INTERNATIONAL TROPICAL TIMBER COUNCIL

COMMITTEE ON ECONOMICS, STATISTICS AND MARKETS

COMMITTEE ON FOREST INDUSTRY

Distr.
GENERAL

CEM-CFI(LX)/2
30 September 2026

Original: ENGLISH

SIXTIETH SESSION
9-12 November 2026
Yokohama, Japan

REPORT OF PROJECTS AND PRE-PROJECTS IN PROGRESS

ECONOMICS, STATISTICS AND MARKETS

[A] Projects under implementation

1. PD 933/23 Rev.2 (M) Promotion of Sustainable Teakwood Use in Domestic Markets of India (India)

Budget and Sources of Funding:

Total Budget:	US$	321,000
Government of Japan:	US$	296,000
Executing Agency contribution:	US$	25,000

Executing Agencies:		Kerala Forest Research Institute (KFRI) TEAKNET (International Teak Information Network)
Approved:		February 2024
Financed:		April 2024
Starting Date:		June 2025
Duration:	Planned:	24 months
	To date:	16 months

At the Fifty-ninth Session of the International Tropical Timber Council and Associated Sessions of the Committees (ITTC), held in Pattaya, Thailand, from 13 to 17 November 2023, the Government of Japan expressed interest in funding the project PD 933/23 Rev.1 (M). Consequentially, the Government of Japan requested the revision of this proposal to include the extended component of sustainable wood use. The proposal was revised and resubmitted by the Executing Agency taking into account comments from the Government of Japan. This proposal was placed under the time-bound no objection procedure that was completed on 9 February 2024.

The development objective of the ITTO Project *"Promotion of Sustainable Teakwood Use in Domestic Markets of India"* is to enhance the sustainable production, utilization, and domestic consumption of teak wood in India. Despite significant advances in teak research important gaps remain in policy support, stakeholder coordination and market linkages. These challenges limit the efficient utilization of sustainably produced teak and the growth of a competitive domestic teak sector.

The project's specific objective is to promote the sustainable use of teak wood and value-added teak products by strengthening policy frameworks, enhancing the capacities of key stakeholders across the value chain and improving market connectivity. Through targeted awareness programmes, capacity-building initiatives, stakeholder engagement, and the organization of the 5th World Teak Conference and related knowledge-sharing platforms, the project seeks to foster a more competitive, resilient, and environmentally sustainable teak sector that contributes to rural livelihoods, supports green economic development, and promotes the responsible utilization of sustainably produced timber in India.

The project has made good progress as elaborated in the table below.

	Percentage executed	Originally planned completion date	Estimated completion date
Activity 1.1 Overview of policies on promoting domestic market of wood and wood products (desk studies and surveys of selected provinces and arrange workshops to collect feedbacks) to produce policy recommendations	70%	31 Mar. 2026	31 Oct. 2026
Activity 1.2 Experience and good practice in promoting wood use from selected countries compiled and transferred to relevant agencies for reference and possible implementation	50%	30 May 2027	30 May 2027
Activity 1.3 A policy document on promoting domestic wood certification and consumption of wood and wood products by the termination of project	25%	30 May 2027	30 May 2027
Activity 1.4 Strengthen the network of teak planters and traders for the promotion of sustainable wood use	100%	31 Oct. 2025	31Oct. 2025
Activity 2.1 Target of 50 urban consumers and 50 rural consumers attended exhibitions/ communication campaigns on using wood for housing construction and interior decoration	100%	20 Sep. 2025	20 Sep. 2025
Activity 2.2 Target of 25 youth trained in advanced techniques in developing good quality teak planting materials and wood designing enabling them to initiate start-ups in the teak wood sector	100%	30 Jun. 2026	30 Jun. 2026
Activity 2.3 At least, 10 companies attending B2B meetings	100%	20 Sep. 2025	20 Sep. 2025
Activity 3.1 Undertake the preconference activities like webinars and publicity	80%	10 Sep. 2025	31 Jan. 2027

Activity 3.2 to Activity 3.7 Conduct the World Teak Conference	100%	20 Sep. 2025	20 Sep. 2025
Activity 3.8 Develop, edit and finalize the 5th World Teak Conference proceedings	100%	31 Dec. 2025	30 Apr. 2026

Progress in implementation of the Activities

The project has achieved substantial progress, with the majority of activities completed successfully within the originally planned timeframe. Activities related to strengthening the network of teak planters and traders, consumer awareness campaigns, youth capacity building on teak planting materials and wood designing, business-to-business (B2B) meetings, the organization of the 5th World Teak Conference, and the development and publication of the conference proceedings have all been completed.

