

April 2015, a letter approving no-cost extension of 18 months was sent by ITTO in May 2015. The Executing Agency also submitted the request in September 2015 for subcontracting the consultancy firm which was approved subsequently. Since then project implementation is back on track and most of the project outputs and activities have been implemented.

The unexpected situation with ITTO funding impairment caused some negative impact to the project implementation. As the project funding was resumed, the Executing Agency had submitted a workplan and budget in March 2017 and further revised in May 2017, which was approved by ITTO in June 2017. Based on the approved workplan and budget, the second installment of funds of US\$163,910 was disbursed to the Executing Agency in July 2017. The third and final installment of funds of US\$79,341 will be released based on the progress in project implementation.

The following project activities have been carried out to-date:

- Concluded a series of project meetings that enhanced levelling-off with the Sub-contractor on project descriptions, activities and expected outputs for the period. Also discussed assumptions, constraints, risks, what if scenarios, and critical success factors of the project.
- Translated the different Technical and Functional Specifications required of the project for Output 1 (Traceability Module), Output 2 (Verification of Legal Origin or VLO Module) and Output 3 (On-Line, Multi-tiered & Integrated Forest Monitoring System), into the NFSMS.
- Conducted meetings and discussions of the Traceability Module Configurations (Output 1); VLO module configuration (Output 2) and field module and FSMS environment configuration (Output 3) that constitute the NFSMS.
- Conducted meetings, discussions and demonstration in terms of workflows and screens of the NFSMS.
- Completed and finalized coordination work and other logistical arrangements with the concerned DENR Region Office and the tenure holder for the new project pilot site due to the suspended release of projects from the ITTO.
- Completed deployment and testing of into the DENR Server, the Traceability Module, VLO (Verified Legal Origin) Module, and FMS Data Entry Module of the NFSMS.
- Conducted User Acceptance Testing (UAT) of the Traceability module, VLO (Verified Legal Origin) Module, and FMS data entry Module of the NFSMS.
- Conducted Pilot/Field testing of the NFSMS by module i.e. the Traceability module, VLO (Verified Legal Origin) Module, and FMS data entry Module.
- Conducted discussion on additional technical functionalities of the NFSMS to cover registered private tree plantations, and single-standing or cluster of planted tree in private lands.

As the implementation of project activities are expected to be successfully concluded soon, the Executing Agency has indicated it will prepare and submit the completion and financial reports as early as possible. In the event that these documents are submitted prior to its Fifty-second Session and deemed acceptable, the Committee may wish to declare this project complete.

2. PD 692/13 Rev.1 (M) Implementation and Operationalization of a National Information System for the Sustainable Management of Forest Resources (Côte d'Ivoire)

Budget and Sources of Funding:

Total Budget:	US\$	670,998
Government of Japan:	US\$	205,708
Government of U.S.A.:	US\$	84,833
Government of Côte d'Ivoire:	US\$	380,457

Executing Agency: Direction de l'Informatique, des Statistiques et des Archives du Ministère de l'Environnement, des Eaux et Forêts (DISA)

Approved: Spring Project Cycle, April 2013

Financed: Forty-ninth Council Session (Libreville, 2013)

Starting Date: March 2015

Duration: Planned: 24 months
To date: 42 months

The project is designed to develop a national forest statistics management system in Côte d'Ivoire. The aim of this project is to achieve the full computerization of the forest statistics data collection and processing system and thereby contribute to improving the decision-making process within the forest sector of Côte d'Ivoire.

The development of the statistics management system is based on two necessary outputs: (i) the deployment of IT equipment and software in 12 data collection centers and (ii) the collection of data in these centers according to established and harmonized procedures and training.

During the first year of the implementation, the 12 data collection centers were equipped with computers and connected to the internet. It is estimated that 50% of the roundwood production in these 12 pilot locations have been tracked through the system so far despite internet connection problems and software design issues which were not assessed properly in the project document. The data which has been collected is available on the project website (www.eauxetforets.gouv.ci/oibt in French only). Regular internet connection is still a challenge and the original project proposal did not include mobile solutions. Most of the activities of output 1 (*"The forest statistics management system is operational and improved."*) have been completed despite the fact that the system will need a longer on-going development phase (which will be beyond this project) in order to include mobile solutions to avoid unstable internet connection and numerous feedbacks from top level government officials and users.

