2 (F) Implementation of a Fire Prevention and Control Plan in the Central Amazon Region of Peru
- 9) PD 684/13 Rev.3 (F) Biodiversity Conservation with Collaboration of Local Communities in Traditionally Owned Forest Areas of South Western Ghana
- 10) PD 690/13 Rev.3 (F) Bamboo for Life: An Alternative for the Rehabilitation of Degraded Forests and Sustainable Rural Development in the Peruvian Amazon Region (Peru)
- 11) \*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
- 12) PD 712/13 Rev.2 (F) Enhancing the Implementation of Landscape Management of Giam Siak Kecil-Bukit Batu Biosphere Reserve (GSK-BR) in Riau Province of Sumatra Island, Sumatra (Indonesia)
- 13) PD 713/13 Rev. 2 (F) Operationalising the Policy on Sustainable Management of Sandalwood Resource Through Improved Livelihood and Increased Participation of Local Communities (Indonesia)
- 14) \*PD 715/13 Rev.1 (F) Improving the Production, Conservation and Management of Forest Seeds in Benin
- 15) PD 717/13 Rev.2 (F) Enrichment of Young Forest Plantations with Selected NTFPs for Livelihood Improvement and Support of Forest Fringe Communities in Atwima Mponua District of Ghana, in order to Secure and Protect the Resources on a Sustainable Forest Management Basis
- 16) PD 721/13 Rev.2 (F) Building a Participatory and Inclusive Sustainable Forest Management Process for the Reduction of Deforestation and Forest Degradation in the Ixil Forest Areas of the Municipality of Nebaj, Quiché, Guatemala
- 17) \*PD 723/13 Rev.1 (F) Capacity Building for Strengthening Transboundary Biodiversity Conservation of the Taninthayi Range in Myanmar

- 18) \*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
- 19) PD 725/13 Rev.2 (F) Rehabilitation of Degraded Forest Land in the Ahua Forest Reserve by the Women Members of Association Malebi in Compensation for the Forest Resources Removed to Meet the Need for Fuel Wood (Charcoal and Fire Wood) (Côte d'Ivoire)
- 20) PD 733/14 Rev.2 (F) Promoting Forest Restoration through Multiple-Use of Degraded Forest Lands within Anwhiaso East Forest Reserve in Ghana
- 21) PD 735/14 Rev.2 (F) Enhancing Partnership Efforts to Restore Peat Swamp Forests in Sumatra (Indonesia)
- 22) PD 736/14 Rev.1 (F) Enhancing Conservation and Sustainable Production of Indonesian Rosewood (*Dalbergia* spp)
- 23) PD 739/14 Rev.1 (F) Initiating the Conservation of Eboni Species (*Diospyros celebica* Bakh) Involving Local Stakeholders in Sulawesi (Indonesia)
- 24) PD 740/14 Rev.2 (F) Sustainable Forest Management Through REDD+ Mechanisms in Kampong Thom Province (Cambodia)
- 25) PD 741/14 Rev.2 (F) Capacity Building for Sustainable Management of Tropical Dry Forests on the North Coast of Peru
- 26) PD 742/14 Rev.1 (F) Local Capacity Building for the Management of Secondary and Residual Primary Forests in the Provinces of Coronel Portillo and Padre Abad, Department of Ucayali, Peru
- 27) PD 747/14 Rev.1 (F) Strengthening Community Forest Management Through the Implementation of Forest Training and Extension in Guatemala
- 28) PD 752/14 Rev.1 (F) Restoring Mangrove Forest Landscapes: An Opportunity for Social Development at the Alvarado Lagoon System (ALS) Ramsar Site, Veracruz, Mexico
- 29) PD 764/14 Rev.1 (F) Enabling Customary Landowners to Participate Effectively in Community Forest Management Schemes Within 6 Pilots Areas of PNG

\*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 five (5) projects have become sunset since its last Session.

- 1) 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
- 2) PD 609/11 Rev.3 (F) Enhancement of the Participatory Bushfire Prevention and Management System in Togo
- 3) PD 623/11 Rev.3 (F) Production and Availability of Teak Clone Varieties: Development of Improved Plant Material for Reforestation in Togo

- 4) PD 628/11 Rev.3 (F) Strengthening of Forest Management Practices of Local Communities and Indigenous Peoples in Guatemala
- 5) 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)

## 11.2 **Pre-project Work in Progress**

The Committee took note of a status report of approved pre-projects in document CRF(XLVIII)/3. The Committee discussed the issues associated with a number of pre-projects. Details of these discussions are as follows:

### **(A) Pre-projects under implementation**

- 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 implementing agency has not submitted the completion report and the final financial audit report. Therefore, the Committee decided to urge the implementing agency to take the necessary arrangements for the submission of these reports at its earliest convenience, not later than March 2015.

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

The Committee noted that the implementing agency has not submitted the final financial audit report of this pre-project, which was reported as completed, but pending the final financial audit report, at a previous CRF session. Therefore, the Committee decided to urge the implementing agency to submit the final financial audit report, at its earliest convenience, not later than end of March 2015.

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

The Committee noted that the implementing agency has already submitted the completion report and final technical report, and the pre-project 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 implementing agency to submit the final financial audit report, at its earliest convenience, not later than end of March 2015.

- 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 observed that the Executing Agency ASOCARS had completed all pre-project activities and forwarded the Completion Report, as well as products 1 (Technical Report on forest fires causes) and 2 (the project proposal), to ITTO's Regional Officer. The Completion Report was assessed by the latter who requested adjustments and corrections from ASOCARS. It further noted that despite several deadlines and the insistence from ITTO's Regional Officer, ASOCARS had not yet returned the revised documents and that throughout the year 2014, ITTO's Regional Officer had continued requesting and insisting ASOCARS for these, in addition to the submission of the pre-project's final financial audit report, all of which are already overdue.

As such, the Committee urged the Executing Agency to strictly abide to ITTO's procedures and scheduling, and submit all the pending documents in time, such as the revised project completion report and the final financial audit report, so as to report this project as completed at its next session.



**(B) Pre-projects awaiting implementation agreement**

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

**(C) Pre-projects awaiting financing**

The Committee noted that nine (9) pre-projects approved at earlier and current Sessions are still awaiting funding, out of which four (4) will be sunset if funding is not secured before the next Session.

- 1) \*PPD 162/12 Rev.2 (F) Developing Model of Self-sufficient and Sustainable FMU (Indonesia)
- 2) \*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
- 3) \*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
- 4) PPD 169/13 Rev.2 (F) Identification of a Project for the Reforestation and Management of the Large Ndjock-Lipan Forest Complex in the Bondjock, Departement of Nyong-and-Kélé, Central Cameroon
- 5) PPD 170/13 Rev.2 (F) Identification of a Project in Support of Natural Regeneration and the Establishment of Forest Plantations in the Mbam-and-Kim Department (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
- 7) PPD 177/14 Rev.1 (F) Inventory of Mangrove Ecosystem and Development of a Management Plan for Gabon
- 8) PPD 180/14 Rev.1 (F) Pre-Project for the Rehabilitation and Sustainable Management of the Mangrove Forests in the Coastal Area of Côte d'Ivoire
- 9) PPD 181/14 Rev.1 (F) Feasibility Study on the Payment of Ecosystem Services Provided by Forests in Benin

\*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 two (2) pre-projects have become sunset since its last Session.

- 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

**Item 12 - Election of Chairperson and Vice-Chairperson for 2015**

Mr. Taivo Denks (Estonia) was elected as Chairperson for 2015. Dr. M. Nurudeen Iddrisu (Ghana) was elected as Vice-Chairperson for 2015.

### **Item 13 - Dates and Venues of the Forty-ninth and Fiftieth Sessions of the Committee**

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

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

### **Item 14 - Other Business**

The Chairperson invited Mr. Jean-Guénolé Cornet from the MORINGA Agroforestry Fund to make a presentation on their work. He informed the Committee that the Moringa Partnership is the investment advisor to Moringa SICAR, SCA (the Moringa Fund). The Moringa Partnership has offices in Paris and Geneva and representative offices in Colombia, Peru, Chile, Brazil, Cameroon, Gabon and Democratic Republic of Congo.

The Moringa Agroforestry includes two following components:

- The Moringa SICAR, as an investment vehicle with a final targeted size of €100m which invests in profitable larger scale agroforestry projects with high environmental and social impacts; and
- The Agroforestry Technical Assistance Facility which is a grant-based Technical Assistance (TA) programme and contributes to project preparation, capacity building, technical strengthening and dissemination of Moringa's innovations and achievements.

The Committee thanked the presentation on the MORINGA Agroforestry Fund.