The policy review and recommendation activity has reached approximately 50% completion. The compilation and transfer of experiences and best practices on promoting wood use from selected countries to relevant agencies for reference and potential implementation are currently underway, with approximately half of the work completed.

The preparation of a policy document on promoting domestic wood certification and increasing the consumption of wood and wood products has commenced. The document is being developed based on the findings of the policy review, international best practices, and stakeholder consultations, and is expected to be finalized by the end of the project.

Pre-conference activities, including the webinar series, have achieved approximately 80% completion. Although the World Teak Conference was originally scheduled for the second year of the project, it was successfully organized and completed during the first year. To maximize the outreach and ensure the long-term impact of the conference outcomes, the remaining webinar series and dissemination activities will continue through 31 January 2027.

Overall, the project is progressing satisfactorily, with most key outputs delivered as planned. The remaining activities are advancing according to the revised implementation schedule and are expected to be completed within the extended timeframe.

The Executing Agency has submitted to the Secretariat a full project progress report covering activities to August 2026 which is available on request (English only).

2. PD 954/26 (M) Establishing a Pilot Plantation Forest Information Sharing and Wood Supply Chain Traceability System in Viet Nam

Budget and Sources of Funding:

Total Budget:	US$	210,000
Government of Japan:	US$	200,000
Executing Agency contribution:	US$	10,000

Executing Agency:		Vietnam National University of Forestry (IVNUF)
Approved:		April 2026
Financed:		March 2026
Starting Date:		April 2026
Duration:	Planned:	12 months
	To date:	6 months

In compliance with the new financing architecture (approved by the 56th ITTC under Decision 4(LVI)), the Government of Japan has expressed interest in funding the Concept Note CN-24028-Viet Nam. Subsequent to that, the following proposal has been developed by the Executing Agency in collaboration with the ITTO Secretariat and the Government of Japan as the donor and taking into account comments received during the time-bound electronic no objection procedure that was completed on 24 April 2026. This project has been approved and commenced in April 2026.

The project's specific objective is to develop and test an integrated Web-GIS based platform featuring high-fidelity implementation in one representative province and standardized data frameworks in four satellite provinces. Since its commencement, the implementation of this project is basically on track according to the approved workplan.

In early June, Vietnam National University of Forestry (VNUF) as the Executing Agency proposed some minor updates on the geographic focus and targeted application.

The first meeting of Project Steering Committee (PSC) was held in mid-July in Hanoi, Vietnam with the attendance of ITTO, the EA and the donor representative. The PSC meeting reviewed the progress of project implementation and adopted recommendations regarding the Geographic Focus update to concentrate on Bac Ninh province as the primary hub for system development and validation and Targeted Application update to prioritize the forest timber product processing companies. The PSC also urged the EA to accelerate the implementation so as to timely complete all activities according to the workplan.

In the meantime, the EA also informed that the project was under an internal review process for approval by the Ministry of Agriculture and Environment (MAE), and this process has been completed in late August by the MAE.

[B] Projects pending financing

1. PD 948/25 Rev.1 (M) Experimental Commercial Plantations of Caoba (*Swietenia macrophylla*) in the Northern Coastal Area of Peru

Budget and Sources of Funding:

Total Budget:	US$	993,388
ITTO contribution:	US$	494,816
Executing Agency contribution:	US$	498,572

Executing Agency: Costa Verde Iniciativa 20x20

Collaborating Agencies: Departamento de Ordenación Forestal
UNALM Nacional, Servicio Forestal y de Fauna Silvestre (SERFOR)

Approved: October 2025

Duration: Planned: 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 June 2027.