The activities of output 2 (*"Data collection methods are appropriate and organized among collection centres"*) have been restarted and pursued after the disruption generated by the ITTO funds impairment in 2016. Most of the collection centers have benefited from the training provided by the Executing Agency as well as the implementation of a guideline of procedure for using the online system. The Executing Agency estimates that 70% of the users of the online system have been properly trained. During the training missions, the Executing Agency could also collect productive feedbacks from the users for future improvements and updates of the statistical system. Despite the disruption of the internet connection and software design issues, the Executing Agency could implement the bases of a robust system which would still need strengthening through a follow-up project that the Executing Agency is currently preparing for a future submission to the Expert Panel.

A project monitoring mission was carried out in February 2017 during which all the stakeholders (executive agency, government officials and timber producer unions) participated and proposed several future improvements to the current statistical system through a future follow-up project. All the ITTO funds have been disbursed and spent on the project implementation and the remaining funds (US\$12,000) will be used for the final audit and reports. In order to complete these procedures, the Executing Agency asked ITTO a 6-month extension in June 2018 and all completion reports should be submitted to the Secretariat by December 2018. The most recent progress report was submitted by the Executing Agency in March 2018 and is available from the Secretariat (French only).

3. PD 732/14 Rev.2 (M) Improve Forest Governance in Mozambique

Budget and Sources of Funding:

Total Budget:	US\$	406,238
Government of Japan:	US\$	321,138
Government of Mozambique:	US\$	85,100

Executing Agency: National Directorate of Land and Forest (DNTF)

Approved: Spring Project Cycle, April 2015

Financed: March 2016

Starting Date: July 2018

Duration:	Planned:	15 months
	To date:	2 months

While funds were pledged to this project in March 2016, subsequent events led to the decision to suspend implementation of this project and any disbursement of funds until after the Fifty-second Council Session considered the impairment of ITTO funds later that year.

The agreement for this project was therefore signed by ITTO and the Government of Mozambique in June 2017 and the Executing Agency submitted the inception report and all other start-up documentation in July 2018 after which the first installment of funds was transferred. The Executing Agency had therefore just begun project start-up activities (including recruitment of project team members) at the time of preparation of this report. A full progress report on implementation of this project will be provided to the next session of the Committee.

4. PD 751/14 Rev.3 (M) Sustainable Forest Management in the Chimbo River Basin, Ecuador: Conserving Forest Resources and Agroforestry Systems as a Mechanism to Strengthen the Economic Inclusion of Community Families, Particularly Rural Women, Settled in the Area (Ecuador)

Budget and Sources of Funding:

Total Budget:	US\$	163,280
Government of U.S.A.:	US\$	130,000
Government of Ecuador/SENDAS:	US\$	33,280

Executing Agency: Servicios para un Desarrollo Alternativo del Sur (SENDAS)

Approved: Spring Project Cycle, April 2016

Financed: Fifty-second Council Session (Yokohama, 2016)

Starting Date: December 2017

Duration:	Planned:	24 months
	To date:	8 months

The agreement for this project was signed by ITTO and the Executing Agency submitted the Inception Report and all other start-up documentation to the ITTO Secretariat in December 2017, after which the first installment of funds was disbursed, marking the official commencement of project implementation.

The following project activities have been carried out to date:

- Created alliances with public institutions in the three Municipal Governments: Bucay, Pallatanga and Cumandá, that have the environmental competences framed within the activities of the project, with the objective of giving continuity to the processes once the project ends, for which cooperation agreements have been signed.
- Socialized the project with key stakeholders and beneficiary counterparts in the territory, and with national actors involved in the same thematic line in the Provincial Governments (Chimborazo and Guayas) and the Environment ministries (MAE) and, Agriculture and Livestock (MAG).
- Collected information from farms and producers located in the three territories, which covers the general situation of the subject of production, its location, and groups organized and functioning for women.
- With the diagnosis of farms, located two groups of actors to build the nurseries, in coordinating with the Ministry of Environment and Agriculture to achieve the operating permits and generate a continuous work link.
- Constantly coordinated with the Municipal Governments, making our work visible and achieving links with the actors to guarantee the continuity of the activities, especially with the technicians of the environment departments.

Due to the change of national government and the future change of local governments next year, the implementation of some activities suffered from a slight delay according to the scheduled workplan. The Executing Agency will be working to get those activities back on track. A full progress report was submitted by the Executing Agency in August 2018 and is available from the Secretariat (Spanish only). A project monitoring mission is scheduled during the second half of 2018.