### **Item 15 - 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 2014 and Project Cycle Autumn 2014:

#### **Projects**

- |                      |  |
|----------------------|--|
| PD 684/13 Rev.3 (F)  | Biodiversity Conservation with Collaboration of Local Communities in Traditionally Owned Forest Areas of South Western Ghana [ITTO Budget: US\$489,194.00]   |
| PD 690/13 Rev.3 (F)  | Bamboo for Life: An Alternative for the Rehabilitation of Degraded Forests and Sustainable Rural Development in the Peruvian Amazon Region (Peru) [ITTO Budget: US\$601,037.00]  |
| PD 712/13 Rev.2 (F)  | Enhancing the Implementation of Landscape Management of Giam Siak Kecil-Bukit Batu Biosphere Reserve (GSK-BR) in Riau Province of Sumatra Island, Sumatra [ITTO Budget: US\$498,154.00]  |
| PD 713/13 Rev. 2 (F) | Operationalising the Policy on Sustainable Management of Sandalwood Resource Through Improved Livelihood and Increased Participation of Local Communities (Indonesia) [ITTO Budget: US\$592,155.20]  |
| PD 717/13 Rev.2 (F)  | Enrichment of Young Forest Plantations with Selected NTFPs for Livelihood Improvement and Support of Forest Fringe Communities in Atwima Mponua District of Ghana, in order to Secure and Protect the Resources on a Sustainable Forest Management Basis (Indonesia) [ITTO Budget: US\$414,904.00] |
| PD 721/13 Rev.2 (F)  | Building a Participatory and Inclusive Sustainable Forest Management Process for the Reduction of Deforestation and Forest Degradation in the Ixil Forest Areas of the Municipality of Nebaj, Quiché, Guatemala [ITTO Budget: US\$441,238.50]  |

- PD 725/13 Rev.2 (F) Rehabilitation of Degraded Forest Land in the Ahua Forest Reserve by the Women Members of Association Malebi in Compensation for the Forest Resources Removed to Meet the Need for Fuel Wood (Charcoal and Fire Wood) (Côte d'Ivoire) [ITTO Budget: US\$149,408.00]
- PD 733/14 Rev.2 (F) Promoting Forest Restoration through Multiple-Use of Degraded Forest Lands within Anwhiaso East Forest Reserve in Ghana [ITTO Budget: US\$416,246.00]
- PD 735/14 Rev.2 (F) Enhancing Partnership Efforts to Restore Peat Swamp Forests in Sumatra (Indonesia)[ITTO Budget: US\$453,684.00]
- PD 736/14 Rev.1 (F) Enhancing Conservation and Sustainable Production of Indonesian Rosewood (*Dalbergia* spp) [ITTO Budget: US\$414,792.00]
- PD 739/14 Rev.1 (F) Initiating the Conservation of Eboni Species (*Diospyros celebica* Bakh) Involving Local Stakeholders in Sulawesi (Indonesia) [ITTO Budget: US\$402,550.00]
- PD 740/14 Rev.2 (F) Sustainable Forest Management Through REDD+ Mechanisms in Kampong Thom Province (Cambodia) [ITTO Budget: US\$484,792.00]
- PD 741/14 Rev.2 (F) Capacity Building for Sustainable Management of Tropical Dry Forests on the North Coast of Peru [ITTO Budget: US\$480,077.00]
- PD 742/14 Rev.1 (F) Local Capacity Building for the Management of Secondary and Residual Primary Forests in the Provinces of Coronel Portillo and Padre Abad, Department of Ucayali, Peru [ITTO Budget: US\$522,637.00]
- PD 747/14 Rev.1 (F) Strengthening Community Forest Management Through the Implementation of Forest Training and Extension in Guatemala [ITTO Budget: US\$572,292.00]
- PD 752/14 Rev.1 (F) Restoring Mangrove Forest Landscapes: An Opportunity for Social Development at the Alvarado Lagoon System (ALS) Ramsar Site, Veracruz, Mexico [ITTO Budget: US\$482,391.00]
- PD 764/14 Rev.1 (F) Enabling Customary Landowners to Participate Effectively in Community Forest Management Schemes Within 6 Pilots Areas of PNG [ITTO Budget: US\$663,829.00]

**Pre-projects**

- PPD 169/13 Rev.2 (F) Identification of a Project for the Reforestation and Management of the Large Ndjock-Lipan Forest Complex in the Bondjock, Departement of Nyong-and-Kélé, Central Cameroon [ITTO Budget: US\$93,285.00]
- PPD 170/13 Rev.2 (F) Identification of a Project in Support of Natural Regeneration and the Establishment of Forest Plantations in the Mbam-and-Kim Department (Cameroon) [ITTO Budget: US\$90,804.00]
- PPD 177/14 Rev.1 (F) Inventory of Mangrove Ecosystem and Development of a Management Plan for Gabon [ITTO Budget: US\$95,928.00]
- PPD 180/14 Rev.1 (F) Pre-Project for the Rehabilitation and Sustainable Management of the Mangrove Forests in the Coastal Area of Côte d'Ivoire [ITTO Budget: US\$99,994.00]
- PPD 181/14 Rev.1 (F) Feasibility Study on the Payment of Ecosystem Services Provided by Forests in Benin [ITTO Budget: US\$71,098.00]

- (B) The Committee recommended that an activity to undertake a survey to assess the use of ITTO guidelines as contained in Appendix be included in the ITTO BWP 2015-2016.

**Item 16 - 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

COMMITTEE ON REFORESTATION AND FOREST MANAGEMENT  
ACTIVITY UNDER THE DRAFT BIENNIAL WORK PROGRAMME FOR 2015-2016

UNDERTAKE A SURVEY TO ASSESS THE USE OF THE VARIOUS ITTO GUIDELINES ON THE  
SUSTAINABLE MANAGEMENT OF PLANTATIONS, SECONDARY FORESTS, BIODIVERSITY AND NATURAL FORESTS IN THE TROPICS

Activity	Implementation Approach and Cost	Expected SAP Outcomes	SAP Indicators	Activity Targets	Responsible Body
<p>Undertake a survey to assess the use of the various ITTO guidelines on the sustainable management of plantations, secondary forests, biodiversity and natural forests in the tropics [ITTA, 2006, Article 1(a), (d), (m), (r)]</p>	<p>Make provisions to conduct a survey to assess the use of ITTO guidelines which have been developed to address the social, economic and environmental issues of sustainable forest management in the tropics.</p> <p>A survey will be conducted to gather responses from a full range of tropical forest stakeholders, through a professional online survey services provider, with the aim of analyzing the awareness, use and impacts of ITTO guidelines. Information can be used to make guidelines more useful and accessible to a greater number of practitioners while enhancing public appreciation of these resources.</p> <p>Estimated cost: US\$50,000 Estimated funding sources: Voluntary Contributions Year 2015–US\$50,000</p>	<ul style="list-style-type: none"> <li>• Increased forest area that is managed sustainably and legally harvested</li> <li>• Improvement in outreach and access of ITTO guidelines by a border group of stakeholders and practitioners</li> </ul>	<ul style="list-style-type: none"> <li>• Number of forest managers of state and local forestry agencies, forest companies, and rural communities using ITTO SFM-related guidelines</li> <li>• Number of civil-society organizations and research and education institutions using ITTO SFM-related guidelines</li> <li>• Number of national and sub-national governments promoting ITTO SFM related guidelines</li> </ul>	<ul style="list-style-type: none"> <li>• A report on the use of ITTO guidelines published by the end of 2015</li> </ul>	<p>CRF</p>

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**UNDERTAKE A SURVEY TO ASSESS THE USE OF THE VARIOUS ITTO GUIDELINES ON THE SUSTAINABLE MANAGEMENT OF PLANTATIONS, SECONDARY FORESTS, BIODIVERSITY AND NATURAL FORESTS IN THE TROPICS**

*[ITTA, 2006, Article 1(a), (d), (m), (r)]*  
*[Strategic Action Plan 2013-2018, Strategic Priority 1]*

**VII. Background**

ITTO has developed a large number of policy guidelines as a reference for policy decisions and as a technical guidance on sustainable forest management in the tropics. ITTO policy guidelines published as its Policy Development Series include:

- ITTO Guidelines for the Sustainable Management of Natural Tropical Forests (1992)
- ITTO Guidelines for the Establishment and Sustainable Management of Planted Tropical Forests (1993)
- ITTO Guidelines for Fire Management in Tropical Forests (1997)
- ITTO Guidelines for the Restoration, Management and Rehabilitation of Degraded and Secondary Tropical Forests (2002)
- ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Timber Production Forests (2009)
- ITTO Voluntary Guidelines for the Sustainable Management of Natural Tropical Forests (2014)

The ITTO policy guidelines are intended for national and subnational governments, private-sector organizations, civil-society organizations, research and education institutions, forest managers and other groups and bodies engaged in sustainable forest management.

**VIII. Description**

The purpose of this activity is to conduct a survey to assess the use of key ITTO policy guidelines from a full range of tropical forest stakeholders, through a professional online survey services provider, with the aim of analyzing the impacts of ITTO policy guidelines and their best use towards the achievement of sustainable forest management in the tropics. An on-line survey will be designed to identify the use of key ITTO policy guidelines and to receive feedback on the importance of developing and promoting the policy guidelines in the context of ITTO's work on SFM, and suggestions related to ITTO's work on the policy guidelines.

**IX. Expected Outputs**

- Information on the status of using key ITTO policy guidelines and feedback from tropical forest stakeholders
- Recommendations improving outreach and access of ITTO policy guidelines by a border group of stakeholders, and practitioners

**X. Target Countries** Global

**XI. Duration & Timing** 12 months in 2015

**XII. Budget** US\$50,000 (including consultant and on-line survey services provider fees, questionnaire development in the three languages, reporting to CRF).

