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FIFTY-SIXTH SESSION  
9-13 November 2020  
Virtual Session

**REPORT OF THE INFORMAL ADVISORY GROUP (IAG)**

**AT ITS THIRTY-FOURTH MEETING**

**19 August, 10 September and 21 October 2020  
Virtual Meetings**



**Thirty-fourth Meeting of the Informal Advisory Group (IAG)  
Virtual Meetings, 19 August, 10 September and 21 October 2020**

**Report of the Chairperson**

1. The Thirty-fourth Meeting of the Informal Advisory Group (IAG) was convened virtually on 19 August, 10 September and 21 October 2020, chaired by Mr Björn Merckell (Sweden), Chairperson of the Council. The meeting was attended by Mr Freezailah Che Yeom (Malaysia), Vice-Chairperson of the Council - on 19 August and 10 September; Ms Catherine Karr-Colque (USA), Chairperson of the Committee on Economics, Statistics and Markets (CEM) and the Committee on Forest Industry (CFI); Ms Aysha Ghadiali, Vice-Chairperson of the Committee on Reforestation and Forest Management (CRF); Ms Katharina Kuehmayer (Austria), Chairperson of the Committee on Finance and Administration (CFA); Mr Jorge Malleux (Peru), Producer Spokesperson; Ms Anna Tyler (New Zealand), Consumer Spokesperson; Ms Yoshiko Motoyama, Mr Taku Sakaguchi and Mr Rikiya Konishi (Japan), Representatives of the Host Government of the Headquarters; and ITTO Executive Director Mr Gerhard Dieterle and other senior members of the Secretariat.

The Chairperson welcomed the members of the IAG and expressed the hope that all participants in the meeting and their families were doing well during the pandemic. The IAG was informed of the vacancy of the post of Chairperson of the CRF following the resignation of Mr Bruno Enrique Rivas (Guatemala) and that Ms Aysha Ghadiali (USA), Vice-Chairperson of the CRF, would be assuming that position. Ms Ghadiali attended the meeting on 10 September. The IAG was informed on 21 October that Mr Freezailah Che Yeom stepped down as Vice-Chairperson for personal reasons. The IAG welcomed the nomination of Mr Kheiruddin Rani (Malaysia) as Vice-Chairperson of the Council.

The Chairperson referred to the meeting of the Ad Hoc Advisory Group (AHAG) in July 2020, convened under Decision 9(XXXI), which called for the IAG to discuss the provisional agenda for the 56th Session of the International Tropical Timber Council (ITTC56, document ITTC(LVI)/1).

In his introductory remarks, the Executive Director said that the ITTO Secretariat was continuing its COVID-19 work modalities, in which the majority of staff was working from home while monitoring the situation of the pandemic in Japan. He reported that no official missions requiring international travel had been undertaken since March; deadlines for the completion of some projects had been extended; and work related to the Biennial Work Programme (BWP), including activities on fundraising and the financing architecture of the Organization, had experienced delays. Mr Dieterle noted that the World Health Organization had advised that the pandemic would have a longer than expected effect, diminishing the possibility of holding a physical meeting of the Council in March 2021.

2. The IAG considered and adopted the following agenda for its meetings:

***Meeting of 19 August 2020***

- A. Brief background of the IAG:
  - Decision 2(LI)
  - Report of the IAG at its Thirty-third Meeting, 1 December 2019
- B. The format, modalities and draft agenda of the virtual segment of the 56th Session of the International Tropical Timber Council based on Decision 9(XXXI) and the AHAG report
- C. The introduction of the UN Silence Procedure (SP) (GA Decision 74/555 & 74/544) for discussion on the decision-making process during virtual meetings
- D. Status of contributions to the Administrative Account and members' voting eligibility
- E. Discussion related to Article 14 of the ITTA, 2006
- F. Filling positions of Council officers/bodies

***Meeting of 10 September 2020***

- G. Adoption of the draft IAG II Agenda and approval of the IAG I Report
- H. Recommendation to Council on using the Kudo system—Secretariat will briefly walk the IAG through a presentation from Kudo
- I. Recommendation to Council on the ITTC56 virtual session and confirmation of days/dates