2. PD 956/26 Rev.1 (M) Development of the Value Chain for the Production of Timber and Non-Timber Forest Products within a Circular Bioeconomy Framework for Community Concessions and Direct Management of Coniferous Forests

Budget and Sources of Funding:

Total Budget:	US$	1,268,460
ITTO contribution:	US$	1,018,260
Government of Panama:	US$	250,200

Executing Agency: El Ministerio de Ambiente de Panamá (MIAMBIENTE)

Approved: September 2026

Duration: Planned: 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 2028.

3. PD 959/26 Rev.1 (M) Promoting Community-based Enterprise (CBE) Model for Forest Farmer Group (FFG) to Strengthen the Sustainable Landscape Management in Lore Lindu Biosphere Reserve, Central Sulawesi, Indonesia

Budget and Sources of Funding:

Total Budget:	US$	288,885
ITTO contribution:	US$	248,035
Government of Indonesia:	US$	40,850

Executing Agency: Center for Socio-Economic Development of Forest Communities, Ministry of Forestry

Collaborating Agency: Lore Lindu National Park, Ministry of Forestry

Approved: September 2026

Duration: Planned: 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 2028.

FOREST INDUSTRY

[A] Projects under implementation

1. PD 912/20 Rev.3 (I) Phase II — Strengthening Technical and Business Management in the Timber Forest Industry of Peru

Budget and Sources of Funding:

Total Budget:	US$	368,542
Government of Japan:	US$	145,706
Government of the Republic of Korea	US$	60,000
Executing Agency contribution:	US$	162,836

Executing Agency:		Cámara Nacional Forestal (CNF)
Approved:		January 2024
Financed:		October 2025
Starting Date:		June 2026
Duration:	Planned:	15 months
	To date:	2 months

At the Fifty-ninth Session of the International Tropical Timber Council and Associated Sessions of the Committees (ITTC), held in Pattaya, Thailand, from 13 to 17 November 2023, the Government of Japan expressed interest in funding the project PD 912/20 Rev.2 (I). The proposal was revised and resubmitted by the Executing Agency to be implemented in two phases for a total of 30 months, thus 15 months each for phase I and II respectively. This split was made considering the pledge made at the Council Session. The project agreement for phase was signed in July 2024 and the Executing Agency submitted the Inception Report and all other start-up documentation to the ITTO Secretariat in August 2024, after which the first installment of funds was disbursed on 14 August 2024 marking the official commencement of project implementation followed by the second disbursement made on 11 July 2025. The phase I implementation was completed in November 2025.

The mainstay of the projects in terms of its developmental objective is to contribute to the sustainable development of Peru's timber industry by promoting formal, efficient and competitive market oriented forest enterprises, taking advantage of business opportunities articulated with value chains, and marketing products based on the use of timber from legal sources in managed forests in the Amazon Region of Peru for the benefit of Peruvian society and, in particular, the men and women that depend on the forests for their livelihoods. More specifically, the projective will aim at "strengthening the technical and business management of the forest industry that relies on timber species from the Peruvian Amazon Region" as its specific goal.

Following the completion of the phase I that had initial pledge from government of Korea, the remainder of the balance was pledged by the government of Japan during the Sixty-first Session of ITTC in Panama in November 2025. The pledge therefore met the 100% budget estimate for the second phase to commence. The project agreement was signed on 5 June 2026 and the Executing Agency submitted the Inception Report and all other start-up documentation to the ITTO Secretariat on 15 June 2026, after which the first installment of funds was disbursed marking the official commencement of project implementation.

The first Steering Committee meeting for Project PD 912/20 Rev.3 (I) Phase II, was convened on 30 July 2026, in Lima, Peru with all PSC members including Republic of Korea becoming a new member of the PSC along the government of Japan as co-donors. The PSC reviewed the results of phase I and had discussion

on the continuity of the project under phase II. After the project director's presentation on deliverables, the following recommendations were adopted during the first steering committee meeting:

i) Ensure the sustainability of the project's results once implementation is complete, through capacity building, the continuation of actions undertaken, and coordination with national programs and initiatives related to the forestry sector.
ii) Continue to strengthen traceability, due diligence, and control mechanisms for trade in forest products, promoting the use of tools such as traceability and wood identification tools and other initiatives that facilitate access to international markets.
iii) Strengthen the dissemination of the project's results by promoting the digital publication of its outputs and facilitating their dissemination through the institutional channels of the ITTO, the Embassies of Japan, Republic of Korea, and other participating institutions.