Distr.  
GENERAL

CFA(XXIX)/9  
8 November 2014

ENGLISH ONLY

TWENTY-NINTH SESSION  
3 -8 November 2014  
Yokohama, Japan

**REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL**

**TWENTY-NINTH SESSION OF THE  
COMMITTEE ON FINANCE AND ADMINISTRATION**

## REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL

### TWENTY-NINTH SESSION OF THE COMMITTEE ON FINANCE AND ADMINISTRATION

#### **Item 1: Opening of the Session**

1. The Chairperson of the Committee on Finance and Administration (CFA), Ms. Ellen Shaw of USA, welcomed all delegates to the Twenty-ninth Session of the Committee.

#### **Item 2: Adoption of Agenda and Organization of Work**

2. The Chairperson suggested that the Committee takes up discussions agenda item by item in the order listed in document CFA(XXIX)/1. She requested the Vice-Chairperson of the Committee, Dr. Gilbert Kaya of Republic of Congo to lead the discussion of the Committee on a number of the agenda items.

3. The Chairperson drew the attention of the Committee to the work of the Panel on Sub-Account B of the Bali Partnership Fund (BPF) for the allocation of funds under Sub-Account B of the BPF, created under Council Decision 4(XXX). This Panel was chaired by the Chairperson of the Committee and reported directly to the Council. It convened its first meeting on Thursday, 6 November 2014 and a second meeting on Friday, 7 November 2014.

#### **Item 3: Admission of Observers**

4. The Chairperson advised the Committee that the Council had admitted all applicants as shown in document ITTC (L)/Info.3 which lists states, inter-governmental and non-governmental organizations applying for Observer status. The Committee concurred with the decision of the Council on this matter.

#### **Item 4: Reports of the Expert Panel for Technical Appraisal of Project Proposals**

5. The Chairperson advised the Committee that the Report of the Forty-seventh and Forty-eighth Meetings of the Expert Panel for Technical Appraisal of Project Proposals (Documents ITTC/EP-47 and ITTC/EP-48) were deliberated and concluded in the Joint Session of the Committees on 4 November 2014. The joint session had not requested the CFA for any follow-up.

#### **Item 5: Approved Biennial Administrative Budget for the Years 2014 and 2015**

6. The Secretariat presented the Approved Biennial Administrative budget for the financial years 2014-2015 as contained in Document CFA (XXIX)/2 Rev.1 dated 3 November 2014.

7. The Biennial Administrative Budget for 2014 and 2015 was prepared using the exchange rate in July 2013 of JPY.98.23 to US\$1. The budget for 2015 had been estimated at US\$7,689,505.

8. Rule 3 of the Financial Rules and Rules Relating to Projects states inter-alia that "should very exceptional circumstances so require, the Executive Director may submit to the Council proposals for supplementary expenditure during any financial year". However, since there were no significant changes in the exchange rate, staff establishment and work programme, the Secretariat presented the Administrative Budget for 2015 as approved by the Council at its Forty-ninth Session convened in Libreville, Gabon in November 2013.

9. The assessed contributions of Members as presented in Annex II were approved at the Forty-ninth Session of the Council convened in Libreville, Gabon in November 2013. These assessed contributions were calculated based on the distribution of votes for the 2013-2014 biennium which was adopted by the Council at its Forty-ninth Session (Libreville, Gabon, November 2013). However, the assessed contributions of Suriname and Vietnam, which became members in 2014, were calculated using the redistribution of votes in the Producer category which was adopted by the Council at its Fiftieth Session (Yokohama, November 2014), in accordance with Article 10



paragraph 8 and Article 19 paragraph 6 of the ITTA, 2006. The assessments made upon other Members were not altered in accordance with Article 19 paragraph 6.

10. The Secretariat further informed the Committee on the status of the Special Reserve Fund of US\$1,500,000 to be utilized only upon Council's approval and the Working Capital Account as at 3 November 2014 in the amount of US\$4,878,834.39.

11. The delegate of the European Union (EU) welcomed the healthy balance of the Working Capital Account that stood at US\$4.87 million as at 3 November 2014, and estimated to reach US\$5.53 million by the end of the current fiscal year. He suggested that the Committee should consider ways to make productive use of the balance available. He informed the Committee that there were concerns among the Member States of the EU on the time-frame for the new Executive Director to take up the position. The EU proposed that a small budget should be allocated from the Working Capital Account to allow a period of transition for the incoming Executive Director and the outgoing Executive Director to help with the smooth transfer of duties.

12. Cameroon, Guatemala, Côte d'Ivoire and Brazil supported the proposal by the delegate of the EU, and requested the Committee to identify an adequate duration of the transition period for the new Executive Director, the necessary budget to be sourced from the Working Capital Account, and activities/duties to be implemented during the transition period. Guatemala suggested either one or two months of transition would be adequate, and requested the Secretariat to provide an estimate of the costs.

13. The delegate of Japan requested the Secretariat to give clarification, whether any budget heading or existing rules would support the proposed activities for the transition period of the new Executive Director and the legal implications.

14. The Secretariat informed the Committee that there are no standing rules provided for the transition period of the new Executive Director, and that the terms of reference for implementation is in the hands of members.

15. The delegate of Indonesia sought information from the Secretariat on how the transition was done when the current Executive Director took over his position. In response, the Secretariat informed that the current Executive Director was already a staff of the Secretariat and therefore, there was no need for a transition period.

16. The Chairperson took note that the proposal by the EU had general support of the members of the Committee, and requested the delegation of the EU to lead a small working group to draft a proposal for the consideration of the Committee.

#### **Item 6: Review of Contributions to the Administrative Budget**

17. The Secretariat introduced document CFA (XXIX)/3 Rev.1 dated 3 November 2014. This document detailed the status of Members' contributions to the Administrative Budgets for the financial years from 1986 to 2014, including assessments, receipts, interest charges, and arrearages in contributions. The Secretariat informed the Committee that in 2014, US\$2,433,670.16 had been received from Producing Members out of the total net assessment of US\$3,429,876.56; and US\$3,839,371.00 had been received from Consuming Members out of the net assessed amount of US\$3,880,132.00. The Secretariat further informed that the assessed contributions of Suriname and Vietnam for 2014 were US\$44,143.66 and US\$45,897.90 respectively, and informed that the amount of US\$44,143.66 paid by Suriname had already been credited to the Working Capital Account.

18. The Committee noted that the arrearages in contributions to previous years' budgets from Producing Members amount to US\$4,010,168.17 and arrearages from Consuming Members amount to US\$126,065.00. Furthermore, the arrearages in contributions from former members of the Organization amount to US\$2,348,664.28 bringing the total outstanding arrearages to US\$6,484,897.45

19. The Secretariat informed that only Gabon and Democratic Republic of Congo were not eligible to submit project proposals because of their arrears in contribution as called for in Decision 7(XXXIII), Annex 1, Part C, paragraph 2 and Article 19(8) of the ITTA, 2006.

20. The Committee took note of the report.

**Item 7: Current Status of the Administrative Account**

21. The Secretariat introduced document CFA (XXIX)/4 Rev.1, dated 3 November 2014, on the current status of the Administrative Account for the financial year 2014 together with the estimated expenditures for the current year. The Secretariat informed the Committee that the estimated total expenditures for the financial year 2014 would amount to US\$6,269,315.95 (i.e. US\$1,066,446.05 less than the total amount approved in the budget for 2014 of US\$7,335,762.00) and that the savings had been achieved through stricter control of expenditures and other prudent financial management measures instituted by the Secretariat.

22. The Secretariat further informed the Committee that the total contributions received from both Producer and Consumer members amount US\$6,228,897.50 and together with contributions expected to be paid by members before the end of 2014 in the amount of US\$691,685.50 it was anticipated that a surplus in the amount of US\$652,424.25 would accrue in 2014.

23. The Secretariat further informed the Committee that the resources of the Working Capital Account was estimated to increase from the opening balance of US\$3,830,996.00 at the beginning of 2014 to US\$5,531,258.64 by the end of the year 2014.

24. The Committee took note of the report.

**Item 8: Resources of the Special Account and the Bali Partnership Fund**

25. The Secretariat presented document CFA (XXIX)/5, on "Resources of the Special Account and the Bali Partnership Fund, which provides information on expenditures and contributions to the Special Account and the Bali Partnership Fund (BPF).

26. The Committee noted that out of a total number of 213 Pre-projects and 305 Activities funded from 1987-2014, 204 Pre-projects and 212 Activities were completed and 9 pre-projects and 93 activities were operational as of 31 August 2014. Out of the ITTO budget of US\$29.02 million, an amount of US\$23.47 million were disbursed leaving an outstanding obligation of US\$5.55 million. Of the 554 projects funded from 1987 to 2014, disbursements of US\$27.64 million were made out of the ITTO budget of US\$46.01 million and 74 projects with an outstanding obligation of US\$18.37 million were operational. The remaining 480 projects had been completed.

27. The Committee further noted that as against the projected funding of US\$16.47 million, pledges in the amount of US\$2.5 million were made for the Pre-projects, and Activities approved under the BWP 2013 – 2014 and 2014 – 2015 leaving an outstanding amount of US\$13.94 million.

28. The Secretariat informed that out of the 42 projects that were approved from April 2011 till mid-October 2014, pledges in the amount of US\$3.99 million were made against a budgeted amount of US\$31.50 million leaving an outstanding balance of US\$27.51 million.

29. The Committee noted and expressed its appreciation to donors for making voluntary contributions to finance the various activities, pre-projects and projects of the Organization. From 1987 till date the Organization has received contributions amounting to US\$70.26 million for pre-projects and activities. During the same period contributions of US\$278.75 million were received to finance the various projects.