5. PD 756/14 Rev.1 (M) Development of a Business Management Services Program of Forest MSMEs (Micro, Small and Medium Enterprises) in Guatemala

Budget and Sources of Funding:

Total Budget:	US\$	275,053
Government of U.S.A.:	US\$	149,341
Government of Guatemala:	US\$	125,712

Executing Agency: Instituto Nacional de Bosques (INAB)

Approved: Autumn Project Cycle, October 2014

Financed: Fiftieth Council Session (Yokohama, 2014)

Starting Date: November 2015

Duration:	Planned:	24 months
	To date:	34 months

Following the signing of the project agreement in June 2015, the Executing Agency began working on the finalization of the project inception report incorporating the detailed work plan. After the revised inception report as well as other relevant documents were finally submitted and approved, the first installment of ITTO funds for the project was disbursed to the Executing Agency in November 2015, marking the official commencement of project implementation.

However, project implementation had actually started in March 2016 after hiring accountant service and 2 business management assistants and purchasing the computer equipment for regional delegates that INAB hired as counterpart for this project. The NOL request for the training services of regional and national work team (10 persons) hired by INAB and other regional technicians from local organizations was submitted and approved in June 2016.

A project monitoring mission was carried out in May 2016 when project activities were found to be on track and all project expenditures consistent with the approved budget. A second project monitoring visit was carried out in July 2017 and a final monitoring visit is scheduled during the second half of 2018.

The unexpected situation with the impairment of ITTO funds caused some negative impact to the project and implementation was slightly delayed according to the workplan. However, the project objectives and outputs are being effectively implemented and achieved. When the project funding was resumed, the Executing Agency submitted a revised workplan and budget in March 2017, which was approved by ITTO in April 2017. Based on the approved workplan and budget, the second and final installment of funds of US\$32,166 was disbursed to the Executing Agency on 8 May 2017.

A project progress report was submitted by the Executing Agency in August 2018 and is available from the Secretariat (Spanish only). The following project activities have been carried out to date:

- The inventory of Micro, Small and Medium Enterprises (MSMEs) has been updated. Information has been updated to strengthen the identification of forest MSMEs, and an inventory instrument was used within the Training Diploma of Business Management Trainers.
- 43 diagnoses of MSMEs have been selected in each region to develop business development plans (the planned diagnoses were 40).
- 19 Business Plans have been developed. 40 MSMEs were trained based on the developed Diploma of Training of Trainers in Business Management in each region to prepare and develop the Business Plan.
- The following trainings were conducted or will be carry out soon:
 - The Workshop "PROTOCOL OF ATTENTION TO FOREST MSMEs AND AGROFORESTALES" was held in April 2017 in Guatemala City.
 - The General Training Program for Entrepreneurs, MSMEs and Industries Forestry Operations has been carried out in the second half of 2017, with 380 participants trained.
 - The Workshop on "Care for Entrepreneurs" was also given soon by the Ministry of Economy to staff of entities interested.

- A workshop is planned with the 9 Delegates of Industry and Commerce and middle managers of the Directorate of Industry and Commerce, which will conclude with the construction of the Business Management Services Program.
- MSMEs were encouraged to participate in related commercial promotion activities, as 40 MSMEs participated in the Goods and Services Fair of the VI Region Forest in March 2017, 20 MSMEs attended the Verapaces Forest and Ecotourism Products Fair in June 2017, and 10 MSMEs joined the Turn to EXPOMUEBLE in July 2017.
- A Protocol for Attention to MSMEs has been prepared, which will be important inputs for the preparation of the Business Management Services Program. A workshop is planned with the 9 Delegates of Industry and Commerce and managers.
- Forest Industry and Trade Delegates have been increased in the 9 administrative regions that INAB covers throughout the country (at the beginning of the project the institution had only four delegates).

As the implementation of project activities are well on track and expected to be successfully concluded by September 2018, the Executing Agency has indicated it will prepare and submit the completion and financial reports before the end of October 2018. If these documents are submitted on time and deemed acceptable, the Committee may wish to declare this project complete.

[B] Projects Pending Financing

1. PD 791/15 Rev.3 (M) Community Forest Landscapes and Small Enterprises Contributing to Legal Timber Trade in Ghana

Budget and Sources of Funding:

Total Budget:	US\$	368,312
ITTO contribution:	US\$	309,299
Government of Ghana/Executing Agency:	US\$	59,013

Executing Agency: Kumasi Wood Cluster Association

Approved: August 2017

Duration: 24 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 30 April 2019.