2. PD 947/25 (I) Capacity Building for the Sustainable Management of *Pterocarpus Erinaceus* and *Afzelia Africana* in Benin

Budget and Sources of Funding:

Total Budget:	US$	238,395
Government of USA:	US$	177,794
Government of Benin:	US$	60,601

Executing Agency:		Initiative for the Preservation of Life – NGO (ONG Initiative pour la Préservation de la Vie)
Collaborating Agency:		General Directorate of Water, Forests and Hunting (Direction Générale des Eaux, Forêts et Chasse – DGEFC)
Approved:		September 2025
Financed:		December 2025
Starting Date:		September 2026
Duration:	Planned:	24 months
	To date:	1 month

In compliance with the provisions of Decision 4(LVI) approved by the 56th ITTC Session, Member has expressed interest in funding the following Concept Note: CN-24033-Benin. Subsequently to that, the following proposal has been developed by the Executing Agency in collaboration with the ITTO Secretariat: PD 947/25 (I) Benin.

The project mentioned above received partial funding pledged by the Government of U.S.A. and complemented with funds from the Biennial Work Program activity PP-A/52-320 (CITES) for its implementation. The project has been assessed by the ITTO Secretariat, and their comments have been reflected in the proposal accordingly. The Online No-objection Process of this project was completed on 5 September 2025 with the agreement signed on 21 April 2026.

ITTO received project inception report, and the first disbursement of project funds were effected on 28 August 2026 for commencement of project implementation.

3. PD 952/25 (I) Driving Forest-based Bioeconomy in Viet Nam's Acacia Forestry: Development of Guidance and Dialogue Platform for Cross-Border Vietnamese Acacia Value-Chain Stakeholders

Budget and Sources of Funding:

Total Budget:	US$	287,600
Government of Japan:	US$	280,000
Executing Agency contribution:	US$	7,600

Executing Agency:		Vietnam Timber and Forest Products Association (VIFOREST)
Approved:		October 2025
Financed:		November 2025
Starting Date:		July 2026
Duration:	Planned:	24 months
	To date:	2 months

In compliance with the new financing architecture (approved by the 56th ITTC under Decision 4(LVI)), a donor has expressed interest in funding the Concept Note CN-25040-Viet Nam. Subsequent to that, the following proposal has been developed by the Executing Agency in collaboration with the ITTO Secretariat and donor and taking into account comments received during the time-bound electronic no objection procedure that was completed on 24 October 2025. The project officially started in July 2026.

The ultimate goal of this project is to transition the value chain which starts from acacia plantations in Viet Nam, to a forest bioeconomy that achieves carbon neutrality, nature positivity, and a circular economy. This initiative will also contribute to improving the livelihoods and expanding the capabilities of smallholders in Vietnam. To achieve this goal, this project aims to accelerate voluntary initiatives by companies. By analyzing the interrelationships among stakeholders, this project will clarify how the procurement practices of importer companies significantly impact the sustainability of the entire value chain, including plantations in Viet Nam. Based on this analysis, the project will develop guidance to encourage changes in their procurement practices. To enable these changes, the project will provide opportunities for dialogue (a platform) to promote collaboration among stakeholders in the acacia value chain system. In addition, in order to ensure equal and constructive dialogue at the platform, the project will implement capacity building for stakeholders to promote a common understanding of sustainability issues and improve their ability to collaborate, based on the guidance developed.

Implementing the proposed activities is expected to yield the following outcomes by the project's completion:

- A common understanding will be built among stakeholders, especially business entities involved in the acacia value chain in Viet Nam and Japan, regarding the current status of the acacia value chain system and its underlying lock-in structure, ensuring that critical problems are identified and widely shared.
- Opportunities for dialogue and collaboration among key stakeholders in the value chain will be created, deepening their understanding of the importance of collaboration and enabling the consideration of concrete joint actions.