30. The Secretariat informed that for the five ITTO Thematic Programmes, with an indicative funding target of US\$58 million, pledges of US\$21.96 million (37.87%) had been made by donors out of which an amount of US\$21.54 million had been received with an outstanding balance of US\$0.42 million yet to be received.

31. The Committee noted that the total funds received in the Sub-Account A of the Bali Partnership Fund (BPF) for the period 1999 to 31 August 2014 was US\$25.10 million. The amount of US\$25.10 million had been committed to 5 Activities, 8 Pre-projects and 73 Projects leaving a nil balance. Under Sub-Account B of the BPF, the total funds received were US\$19.72 million and the allocations made were US\$19.58 million leaving a fund balance of US\$142,612.

32. The Committee took note of the report.

### **Item 9: Auditor's Report for the Financial Year 2013**

33. The Secretariat introduced document CFA (XXIX)/6, on the "Report of the Independent Public Auditors" for the Financial Year 2013 on the four Accounts of the Organization, namely: (a) the Administrative Account (b) the Special Account (c) the Bali Partnership Fund Account; and (d) the Executing Agencies Account.

34. The Committee noted that the Auditors had provided their satisfactory opinion on ITTO's financial statements. The audit was carried out by BDO-Toyo and Co, Tokyo, who was appointed by the Council in November 2013 to audit the Accounts of the Organization for the Financial Years 2013; 2014 and 2015.

35. The Committee took note of the Auditor's report and decided to recommend its approval to the Council.

### **Item 10: ITTO Staff Regulations and Rules**

36. The Secretariat introduced Document CFA (XXIX)/7 containing the draft proposed revision to the ITTO's Staff Regulations and Rules. The draft proposal was prepared at the request of the Committee on Finance and Administration at its Twenty-eighth Session and in pursuance of Rule 901 that provides for amendments to the ITTO Staff Regulations and Rules that could be proposed by the Executive Director to the Council for its approval. The Secretariat informed that the draft proposal of the revised ITTO Staff Regulations and Rules were circulated to member countries in June 2014 and in response, comments were received from the European Union and its member states, Japan and New Zealand.

37. The Secretariat referred to Annex I, pages 1 to 19 of the document CFA (XXIX)/7 containing the original text and the text of the proposed amendments to the ITTO Staff Regulations and Rules and indicated that the proposed text had been juxtaposed with the original text for ease of reference. The Secretariat further noted that the proposed revisions had been compared with the Staff Regulations and Rules of the United Nations, the International Cocoa Organization and the International Coffee Organization. The Secretariat drew the attention of the Committee to the financial implications of the revised proposal as contained in Annex III of the document. The comments received from the EU and its member states, Japan and New Zealand are contained in Annex IV.

38. The Secretariat informed that the first edition of the ITTO Staff Regulations and Rules was adopted in November 1988 and the second edition was adopted in November 2008.

39. While the members of the Committee, in general, thanked the Secretariat for the extensive work done to draft such a comprehensive document, many issues were raised by the floor. The delegate of Japan reiterated Japan's comments submitted in June regarding: (i) Selection of the Assistant Directors to be done on a competitive basis, and vacancies be announced publicly; (ii) All travel should be in economy class and not business class; and that (iii) Retirement age of staff to be kept at 62 and not 65, as proposed in the document. He noted that (ii) travel in economy class was not addressed in the proposed revised Staff Rules as proposed by Japan.

40. Brazil sought the rationale behind the proposed changes and appreciated the comments submitted to the Secretariat by New Zealand, Japan and the European Union.

41. The delegate of Ghana thanked the Secretariat for formulating such a comprehensive proposal without any financial burden to the member countries. He indicated that due to the nature of the Secretariat's work, travel comfort should be assured, and that Ghana supports the travel mode to be allowed in business class. He also supported the retirement age of 65 which is in line with the proposed Staff Rules and Regulations of the UN. He added that the rationale of extending the retirement age is that the quality of the senior staff shall be valued, and keeping the retirement age at 62 may have a negative impact to the quality of the Secretariat.

42. While the EU had already provided their written comments to the Secretariat, the delegate of the EU pointed out that the source of the proposed text is a mixture of three different references, that is, the UN Staff Rules, the Staff Rules and Regulations of the International Cocoa Organization and the International Coffee Organization. All three reference documents were under revision and not formally adopted at this point.

43. The EU, supported by the delegate of New Zealand, requested the Secretariat to clarify the reference document of each specific proposed text, as well as the financial implications for the proposed change. In summary, the EU stated that the reviewing process of the proposed ITTO Staff Rules and Regulations was

very important, thus the Committee should go through more thoroughly and it would be premature to adopt the full text of the Staff Rules at this Session. For instance, pension reform of an organization normally raises concerns of the staff near to retirement. The Secretariat was requested to provide information on the UN Staff Rules relevant to retirement.

44. The delegate of Côte d'Ivoire also raised few points to be clarified by the Secretariat, such as mode of travel and indicated that at least the Executive Director should be allowed to travel in business class.

45. The delegate of Cameroon welcomed the proposed text and stated that the level of details added to the Staff Rules will allow for sound management of the staff. On the retirement age, he recalled that among the candidates who went through the Selection Panel for the post of New Executive Director, many of them were close to 62, which is the current retirement age, some even above. He stated that the society is ageing so the Organization's retirement age should be raised to 65 or even higher. On the mode of travel, Cameroon supported the Executive Director as well as other staff to travel on business class on long-haul flights. He stated that the Executive Director should never travel on economy class. Cameroon supported the adoption of the document at this Session.

46. The delegate of the U.S.A. requested the Secretariat to provide more details on the issue of travel, retirement and hiring process. The proposed rule on insurance (Rule 504) would certainly give financial implication, and they requested details to be provided, such as what items are covered under the proposed new insurance. She also inquired from the Secretariat how many staff in the present Secretariat are Temporary Staff, and how many are Permanent.

47. The delegate of New Zealand followed by China asked the Secretariat to indicate the financial implications of the proposed changes, if not now but those that may incur in the future. The delegate of Germany stated that the recruitment on competitive basis should apply not only to the Assistant Directors but to all staff of the Organization.

48. The delegate of Switzerland, while appreciating the work of the Secretariat, suggested to the Committee that considering the time required, and the need to ensure consistency of the rules, since the three reference documents were still under revision, the adoption of the Staff Rules should be deferred to the next Session.

49. The Chairperson took note of the comments from the floor and invited members to further deliberate on six key issues in the proposed changes identified by herself, these were: (i) Dependency Allowance; (ii) Hiring Process; (iii) Insurance; (iv) Mode of Travel; (v) Termination Indemnity; and (vi) Retirement Age. The Committee started discussions on the key issues one by one.

50. Key issue (i): Dependency Allowance – In response to the request from the EU, the Secretariat clarified the references made to Rule 201 in the proposed text, which is the Staff Rules of the International Cocoa Organization. The Secretariat informed the Committee that the language used in the Staff Rules of the International Cocoa Organization is very identical to that of the ITTO Staff Rules, however, somehow the Cocoa Organization has clear provisions on the Dependency Allowance for General Service Staff but the ITTO does not. In fact the ITTO has been paying the General Service Staff Dependency Allowance from the beginning of its operations, and the costs have always been included in the Approved Budget, therefore there was no financial implication to adopt the proposed text. The proposed text would enable ITTO to catch up with the other international commodity organizations' rules. The delegate of the EU stressed that reference should be made only to the existing rules and not the text currently being reviewed. The Secretariat informed the Committee that the comments received from New Zealand have been incorporated in the document. The delegate of New Zealand stated that the language proposed by them was just a matter of logical clarification to provide greater clarity. The delegate of Guatemala supported the proposed text on Dependency Allowance, since it is the usual practice of the Organization.

51. Key issue (ii): Hiring Process of Staff – U.S.A. supported the position of Japan to promote transparency and consistency in the hiring process. The delegate of Brazil and Côte d'Ivoire sought clarification from the Secretariat on the legal compatibility of the proposed text against paragraph 4 of Article 14 of the ITTA, 2006, where it is stated: "The Executive Director shall appoint staff in accordance with regulations was to be established by the Council." The Secretariat explained that the proposed text on hiring process is based on suggestions from Japan and the EU. The ITTA does not give details to the Executive Director's mandate in hiring staff, so the proposed text provides clarification and thus should be legally compatible.

52. The delegate of Japan and EU showed concerns on the proposed text “so far as is practicable” in Regulation 3.4. Japan addressed the Committee that this language may allow the Executive Director to appoint staff without a competition or public announcement. However the delegate of Brazil notified the Committee that this language is used in the most recent Staff Rules of the United Nations so it should be kept in the text. The delegate of Ghana added a suggestion that advertisement for recruiting General Service staff should be made only in Japan and not worldwide.

53. Key issue (iii): Insurance – While many members of the Committee recognized the importance of the issue, they were concerned about budgetary implications, in particular the costs that may arise in the future. Japan reminded the Committee that they had already approved the Biennial Budget for 2014-2015 and cannot amend it for the single year 2015. The Secretariat explained that the financial implications are all shown in the Annex to the document, and that the additional costs incurred by adopting the proposed rules on insurance had been estimated at US\$75,000 - US\$80,000 for the Year 2015, which shall be absorbed in the savings that the Secretariat has already made during the Year 2014, as contained in Document CFA(XXIX)/4 Rev.1 introduced earlier. The Secretariat reminded the Committee that the proposed change was rather a matter of principle and focus should not be only on financial implications. The Secretariat confirmed that the text was the same as in the Staff Rules of the UN and other commodity organizations.