2. PD 796/15 Rev.2 (M) Establishing a System for the Collection, Storage, Processing and Dissemination of Forest and Wildlife Statistics in Cameroon (Cameroon)

Budget and Sources of Funding:

Total Budget:	US\$	694,419
ITTO contribution:	US\$	567,627
Government of Cameroon contribution:	US\$	126,792

Executing Agency: Division de la Coopération et de la Programmation, Ministère des Forêts et de la Faune

Approved: December 2017 (approved status reinstated at ITTC 53 after lapsing under Decision 2(X) sunset provision earlier in 2017)

Duration: 24 months

While the Government of USA pledged US\$80,000 to this project in December 2017, financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 31 January 2020.

3. PD 819/16 Rev.2 (M) Market Survey for Forest Products in Peru

Budget and Sources of Funding:

Total Budget:	US\$	605,272
ITTO contribution:	US\$	406,459
Executing Agency contribution:	US\$	198,813

Executing Agency: Cámara Nacional Forestal (CNF)

Approved: August 2017

Duration: 30 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 30 April 2019.

4. PD 832/16 Rev.2 (M) Implementing Mechanisms to Improve Traceability in the Forest Production Chain in Guatemala

Budget and Sources of Funding:

Total Budget:	US\$	581,536
ITTO contribution:	US\$	416,080
Executing Agency contribution:	US\$	165,456

Executing Agency: Instituto Nacional de Bosques (INAB)

Approved: August 2017

Duration: 36 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 30 April 2019.

5. PD 839/17 Rev.1 (M) Strengthening and Consolidating the National Process for Controlling Illegal Logging and Associated Trade in Cameroon – Phase 2

Budget and Sources of Funding:

Total Budget:	US\$	473,168
ITTO contribution:	US\$	459,813
TRAFFIC Intl. contribution:	US\$	13,355

Executing Agency: TRAFFIC

Approved: August 2017

Duration: 24 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 30 April 2019.

6. PD 844/17 Rev.2 (M) Promoting Plantation of the Locally Endangered Species Timoho (*Kleinhovia Hospita L.*), Mentaok (*Wrightia Pubescens R.Br.*) and Terbelo Puso (*Hymenodictyon Orixense (ROXB.) MABB.*) to Enhance Sustainable Use, Local Communities Livelihood and Culture (Indonesia)

Budget and Sources of Funding:

Total Budget:	US\$	681,411
ITTO contribution:	US\$	592,051
Government of Indonesia contribution:	US\$	89,360

Executing Agency: Research and Development Institute for Watershed Management Technology, Ministry of Environment and Forestry, Indonesia

Approved: September 2018

Duration: 36 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 31 May 2020.

7. PD 845/17 Rev.1 (M) Enhancing the Capacity of Forest Communities in Forest Governance, Monitoring and Community Development Projects in Mankraso Forest District Ghana

Budget and Sources of Funding:

Total Budget:	US\$	171,344
ITTO contribution:	US\$	146,944
Government of Ghana contribution:	US\$	24,400

Executing Agency: Rural Development and Youth Association (RUDEYA)

Collaborating Agency: Resource Management Support Centre (RMSC/FC)

Approved: August 2017

Duration: 18 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 30 April 2019.

8. PD 858/17 Rev.1 (M) The Trends of Chinese Wood Product Markets and their Dependence on International Trade of Tropical Timber Towards 2030

Budget and Sources of Funding:

Total Budget:	US\$	537,868
ITTO contribution:	US\$	328,608
Government of China contribution:	US\$	209,260

Executing Agency: The Research Institute of Forestry Policy and Information, Chinese Academy of Forestry (CAF)

Approved: August 2017

Duration: 24 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 30 April 2019.

9. PD 863/17 Rev.1 (M) Development and Strengthening of the Domestic Market for Non-timber Forest Products and Environmental Services in Guatemala

Budget and Sources of Funding:

Total Budget:	US\$	272,944
ITTO contribution:	US\$	149,632
Government of Guatemala contribution:	US\$	123,312

Executing Agency: Instituto Nacional de Bosques (INAB)

Approved: August 2017

Duration: 24 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 30 April 2019.

