



FIFTY-FIFTH SESSION
2-7 December 2019
Lomé, Togo

DECISION 8(LV)

IMPLEMENTING ITTO'S NEW FINANCING ARCHITECTURE – PHASE I

The International Tropical Timber Council,

Acknowledging the need for the Organization to improve its financial architecture and to adapt the operations of the Secretariat in order to more effectively carry out its mandate of the ITTA;

Recalling the objectives of Article 1 of the ITTA, 2006;

Recalling Decision 9 (LIII), which established the Ad-hoc Working Group on Financing Infrastructure and Fundraising Strategies;

Further recalling Decision 5 (LIV), which approved, among other elements: the piloting of an additional fundraising approach, an electronic survey to gain more information on Member's views on the funding situation and possible solutions, and extended by one year the mandate of the Ad-hoc Working Group on Financing Infrastructure and Fundraising Strategies to develop a proposal for a "streamlined project cycle" and assist in the development of appropriate themes to be used in fundraising proposals;

Taking into consideration the work and recommendations of the Ad-hoc Working Group on Financing Infrastructure and Fundraising Strategies;

Recalling the legal obligation of members to pay their assessed contributions to the Administrative Budget, which contributes to the overall operational strength of the Organization to fulfill its mandate;

Noting the need to conserve and sustainably manage tropical forests given the critical interrelationship between tropical forests and environmental threats such as climate change, biodiversity loss, land degradation and desertification;

Recognizing the direct relevance of ITTO's activities to other forest-related international organizations and processes such as United Nations Framework Convention on Climate Change (UNFCCC), United Nations Convention to Combat Desertification (UNCCD), Convention on Biological Diversity (CBD), Intergovernmental Panel on Climate Change (IPCC), Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) and related programmes such as the Green Climate Fund (GCF);

Recognizing that Global Environment Facility (GEF) is increasingly implementing projects, which address, in an integrated manner, sustainable forest management, the link between deforestation and commodity supply chains, landscape restoration, sustainable agriculture and climate change adaptation, such as through the GEF-7 Food Systems, Land Use and Restoration Impact Program and the Sustainable Forest Management Impact Program;

Acknowledging ITTO's unique mandate and role in promoting the sustainable management of tropical timber producing forests, facilitating the achievement of legal and sustainable commodity supply chains and land use, and private sector engagement, which are highlighted as key components of GEF-7 Impact Programs;

Noting the need for transparency, oversight, and call for active Membership involvement and input in the proposed financial architecture and streamlined project cycle;

Decides to:

1. Call upon the Secretariat to play a more proactive role in seeking new funding avenues and partners for the funding of ITTO's work;

Programmatic Approach and Lines

2. Pilot the programmatic approach and the four programme lines for the period of 2020-2022 as follows:
 - a) Legal and Sustainable Supply Chains (LSSC);
 - b) Conservation of Biodiversity and Ecosystem Services;
 - c) Forest Landscape Restoration and Resilient Livelihoods;
 - d) Emerging Issues and Innovation;

Engagement with GEF and other potential partners

3. Request the Executive Director to further engage with the Secretariats of GEF and related conventions, with a view to finding opportunities to partner with GEF as a non-accredited partner in the near future, while still pursuing the vision of becoming a GEF accredited partner;
4. Request the Executive Director to seek an extension or renewal of the MoU with the Secretariat of CBD for an additional five years as well as the MoU with the Secretariat of UNCCD for the next five years, with a view to enhancing mutually supportive implementation of ITTA and these Conventions, especially for activities which are funded under the GEF biodiversity and land degradation focal areas;
5. Request the Executive Director to explore establishing an MoU with the UNFCCC for a similar purpose;
6. Request the Executive Director to:
 - i. convey ITTO priorities to the GEF to inform forest/ timber-related strategies and work programmes in GEF-7;
 - ii. explore avenues to engage in the Steering Committees of the GEF Sustainable Forest Management Program, Food, Land Use and Restoration Program and other forest-related programmes with a view towards implementing the objectives of the ITTA;
7. Request the Executive Director to continue efforts to become formally accredited to the GCF, while exploring near term opportunities to partner with an accredited entity, to enhance ITTO's active role in fighting deforestation and forest degradation;
8. Allocate time in the agenda(s) of future Council Sessions to invite new potential partners and donors to present on upcoming funding opportunities and priorities to help inform future project concept notes;

Additional funding mechanisms

9. Authorize the Executive Director to explore additional financial arrangements, as appropriate (i.e competitive tenders, contracts, and solicitations), that bring new funding into the Organization and are in line with the mandate of the ITTA, Strategic Action Plan, Biennial Work Programme, all rules of the Organization and take into consideration ITTO's projects pending financing;
10. Establish a "virtual informed feedback loop" under the new funding architecture and request the Executive Director to inform the membership before entering into any agreement – preferably, no later than one month in advance, if possible. Members will have an opportunity to provide feedback on the agreement. The Executive Director will base his/her decision on whether or not to proceed with the agreement based on the feedback received from Members;

11. Authorize the Executive Director to engage a consultant(s) for specific targeted support on fundraising efforts as needed by the Secretariat;
12. Authorize the Executive Director to seek voluntary contributions for the implementation of paragraph 11, and if none are forthcoming, utilize an amount not exceeding US\$100,000.00 from the Working Capital Account for its implementation;

Streamlined Project Cycle

13. Request the Secretariat to develop a project concept note template and post it on the website for members use when responding to calls;
14. Request the Secretariat to issue a call for project concept notes as needed while specifying a geographical and thematic focus to help inform and support the response to potential funding sources/opportunities that the Secretariat is pursuing. Members are encouraged to also submit proposals on a regional basis;
15. Request the Executive Director to convene an ad hoc working group in the first quarter of 2020 consisting of three experts nominated by consumer members, three experts nominated by producer members and one representative each from Civil Society Advisory Group (CSAG) and Trade Advisory Group (TAG) to undertake the following tasks:
 - a) Taking into consideration the draft for discussion “The new Programmatic Approach and the four new Programme Lines” presented by the Executive Director, develop brief descriptions and three to four objectives for each programmatic line to be presented to Council at its Fifty-sixth Session;
 - b) Further refine the elements for a streamlined project cycle process as contained in the Report of the Ad Hoc Working Group on Financing Infrastructure and Fundraising Strategies (document ITTC(LV)/10), taking into account the report as a basis for discussion and the need to maintain a review function within the streamlined project cycle ;
 - c) Review the template of the project concept note that is to be developed by the Secretariat.
 - d) Produce a report of its work to be presented to Council at its Fifty-sixth Session;
16. Establish an advisory board composed of the IAG complemented by representatives of TAG and CSAG, or their designated alternates, that meets via conference call every four months to receive an update on the implementation of the pilot programmatic approach, including engagement with international bodies such as potential funding partners, and to advise the Executive Director;
17. Request the Executive Director to report on progress/achievements in the implementation of this Decision including an assessment of its fundraising potential at the Fifty-sixth Session of the ITTC.

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