54. Key issue (iv): Travel – No further comments were made in addition to those already addressed earlier.

55. Key issue (v): Termination Indemnity – To the question raised by the U.S.A., the Secretariat responded that the number of staff in the current Secretariat holding Temporary appointment was around 20. Germany enquired whether the practice of maintaining such a high number of Temporary staff was in line with the Staff Rules and Regulations, and noted that normally in other organizations staff under temporary contracts would go under a review by the Executive Director and may become eligible for permanent contract. The delegate of Brazil noted that the language used in the proposed text has both “Permanent Appointment” and “Continuing Appointment”, which should be modified to keep consistency.

56. The delegate of the EU reiterated that he was not confident on agreeing to the proposed text during this Session. The Committee may agree on some specific issues, but not on all articles, considering the timeframe. He suggested that the Committee may decide to engage an external consultant to review the proposed text through consultation with the Secretariat, as was the exercise done with the ICCO and ICO, and that the EU was willing to provide funding to cover the costs of the consultancy. EU advised the Committee that in such case the same consultant hired by ICCO and ICO may be assigned to undertake the revision of the ITTO Rules as well.

57. Given the limited time available for the Committee during this Session the Chairperson opened the floor to deliberate on the approach to be taken to deal with the adoption process of the revised ITTO Staff Rules. The delegate of Ghana appealed to the Committee that the document should be adopted during this Session, due to the impact it has on staff morale and well-being. Brazil, supported by U.S.A., the EU, Congo, Peru, New Zealand, suggested that a Contact Group be established to address only key issues. It would be preferable to adopt the document during this Session if possible, if not, the Committee should make sure that the discussion resumed at the same level as concluded at this Session. The delegate of the EU suggested that, Member Countries who are also members of the ICCO and ICO may seek guidance from their capital on what was done when the revision process took place for the two commodity organizations.

58. While understanding the importance of adopting the proposed rules at this Session, Japan, followed by Peru and New Zealand, showed interest in the proposal made by the EU to hire a consultant. The EU stressed that the Contact Group should only focus on the key issues, and that a thorough review of the document be done based on the work done by a consultant. Brazil, followed by Mexico, Congo and Ghana, stated that hiring a consultant was not necessary, as the work to be done was not an overhaul of the entire structure of the Staff Rules and there was not much to be added to what had already been done by the Secretariat. Cote D'Ivoire supported Ghana and Brazil in that it was preferable to have the proposed rules adopted at this Session.

59. The delegate of Mexico thanked the Secretariat for the comprehensive work done, and further requested for a budget estimate for each item having financial implications. He also raised the issue of insurance premiums to cover delegates attending the ITTC Sessions.

60. The Vice-Chairperson, Dr. Gilbert Kaya, introduced himself to the Committee and informed members that since the Chairperson had to leave Yokohama for other engagements, he would chair the Committee for the remaining duration of the Session. The Members welcomed the new Chairperson.

61. The Chairperson reopened discussions on Item 10, ITTO Staff Rules and Regulations, and invited the Secretariat to present the text that was agreed at the CFA Contact Group on Staff Rules held the previous evening. The Secretariat made available the one-page document of the text to the Committee.

62. The Contact Group presented its report to the Committee. The full text of the Contact Group report as amended by the Committee is reproduced below in paragraphs 63 to 66.

63. The Committee expressed its appreciation to the Secretariat for preparing proposals to amend the Staff Rules and Regulations, as reflected in document CFA(XXIX)/7, and underlined its view that the ITTO Staff Rules and Regulations should follow, as far as possible, those of the United Nations.

64. The Committee requested that the Secretariat prepare by July 2015, for consideration at its Thirtieth Session, recommendations for alterations to the Staff Rules and Regulations that it deems advisable, including on Rules and Regulations where alterations were proposed in document CFA(XXIX)/7, bearing in mind the discussions held in this Committee. Bearing in mind the importance of staff morale and well-being, these recommendations should be accompanied by:

- justification for the proposed alterations;
- estimated numerical financial implications in the near term and long term ;
- comparable cost containment measures to ensure that the overall biennial budget is equal to or lower than the biennial budget 2014-2015; and
- Comparison with the relevant text from the 2015 Staff Rules and Regulations of the UN or other relevant international organizations (e.g., ICCO and ICO).

65. The Committee also requested that the Secretariat analyze the possibility of adopting future changes to the UN Staff Rules and Regulations, in order to avoid excess burden on the Organization, and to report to Thirtieth Session of the Committee on the viability and implications of such a procedure, particularly with regard to the experience of any international organizations outside the UN family that has adopted such mechanisms.

66. Finally, the Committee noted that consideration of this issue would be a priority during its 30th Session inasmuch as effective and up-to-date Staff Rules and Regulations are key to promoting accountability, predictability, transparency and effective human resource management in the Organization.

67. The delegate of Côte d'Ivoire sought clarification of the action requested to the Secretariat in providing information to the Members. The Secretariat confirmed that the required actions are spelled out in paragraph 2 of the document.

68. The delegate of Côte d'Ivoire, followed by Benin, sought clarification for the need to reopen the discussions on the key issues that were already agreed at the previous meeting of the Committee. The delegate of the EU informed that due to constraints of time a small Contact Group was formed to suggest an approach to the process to be adopted in considering the revision of the ITTO staff rules. The general consensus of the Contact Group was that the Committee was not ready to adopt the proposed revisions to the ITTO Staff Rules and Regulations as there was no clarity on the sources of text adopted and the financial implications that were not captured in the document as many issues had multiple linkages that could potentially have monetary implications. The Contact Group focused to make sure it established the process for revising and adopting the Staff Rules at the Fifty-first Session of the Council to be held in 2015, and to ensure that all delegates to the Fifty-first Session of the Council would be informed of the approach adopted.

69. The EU added that the circulated text had not yet included the timeline for the Secretariat to prepare the requested document. The EU stated that it is important that the Members have adequate time to study the document before they submit official comments to the Secretariat, and that should be done well before the

Council Session. As suggested by the EU and by consensus of the Committee, it was agreed to amend the text to include the timeline as “by July 2015”.

70. The EU reminded the Committee that they offered funding to hire a consultant to review the ITTO Staff Rules along with the review of the staff rules currently being carried out for the ICCO and ICO. The delegate of EU informed the Committee that the Contact Group did not re-discuss the key issues.

71. The delegate of Brazil highlighted that there were a number of issues that Committee did not reach consensus, taking the example of the issue whether to include “so far as is practicable” in the regulation on hiring process. Brazil emphasized that the Staff Rules are very important to the Organization, so that it must be discussed in the best manner possible. Brazil added that the Committee did not reach consensus on the issue of hiring an external consultant.

72. The Chairperson invited the Secretariat to add any comments to the Contact Group’s work. The Secretariat suggested that the ITTO staff should have a voice in the revision of the staff rules. Brazil stated that the Secretariat must have an important role in the process, and in fact the text by the Contact Group already covered this aspect as it laid out in paragraph 2.

73. The delegate of Côte d’Ivoire, supported by Brazil, proposed to postpone this item at this meeting since the document CFA (XXIX)/7 will be reviewed, according to the Contact Group’s proposed text.

74. Brazil, EU, Congo and Côte d’Ivoire stressed that the Secretariat should bear in mind the valuable comments and discussions taken at the Twenty-ninth Session of the CFA when preparing the document. The Committee agreed to modify the text of the Contact Group to read as: “...the Secretariat to prepare ... bearing in mind the discussions held in this Committee.” The Chairperson informed the Committee that the valuable discussions will be included in the Committee Report of this Session.

75. The delegate of Benin, while thanking the Secretariat for its work, repeated that the points made out in paragraph 2 of the report of the Contact Group, particularly the clarification of financial implications and identification of sources of reference, were very important when revising the proposed text for the next Session. Benin supported the offer from the EU that an external consultant be hired to assist in reviewing the rules and that it will have a positive impact to the process.

76. The delegate of Congo stated that the Secretariat is better placed than an external consultant to provide inputs to the staff rules, for instance, on the retirement age or mode of travel. The delegate of Côte d’Ivoire and Brazil supported Congo’s statement.

#### **Item 11: Progress Report on the Implementation of the Biennial Work Programme of the Committee for the Years 2013 – 2014**

77. The Committee received a presentation on Activity 54 of BWP 2013 -2014 on “Mobilizing New Funding and Partnerships for ITTO and Its Objectives” from the consultants, Lynea Advisory. The consultants were engaged by the International Tropical Timber Organization (ITTO) in June 2014 to provide strategic fundraising support to assist the organization to realize its funding ambitions as set out in ITTO’s Strategic Plan 2013 – 2018.

78. The consultancy comprised of several streams of work, including:
- Support to Apidae Development Innovations in the development of a range of communication materials including a brochure, cases for support for each of the thematic areas, an animation and fundraising video;
  - The development and management of a funding pipeline;
  - Completion of a survey, gap analysis and Fundraising Action Plan; and
  - Donor liaison (ongoing).

79. The consultant indicated that these activities had provided Lynea Advisory and ITTO with an improved understanding of potential donor's priorities, values and likelihood for contribution of additional funds. The presentation focused on the findings of the survey and gap analysis and outcomes from donor meetings completed to date.