FOREST INDUSTRY

[A] Projects and Pre-projects under Implementation

1. PD 737/14 Rev.2 (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

Budget and Sources of Funding:

Total Budget:	US\$	787,502
Government of Japan:	US\$	589,863
Government of Indonesia/ISWA:	US\$	197,150

Executing Agency: Directorate General of Forestry Utilization Management (BUK), Ministry of Forestry

Collaborating Agency: Indonesian Sawmill & Woodworking Association (ISWA)

Approved: Spring Project Cycle, April 2016

Financed: March 2016

Starting Date: October 2017

Duration: Planned: 48 months
To date: 10 months

While funds were pledged to this project in March 2016, subsequent events led to the decision to suspend implementation of this project and any disbursement of funds until after the Fifty-second Council Session considered the impairment of ITTO funds. The amount pledged to this project was US\$489 less than the approved budget. The Secretariat liaised with the Executing Agency and a minor amendment to the project budget was agreed to allow the project agreement to be signed based on the amount of funds actually received. The project agreement has been signed in March 2017 and the Executing Agency submitted the Inception Report and other requirements to the ITTO Secretariat in October 2017. The first installment of funds was sent immediately thereafter.

This project aims to increase the contribution of the forest sector to renewable energy supply and regional economic development through increased supply of wood-based biomass energy. Its specific objective is to improve enabling conditions for building up supply capacity of wood-based biomass energy in North Sumatra region by efficiently utilizing existing forest resources through development of energy forests on degraded lands involving local communities.

The expected outputs of proposed project are i) development of sustainable supply of energy wood initiated, ii) skillful manpower for development of wood-based biomass energy available, and iii) investment in wood-based energy industry development promoted. The project will be implemented in close collaboration with local governments, local communities, private sector and other partners.

It is expected that at project completion, improved enabling conditions for development of wood-based energy industry will support achievement of national policy objectives of green energy development through efficient utilization of available forest resources. Development of energy forests on degraded lands will surely reduce carbon emission and at the same time open up larger job opportunity that will augment income of local communities. In addition, operation of power plants for manufacturing of wood pellets or generation of electricity power will also create large number of jobs thus increase income of local communities and reduce carbon emission through reduced use of coal and fossil fuels. By achieving the specific objective and realizing investment in wood-based biomass energy, the project shall significantly contribute to acceleration of economic growth, creation of job opportunity and reduction of carbon emission consistent with the basic principles of national economic development adopted by the government.

The Executing Agency submitted a full progress report in July 2018 which is available from the Secretariat. The project has made progress including the implementation of 5 activities under 3 outputs summarized in the following table:

Activity	Percentage Executed	Completion date	
		Originally Planned	Estimated Completion
Activity 1.1.: To identify available suitable lands for development of energy forests in North Sumatra province	100%	March 2018	March 2018
Activity 1.2: To formally allocate lands for energy forest development on existing land use plan	100%	March 2018	March 2018
Activity 1.3: To establish energy forest models for purpose of demonstration and training (3 sites, 3 species, 36 ha in total)	80%	July 2018	July 2018
Activity 2.1 To conduct dialogue with local communities on benefits of energy forest development (50 villages in 13 districts) in Years 1 and 2	20%	September 2019	March 2019
Activity 3.2: To organize one national workshop on wood-based energy development in Medan	100%	December 2017	January 2018

Overall, project operations have been going smoothly. The only problem confronted to date was in the identification of appropriate land for the establishment of energy forest demonstration plots. Through dialogues between the Project team, FMUs, and local communities the problem was resolved in time. The first project steering committee meeting was convened in November 2017; a second PSC was just convened in August 2018.

2. PD 770/15 Rev.1 (I) Promotion and Sustainable Management of Lesser-Used Timber Species (LUTS) in the Moist Forests of the Departments of Atlantida, Colon and Northern Olancho in Honduras

Budget and Sources of Funding:

Total Budget:	US\$	248,624
Government of Japan:	US\$	196,224
Government of Honduras/ICF:	US\$	52,400

Executing Agency: Instituto Nacional de Conservación y Desarrollo Forestal, Areas Protegidas y Vida Silvestres (ICF)

Approved: Spring Project Cycle, April 2015

Financed: March 2016

Starting Date: September 2018

Duration: Planned: 24 months

While funds were pledged to this project in March 2016, subsequent events led to the decision to suspend implementation of this project and any disbursement of funds until after the Fifty-second Council Session considered the impairment of ITTO funds at the end of 2016.

After several delays by the Government of Honduras, the project agreement was signed in April 2018 and the Executing Agency submitted an inception report and all other start-up documentation in June 2018. The first installment of funds was transferred to the Executing Agency at the end of August 2018 when it was able to inform the Secretariat of the project bank account details. A full progress report on the implementation of this project will be provided to the next session of the Committee.

