



DECISION WITHOUT MEETING

15 July 2016

Yokohama, Japan

Decision 2 (LI.1)

**EXTENSION OF THE MANDATE OF THE OVERSIGHT COMMITTEE ESTABLISHED
UNDER DECISION 4(LI)**

The International Tropical Timber Council,

Recalling Decision 4(LI) which established an Oversight Committee to oversee the implementation of that decision, made up of 5 experts from producer members and 5 experts from consumer members working in their personal capacity, and co-chaired by the 2016 Chair and Vice-chair of CFA;

Further recalling the report of the Oversight Committee to the Chairperson of Council and the addendum to that report and the recommendations therein;

Recognizing that the liquidation of the LM Managed Performance Fund led to the write-off of US\$6 million of ITTO investments and that this investment was in contravention of ITTO's Financial Rules and the provisions laid out by the CFA;

Also recognizing that the liquidation of the Ardent 365 Fund in April 2016 has resulted in an additional potential loss of up to US\$ 12.2 million and the Organization is now facing an exceptionally complex and rapidly evolving situation;

Noting the need for continued advice from the OC to the Chairperson of the Council, the Informal Advisory Group (IAG) and/or the Secretariat;

Taking into account the mandate of the CFA which will undertake detailed discussions of this matter during the 52nd session of Council;

Decides to:

1. Extend the mandate of the Oversight Committee until the 52nd session of the Council so that it can continue to provide advice to the Chairperson of the Council, the Informal Advisory Group and/or the Secretariat as needed.
2. Invite key observers, such as the Chairperson and the Vice-chairperson of the Council, to participate in the work of the OC under its extended mandate.
3. Invite existing members of the OC to inform their caucus spokesperson if they wish to step down from the OC and allow new members to take part.
4. Request the caucus spokespersons to inform the Secretariat by 31 July 2016 of any changes in the membership of the OC.
5. Request the Oversight Committee during its extended mandate to:
 - a. develop strategies for prioritizing projects and managing impacts of the loss of project funds;
 - b. follow, advise, and report on evolving legal issues;

- c. provide advice and comments on proposals for amending the financial and administrative rules;
- d. oversee and facilitate the implementation of other Decisions taken by Council without meeting, and the preparation of draft Decisions for consideration by Council at ITTC52;
- e. investigate the incentives that led ITTO's previous management to seek additional funds for the Organization through the above investments;
- f. provide ongoing advice and guidance, as relevant, to the Chairperson of Council, the IAG, or the Secretariat;
- g. submit report(s) to the Chairperson of Council, at her request.

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