80. The consultant informed that in mid-July 2014, the ITTO Secretariat, on behalf of Lynea Advisory, distributed a survey to ITTO member countries. The survey aimed to assist both the consultants and ITTO to develop a better understanding of the needs and priorities of prospective donor governments specifically and ITTO member countries more generally. A total of 30 responses were received.

81. The responses from the survey indicated that the areas of most interest were illegal logging and legality of timber trade and governance, closely followed by biodiversity, REDD, poverty alleviation and forest industry development.

82. The survey also indicated that the majority of respondents (72%) regarded the work of ITTO as being either extremely important or mildly important in helping countries achieve domestic and international policy objectives. Whilst there was broad support for ITTO, the vast majority of respondents noted that they intended for their voluntary contributions to either stay the same (75%) or decrease (15%). As such, ITTO and Lynea were required to tailor each conversation with prospective donors on an individual basis. Each donor approach would require a carefully managed process to ensure that donors understood the value that would result from an increase in funding to ITTO.

83. The consultants underlined that it was important that any donor liaison work undertaken by Lynea Advisory did not overlap with the work already being undertaken by ITTO. As such, Lynea was concentrating on developing relationships with those organizations that ITTO was not already engaged with.

84. Lynea Advisory was also capitalizing on the work carried out by Markku Simula in 2013 and consequently focusing on those organizations categorized in the Markku Simula report as being of high priority for resource mobilization action. In addition, the consultants were also carrying out some high level scoping work in the area of foundations and the private sector.

85. The consultant informed the Committee that they had met with the following donors:

- Australian Department of Agriculture
- Australian Aid
- Australian Centre for International Agricultural Research
- Senator Colbeck (the Australian Senator with responsibility for forests) & his Advisor
- Inter- American Development Bank
- USAID
- US Forest Service
- International Finance Corporation
- Global Environment Facility
- Department for International Development (UK)

86. The consultant indicated that they had had broadly positive experience in the various meetings and that there was general support for the work that ITTO does. Australia in particular was extremely happy with the flexibility with which they have been able to work with ITTO. The consultant however, underlined that there was still no doubt a significant amount of work required to continue to develop and maintain the relationships with the various funding bodies. The consultant further indicated that, unsurprisingly, no funds have been immediately forthcoming and that most organizations that they had met with were tied into very detailed and specific arrangements for disseminating their funds and there was the need to work with each one based on the priorities of both ITTO and donor Organizations.

#### **Item 12: ITTO Biennial Work Programme 2015 – 2016**

87. The Chairperson referred to the report by the Secretariat on the progress in implementation of the Biennial Work Programme for 2013-2014 presented at this Session of Council and the Biennial Work Programme for the Years 2015-2016 of the Committee on Finance and Administration [Documents ITTC(L)/9 and ITTC(LI)/10 Rev.1, respectively]. He informed that during this Session, the documents were introduced in Council and the Council had instructed for its deliberation in the respective Committees. The Chairperson reminded the Committee of its mandate under the ITTA, 2006, and noted that the technical committees will be



responsible for setting priorities in their respective areas, while the CFA would be responsible for examining the work programme for its implications on the capacity and workload of the Secretariat and to highlight issues that should be raised to the Council. The Secretariat informed the Committee that there was no Activities requested by the Joint Committee for the CFA to discuss.

#### **Item 13: Election of Chairperson and Vice-Chairperson for 2015**

88. The Vice-Chairperson of the Committee for 2014, Dr. Gilbert Kaya of Republic of Congo, was elected Chairperson of the Committee for 2015 and Mr. Rob Busink of the Netherlands was elected Vice-Chairperson of the Committee for 2015.

#### **Item 14: Dates and Venue of the Thirtieth and Thirty-first Sessions**

89. The Committee agreed that the Thirtieth and Thirty-first Sessions would be held on the same dates and at the same venues as the Fifty-first and Fifty-second Sessions of the Council.

#### **Item 15: Other Business**

90. The Chairperson invited the delegate of the EU to report to the Committee the outcome of the working group held to deliberate on the proposal to utilize the Working Capital Account to fund the transition period of the new Executive Director. The working group consisted of the EU, Japan, and Brazil, with the assistance from the legal advisor from the UNCTAD. They decided to propose that the legal status of the new Executive Director during the one-month transition period would be a consultant contracted under a Special Service Agreement (SSA), rather than changing the appointment period of the Executive Director. The SSA would address the general duties of the incoming Executive Director as "to ensure the smooth transfer of the duties of the Executive Director". The budgetary requirements and components of costs are contained in the draft proposal as shown in Annex I to this report.

91. The Committee noted that the Chairperson of the Council had requested a Contact Group to be formed and draft a text on "Study on Regional ITTO Presence and Representation" to be included in the Biennial Work Programme 2015-2016. A one-page document was presented to the Committee which laid out the description of this activity. The suggested budgetary source was the Working Capital Account in the amount of US\$25,000. Members of the Committee, including Guatemala, Côte d'Ivoire and Brazil strongly supported this activity to be approved and implemented. In response to the question raised by Colombia, Peru stated that the presence of the Regional Office is currently not efficient enough and that consultancy work will be useful to explore impacts to this Organization of having Regional Offices. The delegate of Switzerland requested that the Terms of Reference of the consultant's assignment to be circulated among the members of the Committee so that they can ensure the deliberations made at the Contact Group is correctly reflected. Brazil and Côte d'Ivoire supported this request. A large number of members of the Committee strongly suggested to adopt this activity at this Session.

92. The delegate of the EU requested the Secretariat to give update on the developments made by the Secretariat on the migration towards a new accounting practice, particularly the adoption of the International Public Sector Accounting Standards (IPSAS), that was suggested at their Twenty-eighth Session in Libreville, Gabon, in 2013. The Secretariat informed the Committee that IPSAS is considered of high importance; however, during this year there were other issues of higher priority that conflicted with the implementation of IPSAS.

#### **Item 16: Recommendations to the International Tropical Timber Council**

93. The Committee decided to make the following recommendations to the Council:

- (1) To endorse Administrative Budget for the Financial 2015 as contained in document CFA(XXIX)/2/Rev.3, in the amount of US\$7,689,505;
- (2) To adopt the Report of the Independent Public Accountants on the Accounts of the Organization for the Financial Year 2013 as contained in document CFA (XXIX)/6;

- (3) Authorize the Executive Director to utilize funds not exceeding US\$40,000.00 from the Working Capital Account to cover the expenses to ensure the smooth transition of the Organization (see Annex);
- (4) Authorize the Executive Director to utilize funds not exceeding US\$25,000.00 from the Working Capital Account to engage a consultant to explore impacts to this Organization of having Regional Offices; and
- (5) To examine and take actions to secure the needed resources to achieve the objectives of the Organization.

**Item 17: Report of the Session**

94. The Committee adopted this report as amended.

\* \* \*

Annex

PROPOSAL FOR THE EXECUTIVE DIRECTOR IN TRANSITION

Employment as Consultant

1. Consultant fee (1month)	\$18,000.00	
2. Cost of air ticket by economy class: (Boarding point taken from the farthest point from Tokyo)	\$5,000.00	
3. DSA rate at \$243 per day times 30 days:		\$7,290.00
4. Official Mission Travel:	\$5,000.00	

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Proposal of the Informal Working Group for Consideration by CFA

- Special service agreement (ensure smooth transition of ITTO)
- 1 month duration
- Fee = US\$18,000
- Charged from Working Capital Account
- Total costs US\$35,290
- Remarks regarding mission:

Should the ED deem it advisable to invite the incoming ED to participate in official mission during the transition period, an additional amount of no more than US\$5,000 may be charged to the Working Capital Account for this purpose, according to the conditions of service stipulated in the special service agreement



## CONDITIONS OF SERVICE - CONSULTANTS

### 1. LEGAL STATUS

Individuals engaged under a special service agreement as consultants serve in their personal capacity and not as representatives of a Government or of any other authority external to the ITTO. Consultants are not "staff members" under the Staff Regulations and Rules of the ITTO.

### 2. OBLIGATIONS

Consultants shall neither seek nor accept instructions regarding the services to be performed for the ITTO from any Government or from any authority external to the ITTO. During the period of service for the ITTO, consultants may not engage in any activity that is incompatible with the discharge of their duties with the Organization. Consultants are required to exercise the utmost discretion in all matters of official business of the Organization. Consultants may not communicate at any time to any other person, Government or authority external to the ITTO any information known to them by reason of their association with the ITTO which has not been made public, except in the course of their duties or by authorization of the Executive Director of the ITTO; nor shall consultants at any time use such information to private advantage. These obligations do not lapse upon cessation of service with the ITTO.

### 3. TITLE RIGHTS

The ITTO shall be entitled to all property rights, including but not limited to patents, copyrights and trademarks, with regard to material which bears a direct relation to, or is made in consequence of, the services provided to the Organization by the consultant. At the request of the ITTO, the consultant shall assist in securing such property rights and transferring them to the Organization in compliance with the requirements of the applicable law.

### 4. TERMINATION OF CONTRACT

This special service agreement may be terminated by either party before the expiry date of the agreement by giving notice in writing to the other party. The period of notice shall be five days in the case of agreements for a total period of less than two months and fourteen days in the case of agreements for a longer period.