- J. Discussion on the proposed ITTO SP and if agreed upon, recommendation to Council on its adoption accompanied by a letter from the Chair, a draft decision and flowchart of the process
- K. Approval of the ITTC56 Provisional Agenda (following incorporation of changes after the last IAG meeting)
- L. Proposal for a Decision 8(LV) Advisory Board meeting

***Meeting of 21 October 2020***

- M. Adoption of the draft IAG III Agenda
- N. Approval of the IAG I & II executive summary report
- O. Nomination of Vice-Chairperson of ITTC56 Mr. Kheiruddin Rani, Director-General Malaysian Timber Industry Board (MTIB)
- P. Update by Secretariat on ITTC56 preparations:
  - ITTC56 Provisional Agenda
  - Council documentation—schedule of meetings during ITTC56, Committees, Expert Panel, Fellowship Programme, Bali Partnership Fund (BPF), Credentials Committee procedures
  - Ascertainment of Quorum through the KUDO system
- Q. The need for and the timing of the next Decision 8(LV) Advisory Board meeting
- R. Update on Decision 2(LIV) Reconfirmation of further measures and mandating of legal actions regarding the financial impairment
- S. Consideration of draft decisions/elements of decisions submitted pursuant to ITTC Decision 7(XXXIII):
  - i. Projects, Pre-Projects and Activities [Decision 1(LVI)]
  - ii. ITTO Biennial Work Programme 2021-2022
  - iii. Further extension of the ITTO Strategic Action Plan 2013-2018
  - iv. Extension of the International Tropical Timber Agreement (ITTA), 2006
  - v. Implementation of ITTO's new Financing Architecture
  - vi. Matters related to article 14 of the ITTA, 2006, regarding the recruitment, selection, and term of the Executive Director
- T. Other matters

**A. Brief background of the IAG**

- 3. The IAG referred to Decision 2(LI) and the Report of the IAG at its Thirty-third Meeting held on 1 December 2019 in Lomé, Togo, as contained in document ITTC(LV)/2 dated 1 December 2019.
- 4. Due to the COVID-19 pandemic and the need for alternative planning for ITTC56, it was prudent to convene a meeting of the IAG well in advance of the Council session, rather than on the day before it (as per usual practice) to discuss the format, modalities and provisional agenda of the proposed virtual ITTC56. If necessary, the IAG could reconvene in October and November 2020. This report summarizes the key points raised in the IAG deliberations on both 19 August and 20 September 2020.

**B. The format, modalities, and draft agenda of the virtual segment of the 56th Session of the International Tropical Timber Council based on the Decision 9(XXXI) Ad Hoc Advisory Group (AHAG) Report**

- 5. The Chairperson introduced the report of the AHAG, which met virtually on 16 July 2020. In view of the continued COVID-19 pandemic, the AHAG recommended convening a virtual ITTC56 segment during the week of 9–13 November 2020, with sessions of 2–3 hours per day over 4–5 days to discuss non-controversial agenda items. The possibility of convening a follow-up hybrid or virtual ITTC56 segment at the end of March 2021 would remain open until the AHAG reconvened in October 2020 to reassess the situation and hence determine the viability or feasibility of doing so.
- 6. The IAG endorsed the AHAG recommendation of convening a virtual segment of the ITTC56 on 9-13 November 2020 as described above.

**Format and modalities of the virtual ITTC56**

- 7. The Secretariat had researched potential platforms for hosting the ITTC56 virtual segment. The Kudo platform, used by some UN agencies, was identified as the best and most cost-effective professional option. Kudo provides easy access to virtual meetings via web links, can run parallel sessions (not recommended due to logistical limitations), supports simultaneous interpretation, and provides

technical support. Kudo can provide information on who accessed (or logged into) meetings for ascertaining quorum. Zoom was another option, but it was not recommended due to reported problems with simultaneous interpretation.

8. The IAG agreed that Kudo was the most advantageous platform and requested the Secretariat to research further and run a trial (see agenda item H).

