



## INTERNATIONAL TROPICAL TIMBER COUNCIL

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Lima, Peru

### DECISION 9(LIII)

#### IMPROVING ITTO'S FINANCING INFRASTRUCTURE AND FUNDRAISING STRATEGIES

The International Tropical Timber Council,

Recognizing the strong need to develop a more coherent programme and further improvements of its current complex financing infrastructure;

Also recognizing the importance of effective fund management to attract and utilize funding efficiently;

Also recognizing the importance of enabling ITTO to monitor and respond to existing and emerging funding opportunities in a timely manner;

Recalling Biennial Work Plan 2013-2014 Activity 54 "Mobilize New Funding and Partnerships for ITTO and its Objectives" and its report contained in CFA(XXVIII)/8, which establishes the foundation for ITTO's fundraising and partnership building activities;

Noting that donor funds have in some cases been left idle for many years with ITTO despite multiple requests to relevant donors for instructions on the utilization of such funds;

#### Decides to:

1. Request the Executive Director to convene an ad-hoc working group consisting of 3 experts nominated by consumer members, 3 experts nominated by producer members and one representative from each of the Civil Society Advisory Group and the Trade Advisory Group to consider options and make proposals for improving ITTO's financing infrastructure and fundraising strategies;
2. Authorize the Executive Director to utilize an amount not exceeding US\$300,000 from the Working Capital Reserve to convene the above working group and to undertake measures to improve ITTO's fund raising and partnership building policies and activities;
3. Authorize the Executive Director to transfer to the unearmarked fund of the Special Account the donor funds specified in Table 3.5 of ANNEX 3 to the document ITTC(LIII)/12 left with ITTO without instructions from those donors on how to utilize such funds;
4. Request the Executive Director to provide a report to the Fifty-fourth Session of the ITTC on the implementation of this Decision, including the outcome of fundraising efforts.

### **Annex 1: Terms of Reference of Ad Hoc Working Group on Financing Infrastructure**

ITTO and its objectives are critical in a world where the sustainable management and conservation of tropical forests is receiving increasing attention and concern. As the organization recovers from a period of turbulence, ITTO must develop and implement an innovative and proactive fundraising strategy. This will require the Executive Director, the Secretariat and ITTO's members to think creatively and learn from the successful strategies of other intergovernmental organizations, NGOs, and others. This effort should be led by an energized Secretariat, actively supported by ITTO members and partners in the NGO and private sector worlds.

To assist the Secretariat in this effort, an ad hoc working group will be convened in Yokohama for 3 days in the first half of 2018, and remotely [before and/or after] as needed. Its mandate will be, under the leadership of the Executive Director, to make recommendations or present options related to improving ITTO's financing infrastructure and fundraising strategies. Specifically, it will review, discuss and (as relevant) present options/recommendations on:

1. Seeking voluntary contributions or other mechanisms for the immediate financing of the long list of projects formulated in line with the core objectives of the ITTA and approved by the ITTC;
2. The effectiveness and coherence of ITTO's current funding windows (including regular project cycle, thematic programs, biennial work program, Bali Partnership Fund) and possible changes to improve their value and appeal;
3. Possible means to shorten or streamline the project development and approval process (including a review of the sunset provision of Decision 3(X) under which unfunded projects lose their approved status after a defined period);
4. Possible adjustments to thresholds or conditions to launch projects;
5. Possible steps for project proponents and donors to interact, in order to help identify themes or projects of mutual interest with a reasonable chance of receiving funding;
6. Development of a concise and compelling fundraising message;
7. Identification of potential sources of financing and tailoring any fundraising message for different potential donors;
8. Possibilities for co-financing activities and projects as well as for income generation from ITTO products;
9. Opportunities to combine funding streams or build collaboration with other initiatives and mechanisms for forest financing, such as the Green Climate Fund, the Global Environment Facility, and the Global Forest Financing Facilitation Network; and
10. Other matters deemed relevant.

The ad hoc working group should also consider and provide guidance on a draft plan to be produced by the Secretariat for utilizing the resources provided by Council to implement this Decision. The ad hoc working group should produce a report of its work and submit this to the Executive Director so that he can include it in his briefing to Council on the implementation of this Decision.

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