In the event of the agreement being terminated prior to its due expiry date in this way, the consultant shall be compensated on a *pro rata* basis for no more than the actual amount of work performed to the satisfaction of the ITTO. Additional costs incurred by the ITTO resulting from the termination of the agreement by the consultant may be withheld from any amount otherwise due to the consultant from the ITTO.

### 5. TRAVEL

If consultants are required by the ITTO to travel beyond commuting distance from their usual place of residence, such travel at the expense of the ITTO shall be governed by conditions equivalent to the relevant practice and at rates of the United Nations and as specified in the contract. Such travel shall be at the least costly airfare structure regularly available or its equivalent when by air (unless a higher standard is approved in advance by, or on behalf of, the Executive Director), and first class by rail.

### 6. INSURANCE

Consultants are fully responsible for arranging, at their own expense, such life, health and other forms of insurance covering the period of their services on behalf of the ITTO as they consider appropriate. ITTO is not liable for death or injury suffered in carrying out this assignment. ITTO shall also not be liable for any third party claims which may arise from the implementation of this assignment. Consultants are not eligible to participate in the life or health insurance schemes available to ITTO staff members.

### 7. ARBITRATION

Any dispute arising out of, or in connection with, this agreement shall, if attempts at settlement by negotiation have failed, be submitted to arbitration in Yokohama, by a single arbitrator agreed to by both parties. Should the parties be unable to agree on a single arbitrator within thirty days of the request for arbitration, then each party shall proceed to appoint one arbitrator and the two arbitrators thus appointed shall agree on a third. Failing such agreement, each party may request the appointment of the third arbitrator by the President of the United Nations Administrative Tribunal. The decision handed down in such arbitration shall constitute final resolution of the dispute.

### 8. TAXATION

The ITTO undertakes no liability for taxes, duty or other contributions payable by the consultant on payments made under this contract. No statement of earnings will be issued by the ITTO to the consultant.

### 9. OTHER PROVISIONS

NIL



**ANNEX V**

**REPORT OF THE INFORMAL ADVISORY GROUP (IAG)**

**DOCUMENT:ITTC(L)/2**





Distr.  
GENERAL

ITTC(L)/2  
2 November 2014

Original: ENGLISH

FIFTIETH SESSION  
3-8 November 2014  
Yokohama, Japan

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

**2 November 2014  
Yokohama, Japan**

**Twenty-Eighth Meeting of the Informal Advisory Group (IAG)  
Yokohama, Japan, 2 November 2014**

**Report of the Chairperson**

1. The Twenty-eighth meeting of the IAG was convened on Sunday, 2 November 2014 at the Meeting Room of the ITTO Secretariat at 10:20 a.m., chaired by Mr. Rob Busink (Netherlands), Chairperson of the Council. The meeting was attended by Dato' Dr. B.C.Y. Freezailah (Malaysia), Vice-chairperson of the Council, Mr. Shingi Koto (Japan), nominated by Japan as Chairperson of the Committee on Economics, Statistics and Markets (CEM), Mr. Björn Merzell (Sweden), Chairperson of the Committee on Forest Industry (CFI), Ms. Ellen Shaw (U.S.A.), Chairperson of the Committee on Finance and Administration (CFA), Mr. Jorge Malleux Orjeda (Peru), Chairperson of the Committee on Reforestation and Forest Management, Ms. Marjukka Mähönen (Finland), Consumer Spokesperson, Mr. Adrian Ngo'o Bitomo (Cameroon), Producer Spokesperson, Mr. Hiroyuki Tanaka and Mr. Akira Yamada (Japan), Representatives of the Host Government of the Headquarters, and Mr. Emmanuel Ze Meka, the Executive Director, together with other senior members of the Secretariat.
2. The IAG considered and adopted the following agenda for discussion:
  - ix. Brief background of the IAG:
    - Decision 5(XXVI);
    - Report of the IAG at its Twenty-seventh Meeting, 24 November 2013;
    - General observations by the IAG Members;
  - x. Matters Related to Article 14 of the ITTA, 2006.
  - xi. Opening of the Fiftieth Session of the Council and Celebration of the Fiftieth Session of the ITTC.
  - xii. Status of the parties to the International Tropical Timber Agreement, 2006.
  - xiii. Functions of the Informal Advisory Group.
  - xiv. Consideration of draft decisions/elements of decisions, if any, submitted pursuant to ITTC Decision 7(XXXIII)
    - Projects, Pre-Projects and Activities [Decision 1(L)];
    - Matters related to Article 14 of the ITTA, 2006 -- *submitted by the Secretariat*;
    - Staff Regulations and Staff Rules of ITTO -- *submitted by the Secretariat*;
    - Draft ITTO Biennial Work Programme 2015-2016.
    - Consideration of Regional ITTO Presence and Representation
  - xv. List of possible decisions for the Fiftieth Session of the ITTC and report to the Council; and
  - xvi. Other matters
    - ITTO membership in the World Nature Organization;
    - ITTO position on the WTO Environmental Goods Agreement;
    - ITTO position regarding the IAF;
    - Selection of Vice-Chairperson of the Committee on Reforestation and Forest Management;
    - Selection of Chairperson of the Committee on Economics, Markets and Statistics;
    - Admission of observers.
3. In its deliberations, the IAG noted and made reference to Decision 5(XXVI) and the Report of the Informal Advisory Group (IAG) at its Twenty-seventh Meeting held on 24 November 2013 in Libreville, Gabon as contained in document ITTC(XLIX)/2 dated 24 November 2013. The IAG also recalled the consensus regarding the extension of its mandate and the continuation of its existence and role reached by the Council at its Thirtieth and Forty-ninth Sessions. The IAG noted that Council would again review the role and mandate of the IAG at its Fifty-first Session. The IAG took note that this meeting would be the last attended by the current Executive Director and formally extended its congratulations and thanks to Mr. Ze Meka for his many years of service to the Organization.

#### **Matters Related to Article 14 of the ITTA, 2006**

4. The IAG discussed the logistics of presentations by the six short-listed candidates for the post of Executive Director (E.D.) and arrangements for voting in case a decision on the election of a new E.D. cannot be reached by consensus. The Secretariat noted that a proposal had been received that the candidates attend briefing sessions with the Producer and Consumer caucuses and that a schedule had been prepared to facilitate this. The Consumer Spokesperson indicated that a common set of four questions had already been prepared for their meetings with the candidates; if time allowed another question from the floor would also be allowed. It was agreed that the common questions would be shared with the Producer caucus. On further reflection the IAG recommended that the two caucuses consider a combined meeting to interview the candidates in a joint caucus session Tuesday morning and that there would be no Q&A session following the presentations of the candidates to Council on Monday afternoon. Follow-up meetings with the separate caucuses could be scheduled as required with individual candidates at caucus meetings later in the week. Once this is formally agreed by the caucuses, a new schedule of meetings will be prepared.

The process of deciding on whether consensus is possible in deciding on the selection of the E.D. was discussed; if one or more members makes a motion that consensus appears impossible and this is seconded by one or more members, the Chair will seek a decision from Council on whether consensus is possible or not, either by consensus (with all agreeing that consensus is not possible) or by simple majority vote. Once a decision is taken that consensus is not possible, the election will be decided by special vote as per the ITTA, 2006.

The Secretariat reviewed measures in case balloting is open or secret (voting will be secret if any member so requests it). It indicated that the results of open voting would show each country's vote; for secret ballot only overall results would be shown. The need to ensure that the report of the credentials committee is complete prior to any voting was stressed; any country that doesn't have their credentials and payments to ITTO in order will be unable to vote during the session. The IAG urged all countries to ensure their payments and credentials are in order as soon as possible so that all countries are eligible to vote. The requirement for delegation of votes to be submitted in writing ahead of the session was noted; several countries had already done so. The reallocation of votes as per ITTA Article 10, paragraph 8 was discussed; the reallocated votes will be circulated to members under Council agenda item 5 with the report of the credentials committee. Any country paying at any time during the Session will require the credentials committee to reconvene and release a new reallocation of votes. Quorum will be ascertained at each meeting of Council during the week taking account of any payments affecting the allocation of votes.

#### **Opening of the Fiftieth Session of the Council and Celebration of the Fiftieth Session of the ITTC**

5. The Secretariat briefed the IAG on the special arrangements for the Fiftieth ITTC Session as contained in the attached program for the opening session. In addition to the opening session, a panel will be convened on Wednesday November 5 to discuss future directions for ITTO and the ITTC. The Chair provided background on the inclusion of the presentations by three ITTO Fellows in the opening session, which had been included as a way to highlight the work of ITTO at its Fiftieth Session and the Twenty-fifth anniversary of the ITTO Fellowship Program.

#### **Status of the Parties to the International Tropical Timber Agreement, 2006**

6. The IAG noted that following the definitive entry into force of ITTA, 2006 on 7 December 2011, there are now a total of sixty-nine (69) parties to the Agreement, 68 countries plus the European Union (EU). The parties to the ITTA, 2006 comprise thirty-seven (37) consumer members including the EU and thirty-two (32) producer member countries.
7. The E.D. reported that Suriname and Viet Nam had become members of ITTO since the Forty-ninth Session of the ITTC and had been assessed for contributions to the 2014 administrative budget on a pro rata basis as per the ITTA, 2006. The issues of membership and assessed contributions to the administrative budget would be further discussed in the Committee on Finance and Administration (CFA). The IAG welcomed Suriname and Viet Nam as new members of the Organization.