#### Council documents and reports

9. The Secretariat reported that Council documents and reports of working groups, including the Expert Panel for Technical Appraisal of Project Proposals, would be posted on the ITTO website at least 30 days before the virtual ITTC56 segment in accordance with usual practice. Project proposals that had received a category 1 rating from the Expert Panel would also be posted on the website under the online no-objection procedure.

#### Council's associated committees

10. The IAG deliberated on how to convene Council-associated committees. It was noted that the AHAG had recommended a condensed agenda for the virtual ITTC56 segment and therefore all committee-related documents would be posted on the ITTO website with the provision for members to raise issues, if appropriate, under specific agenda items in the provisional Council agenda. Urgent issues regarding projects and audits could be addressed under the Council agenda. The Secretariat reported on the potential complications of running parallel sessions, which may affect the duration of the virtual segments.
11. The IAG stressed the importance of facilitating consultations among Committee Chairs and Vice-chairs to enable decisions on items to be included in the Council's provisional agenda, including the adoption of the 2019 ITTO audit report (usually considered in the CFA) in the Council's provisional agenda.

#### **C. The introduction of the UN SP (GA Decision 74/555 & 74/544) for discussion on the decision-making process during virtual meetings**

12. The Chairperson requested the Secretariat to inform the IAG of the response received on 28 July 2020 from the Legal Advisor of the United Nations Convention on Trade and Development (UNCTAD) to questions raised by the Secretariat on procedural matters under the ITTA, 2006 in organizing the virtual ITTC56. In summary, the Council, as ITTO's highest authoritative body, has the prerogative to decide on interpretations of provisions in the ITTA, 2006. The UN, as repository, refrains from providing interpretations of provisions in such agreements. The Legal Advisor shared information on how similar issues had been dealt with at the UN General Assembly (UNGA) through Decision 74/555: "Procedure for taking decisions of the General Assembly during the Coronavirus disease 2019 pandemic" (circulated to IAG members), known as the Silence Procedure (SP), which clearly states that no substantive decision is to be made and no voting is to take place during virtual meetings. The Secretariat stated that an important aspect of the SP was that it is appropriate for non-controversial procedural matters.
13. The IAG deliberated on the necessity for ITTO to consider adopting the UNGA SP, given that ITTO has its own procedures, including for intersessional matters, and on how the SP would be implemented if considered appropriate. The IAG requested the Secretariat to analyze the steps based on the discussion to facilitate further consultation in the IAG (see agenda item J).

#### **D. Status of contributions to the Administrative Account and members' voting eligibility**

14. The IAG noted that a large number of producer countries had not paid their assessed contributions, which was negatively affecting the Organization's administrative budget and also had implications should voting arise.
15. The Producer Spokesperson observed that many countries were in a difficult position on payment of their assessed contributions to the administrative budget and suggested further discussions on how to deal with this in order to be more self-sufficient, noting that the administrative budget was for the functioning of the Secretariat and that voluntary contributions were also dwindling.

16. The Executive Director suggested that this issue should be discussed in the Finance Working Group because the programmatic approach had the potential to partially resolve the financing of the Organization. On the ability of members to pay their assessed contributions, the Executive Director stressed the importance of building consensus to enable all members to participate in Council decisions.
17. The Vice-Chairperson requested an update on current voluntary contributions to ITTO. The Chairperson requested the Secretariat to provide this in writing (see Annex B).

**E. Discussion related to Article 14 of the ITTA, 2006**

18. The IAG discussed the adoption of the Report of the Ad Hoc Working Group on Selection of the Candidates for the Position of Executive Director of the ITTO. The inclusion of this item was proposed by the Producer Spokesperson. The IAG inquired about the rationale for adoption of this report as usually, reports of working groups are welcomed and, when appropriate, their recommendations are reflected in Council decisions; such reports are usually not adopted separately. The Producer Spokesperson acknowledged that, although the term “adoption” might not be correct, the report dealt with an important subject and its acceptance was important for moving forward and for the institutional life of the Organization. The Spokespersons agreed to have further Caucus consultations on a possible decision on the matter, as per the Chairperson’s suggestion.
19. The IAG noted that the European Union (EU) had expressed its intention to initiate an intersessional process for the extension of the current Executive Director, to which the Producer Spokesperson responded that this non-agenda item was controversial and should be tabled at the next physical meeting.