3. PD 815/16 Rev.2 (I) Increasing Efficiency of Acacia Plantation and Timber Processing Industry in Vietnam

Budget and Sources of Funding:

Total Budget:	US\$	146,480
Government of U.S.A.:	US\$	50,000
Government of Korea:	US\$	40,000
Executing Agency contribution:	US\$	30,000

Executing Agency: Vietnam Timber and Forest Products Association (VIFORES)

Approved: August 2017

Financed: December 2017

Starting Date: July 2018

Duration: Planned: 24 months
To date: 2 months

The project was partially financed at the Fifty-third Session of the Council in December 2017 and became operational with US\$26,480 (22.73% of the ITTO budget) still pending financing. The Secretariat negotiated with the Government of Vietnam and an agreement was reached to commence the project using available funds. The pending amount of the approved budget will continue to be sought from donors; if it is not received prior to project completion the remaining funds will be made up from other budget lines. A full report on any such adjustment will be provided to the Committee prior to the completion of the project.

Following the signing of the project agreement in May 2018, the Executing Agency had been working on the finalization of the project inception report incorporating the detailed workplan. After the revised inception report as well as other relevant documents were finally submitted and approved, the first installment of ITTO funds for the project was disbursed to the Executing Agency in July 2018 allowing project implementation to commence shortly before this document was finalized. A full progress report on implementation of this project will be provided to the next session of the Committee.

[B] Projects and Pre-projects Pending Finance

1. 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)

Budget and Sources of Funding:

Total Budget:	US\$	635,728
ITTO contribution:	US\$	540,008
Government of Indonesia contribution:	US\$	95,270

Executing Agency: Directorate General of Forest Utilization in collaboration with Bali Provincial Forestry Agency

Approved: December 2017 (approved status reinstated at ITTC 53 after lapsing under Decision 2(X) sunset provision earlier in 2017)

Duration: 36 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 31 July 2019.

2. PD 761/14 Rev.2 (I,M) Promoting Partnership between Farmer Group and Forest Industry (Indonesia)

Budget and Sources of Funding:

Total Budget:	US\$	572,193
ITTO contribution:	US\$	508,693
Government of Indonesia contribution:	US\$	63,500

Executing Agency: Secretariat of Extension and Human Resource Development Agency (BP2SDM)

Collaborating Agency: Extension Implementation Agency and/or District Forestry in Purworejo, Batang, Lumajang and Taskimalaya

Approved: December 2017 (approved status reinstated at ITTC 53 after lapsing under Decision 2(X) sunset provision earlier in 2017)

Duration: 24 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 31 July 2019.

3. PD 788/15 Rev.2 (I) Achieving Sustainable Forest Management through Enhanced Competitiveness of Small & Medium Wood Industries (SMWIs) in Ciamis District of West Java Province, Indonesia

Budget and Sources of Funding:

Total Budget:	US\$	643,560
ITTO contribution:	US\$	569,710
Government of Indonesia contribution:	US\$	73,850

Executing Agency: Directorate of Forest Product Processing and Marketing, (Direktorat Bina Pengelolaan dan Pemasaran Hasil Hutan), DG of Sustainable Forest Management, Ministry of Environment and Forestry

Approved: December 2017 (approved status reinstated at ITTC 53 after lapsing under Decision 2(X) sunset provision earlier in 2017)

Duration: 36 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 31 July 2019.

4. PD 841/17 Rev.2 (I) Building Partnerships Among Actors Involving in Acacia and Eucalyptus Value Chain in Vietnam

Budget and Sources of Funding:

Total Budget:	US\$	494,060
ITTO contribution:	US\$	427,784
Executing Agency and Collaborating Agency:	US\$	66,276

Executing Agency: Vietnam Academy of Forest Science (VAFS)

Collaborating Agency: University of Southern Queensland (USQ), Australia

Approved: September 2018

Duration: 24 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 31 May 2020.

5. PD 870/18 Rev.1 (I) Developing Effective System for Sustainable NTFP Utilization through Forest Management Unit Engagement to Improve Community Livelihoods in Nusa Tenggara

Budget and Sources of Funding:

Total Budget:	US\$	781,961
ITTO contribution:	US\$	605,555
Executing Agency contribution:	US\$	32,670
WWF Indonesia contribution:	US\$	143,736

Executing Agency: Directorate General of Sustainable Production Forest Management, Ministry of Environment and Forestry

Approved: September 2018

Duration: 24 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 31 May 2020.

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