By achieving the specific objective—strengthening corporate actions to promote sustainable forest management and accelerate the forest bioeconomy—the project is also expected to deliver the following medium-term impacts beyond its duration:

- Utilization of the developed guidance by companies will stimulate concrete initiatives among overseas acacia wood importers and user companies, advancing the realization of a forest bioeconomy.
- The Government of Viet Nam will consider and introduce private sector support measures and related policies that incorporate the corporate guidance produced by the project.
- A stakeholder platform will be established, providing a basis for continued collaboration and ongoing dialogue among value chain actors.
- Awareness of sustainable forest management will increase throughout the value chain system, including among small-scale farmers in Viet Nam, with strengthened incentives and capacities for selecting environmentally friendly production methods and recognizing their added value.

The project has four outputs, namely: i) Report on the current status of the acacia value chain; ii) Practical Guidance on Forest Bioeconomy for Companies; iii) Initiate Acacia value chain platform for stakeholders dialogue and collaboration; and iv) Formulation of a follow-up plan and project outcome dissemination.

The Kick-off/PSC meeting was done online on 24 July 2026, participated by the representative of Japan Government, the representative of Vietnam Government, ITTO, VIFOREST, IGES, the Project Management Team and consultants.

[B] Projects pending financing

1. PD 957/26 Rev.1 (I) Strengthening the Timber Value Chain from Forest Concessions and Plantations in Petén, Guatemala, with Community Participation

Budget and Sources of Funding:

Total Budget:	US$	868,633
ITTO contribution:	US$	529,183
Executing Agency contribution:	US$	339,450

Executing Agency: ACOFOP-FORESCOM

Approved: September 2026

Duration: Planned: 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 2028.

2. PD 961/26 Rev.1 (I) Towards Good Forestry Governance Accelerating Traceable and Sustainable Wood Administration in Indonesia

Budget and Sources of Funding:

Total Budget:	US$	274,901
ITTO contribution:	US$	263,301
Government of Indonesia:	US$	11,600

Executing Agency: Directorate of Forest Production Administration, Ministry of Forestry,

Approved: September 2026

Duration: Planned: 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 2028.

3. PD 963/26 (I) Strengthening the Value Chain and Sustainable Marketing of Lesser-Used Timber Species in Allocated Areas of Honduras (LUTS-Phase II)

Budget and Sources of Funding:

Total Budget:	US$	408,212
ITTO contribution:	US$	322,112
Executing Agency contribution:	US$	86,100

Executing Agency: Instituto Nacional de Conservación y Desarrollo Forestal, Areas Protegidas y Vida Silvestre, ICF

Approved: September 2026

Duration: Planned: 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 2028.

[C] Concept Notes pending financing (Awaiting Expression of Interest by Potential Donors)

1. CN-25036 Development of a National System to Verify the Geographical Origin of Mexican Tropical Timber through Dendro-isotopic Fingerprinting and Genomic Markers to Combat Illegal Timber Trade, Deforestation and Illegal Logging

2. CN-25041 Reactivation Plan for the Forest Production Sector and its Value Chains, Promoting Increased Wood Consumption in Various Regions of Costa Rica

3. CN-26042 Assessing the Environmental Sustainability of Sabah's Timber Industry through Life Cycle Assessment (Malaysia)

4. CN-26045 Circular Bioeconomy Mapping of Tropical Forest Residues and Environmental Health Awareness for Sustainable Industrial Utilization (Malaysia)

5. CN-26046 Innovating Sustainable and Traceable NTFP Supply Chains for High-Value Tropical Medicinal Species in Malaysia (*Labisia pumila* & *Eurycoma longifolia*)

6. CN-26049 Development, Diversification, Industrialization and Strengthening of the Commercial Timber Plantation Subsector in Panama

7. CN-26050 Development of a Geographically Representative Stable Isotope Ratio Reference Database for Identifying the Geographic Origin of Timber and Non-Timber Forest Products in Malaysia

8. CN-26052 Community-Based Bamboo Planting for Sustainable Forest Management and Rural Livelihood Enhancement in Rembau, Negeri Sembilan

9. CN-26053 Selva Maya-Calakmul Forest Hub: Regional platform for community-based forest bioeconomies to support sustainable value chains

* * *