### Functions of the Informal Advisory Group

8. The IAG recalled that its role and continuation were discussed at the Forty-ninth ITTC Session, when its mandate was extended to the Fifty-first ITTC Session under ITTC Decision 2(XLIX). The IAG agreed to review its mandate and terms of reference (TOR) as per Decision 2(XLIX) at the Fifty-first ITTC Session. The IAG requested the Secretariat to develop a draft decision to extend its mandate to be approved at the Fifty-first ITTC Session and to undertake consultations with members regarding any changes that may be desired in the IAG's TOR.

### Consideration of draft decisions/elements of decisions, if any, submitted pursuant to ITTC Decision 7(XXXIII)

9. The IAG considered the draft decisions/elements of decisions submitted pursuant to ITTC Decision 7(XXXIII) as follows:
  - i. Projects, Pre-projects and Activities [Decision 1(L)];
  - ii. Matters related to Article 14 of the ITTA, 2006 -- *submitted by the Secretariat*;
  - iii. Staff Regulations and Staff Rules of ITTO --*submitted by the Secretariat*;
  - iv. Consideration of Regional ITTO Presence and Representation
  - v. Draft ITTO Biennial Work Programme for 2015-2016.

The IAG noted that two draft decisions circulated to Members (one on gender and another on tropical forest plantations) had been withdrawn by the government of Mexico. It also noted that Activity 2 of the BWP 2015-2016 focuses on the development of guidelines to incorporate gender equity in the Organization's activities. The government of Mexico may propose revisions or additions to the BWP 2015-2016 to incorporate activities addressed in the withdrawn draft decisions.

### List of possible decisions for the Fiftieth Session of the ITTC and report to the Council

10. The IAG considered the possible list of decisions to be considered and adopted by the Council at its Fiftieth Session as follows:
  - v. Projects, Pre-projects and Activities [Decision 1(L)];
  - vi. Matters related to Article 14 of the ITTA, 2006;
  - vii. Staff Regulations and Staff Rules of ITTO;
  - viii. ITTO Biennial Work Programme for 2015-2016.

These draft decisions (except for the first) are included in Annex A to this report.

### Other Matters

11. The IAG considered the invitation for ITTO to become a member of the World Nature Organization (WNO). Several members of the IAG reported difficulties obtaining information on the WNO. The IAG recommended that the Secretariat seek further information on the legal status, objectives, funding and structure of the WNO before any decision is taken on membership in this body.
12. The IAG discussed the relevance of the Environmental Goods Agreement (EGA) initiative to ITTO. The representative of the USA provided more background and indicated that any link with ITTO was premature since it had not been decided which products would be covered by any eventual EGA. Japan supported the USA, noting that the delegates to ITTO were different from the delegates covering WTO. The IAG concluded that this issue was important but that consideration of ITTO's involvement in the EGA should be deferred until WTO members decided whether to include timber products in the EGA and on the role of other international organizations in this process.
13. The IAG noted the ongoing review of the International Arrangement on Forests (IAF). It noted the recently concluded country-led initiative on this topic in China which had included discussions on the future role of the Collaborative Partnership on Forests (CPF). It noted that the final decision on the IAF would be taken by member countries and that ITTO (as the only legally binding agreement on tropical forests) will have much to contribute to a future IAF. The IAG recommended that ITTO should remain actively engaged in the process, including through its role in the CPF.

14. The IAG noted that the Chairperson of CEM (Mr. Osamu Hashiramoto - Japan) would not attend the Fiftieth ITTC and that the Vice-Chairperson of CRF (Dr. James Gasana - Switzerland) had resigned. The IAG recommended that the Consumer caucus should at the earliest opportunity nominate a new candidate to be elected by the Council as the new Chairperson of CEM for 2014 (who would act as Chairperson of the Committee at the current session) and Vice-Chairperson for CRF for 2014.
15. The Chair informed the IAG of the request for a side event by a possible Observer at the session. Side events that occur within the rooms hired by ITTO for the Sessions and that appear on the program of the Session can only be convened by Observers that are officially admitted to the Session by Council. The Secretariat informed the IAG of the rules and process for admitting Observers to Sessions of the Council. Observers were usually approved by consensus but if any member objected to any Observer, then a decision could be taken by simple majority vote. Some IAG members noted the importance of transparency and freedom of speech in admission of Observers. The IAG noted that side events can be a positive contribution to the work of the Council at its Sessions. It recommended that further consideration of the process of approving and notifying members of side events during Sessions (including development of possible guidelines for ensuring side events are consistent with the mandate of ITTO) should be undertaken within the caucuses and by Council.
16. Pursuant to ITTC Decision 7(XLIX) on Consideration of Regional ITTO Presence and Representation, the IAG recommended that the Council should discuss this issue under its agenda item 17 and consider a follow-up Decision as appropriate.

#### **Adjournment**

17. The Twenty-eighth meeting of the IAG was adjourned at 13:10 p.m. with a vote of thanks to the Chairperson of the meeting.

## **ANNEX A**

### **Draft Decisions**

**Only text of draft Decisions is appended to this Report.**

**The full text of the draft BWP 2015-2016 and the proposed revision to the ITTO Staff Regulations and Rules can be found in documents ITTC (XL)/10 Rev.1 and CFA(XXIX)/7, respectively.**



**INTERNATIONAL TROPICAL  
TIMBER COUNCIL**

Distr.  
GENERAL

ITTC(L)/xx  
8 November 2014

**Original: ENGLISH**

FIFTIETH SESSION  
3 - 8 November 2014  
Yokohama, Japan

**DECISION ...(L)**

**APPOINTMENT OF THE EXECUTIVE DIRECTOR**

The International Tropical Timber Council,

Recalling its Decision 5(XLII) of 12 May 2007 which appointed Mr. Emmanuel Ze Meka to the post of Executive Director of ITTO for a period of four years beginning on 6 November 2007,

Recalling also its Decision 2(XLVI) of 18 December 2010 which renewed the mandate of Mr. Emmanuel Ze Meka with effect from 6 November 2011 to 5 November 2015, as the second term of his appointment;

Noting, with appreciation, his dedication and untiring contribution to the management of the Organization;

Acting pursuant to Article 14, paragraphs 1 and 2 of the International Tropical Timber Agreement (ITTA), 2006;

Further recalling Decision 3(XLIX) on matters related to Article 14 of the ITTA, 2006, and in particular the Annex to Decision 3(XLIX) on the Vacancy for the Position of the Executive Director of ITTO;

Also further recalling the Report of the Panel on Matters Related to Article 14 of the ITTA, 2006, [ITTC(L)/8];

Underscoring the strategic role of the Executive Director as the Head of the Organization;

Noting the applications for the position of Executive Director of ITTO;

Decides to appoint [by consensus] .....as Executive Director of the International Tropical Timber Organization for a period of four years, beginning on 6 November 2015, in accordance with the terms and conditions contained in the letter of appointment approved by the Council.

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**DECISION ...(L)**

**AMENDMENTS TO THE STAFF REGULATIONS AND RULES  
OF THE INTERNATIONAL TROPICAL TIMBER ORGANIZATION (ITTO)**

The International Tropical Timber Council,

Recognizing the provisions under Rule 901 of the Staff Regulations and Rules of the International Tropical Timber Organization (ITTO) which provide for the “Amendments of, and Exceptions to, the Staff Rules”;

Noting that the Staff Regulations and Rules of the International Tropical Timber Organization (ITTO) were approved by the Council for implementation on 17 November 1988 and subsequently amended on 8 November 2008;

Noting also the need to revise the Staff Regulations and Rules of the ITTO, which are based on those of the United Nations, to synchronize with the changes in the staff regulations and staff rules of the United Nations which have been constantly revised over the years;

Appreciating the work of the Committee on Finance and Administration at its Twenty-ninth Session in revising these Regulations and Rules;

Noting further the recommendations of the Committee on Finance and Administration, as contained in Document CFA(XXIX)/9;

Decides to:

1. Approve the amendments to the Staff Regulations and Rules of the ITTO, as contained in the Document CFA(XXIX)/7; and
2. Approve the implementation of the revised Staff Regulations and Rules of the ITTO with effect from 1 November 2014.

\* \* \*





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**DECISION ...(L)**

**ITTO BIENNIAL WORK PROGRAMME FOR THE YEARS 2015-2016**

The International Tropical Timber Council,

Appreciating the work of the Secretariat in its proposal to Council on the Biennial Work Programme for the years 2015-2016;

Noting further that activities listed in the Annex to this decision are derived from the following: (a) ITTA, 2006; (b) the ITTO Strategic Action Plan 2013-2018; (c) the four ITTO Committee Reports to the Fiftieth Session of Council; and (d) previous Council decisions;

Decides to:

1. Adopt the Biennial Work Programme for the years 2015-2016 as contained in the Annex to this Decision;
2. Authorize the Executive Director to seek voluntary contributions from Member Countries and other funding sources to finance implementation of the activities listed in the Annex;
3. Request the Executive Director to implement and/or facilitate the implementation of activities in the approved Biennial Work Programme for the years 2015-2016, as contained in the Annex; and
4. Request the Executive Director to report to Council on the progress in implementing the Biennial Work Programme for 2015-2016 during the Fifty-first and Fifty-second sessions of the Council.

\* \* \*