**F. Filling positions of Council officers/bodies**

20. The Secretariat confirmed that it would circulate to the Spokespersons, in writing, information on the vacant positions of Council officers/bodies. The information was circulated to the Spokespersons on 20 August 2020.
21. The meeting of 19 August 2020 was adjourned at 9:50 p.m. (Japan Standard Time), with a vote of thanks to the Chairperson.

**G. Adoption of the draft IAG II Agenda and approval of the IAG I Report**

22. The Chairperson noted that a draft report of the IAG meeting held on 19 August 2020 had been prepared by the Secretariat and circulated to IAG members before the 10 September meeting.
23. The IAG suggested combining the report of the current meeting with the one on 19 August and circulating it to members as soon as possible.

**H. Recommendation to the IAG on using the Kudo system—brief by Secretariat**

24. The Secretariat reported that a live demonstration of Kudo had been held on 9 September 2020 and that the system could fulfil the needs of a virtual Council session. The Secretariat stated that Kudo would generate a report listing the email addresses of all those who had accessed the meeting for ascertainment of quorum and could differentiate between members and observers (but it would not record participants’ login and logout times). Kudo also has provisions to enable participants to request the floor and to select the desired language for simultaneous interpretation. The Secretariat reported that a manual would be prepared to help members use the system and suggested running a trial or two prior to the Council session.
25. The Secretariat confirmed contracting the services of the interpreters who usually assist at Council sessions for the virtual ITTC56.
26. Concern was expressed regarding technical requirements for the use of Kudo (router: 5 GHz of isolated capability), in particular for producer countries. The requirements will be circulated among members to ascertain their respective technical capacity or whether support from partners with proper facilities and a stable internet connection could be sought.

27. The use of the Kudo system remains the responsibility of the Secretariat in providing the most efficient service to convene a Council session. The Chairperson endorsed the use of Kudo on behalf of the IAG since there was no objection from the IAG members.
- I. Recommendation to Council on the ITTC56 virtual session and confirmation of days/dates - whether 4 days or 5 days commencing on Monday 9 November and adhering to the duration each day of maximum 2 hours (which could be stretched until 3 hours if necessary, with simultaneous interpretation)**
28. The IAG deliberated on the recommended duration of the virtual ITTC56, having considered consultations held among the Secretariat and Committee Chairs on the topics to be included in the various items under the Council's provisional agenda, the viability of holding Caucuses and Bureau meetings, and potential drafting groups.
29. The Producers spokesperson enquired if Caucus meetings during ITTC56 would be possible, to which Secretariat responded that this may be difficult to organise ad hoc due to the need for simultaneous interpretation and the complexities of running parallel sessions. Secretariat offered to assist with arranging regional consultations (as requested by the Producer spokesperson) prior to the ITTC56 through the Kudo system by utilising technical support from Kudo. The Secretariat highlighted that it could not be present in such meetings and suggested the other alternative would be to use a platform other than Kudo if the Kudo system would require some degree of technical oversight by the Secretariat. A similar inquiry on the availability of the Kudo system was raised for the EU coordination meetings. The Secretariat proposed that arrangements for EU coordination meetings are to be dealt with by EU members themselves. After further deliberations, the Secretariat was requested to research further the technical feasibility of using Kudo for Caucus meetings with simultaneous interpretation and without involving technical oversight by the Secretariat. Such information would be provided at the next IAG meeting.
30. With reference to Bureau meetings, it was estimated that such meetings would last for about 30 minutes following each daily virtual segment.
31. On draft decisions to be considered during the virtual ITTC56, the view was expressed that draft decisions on non-controversial matters or of a procedural nature such as the extension of the current BWP could be dealt with without a drafting group and such draft decisions would be submitted within the required timeline before the ITTC56 virtual session. The IAG endorsed an earlier timeline to submit draft decisions and hoped that members would adhere to it. Nonetheless, a drafting group could be arranged if needed.
32. The IAG was briefed on the provisions of Article 44 Paragraphs 1-3 of the ITTA, 2006 and the respective timelines within. The current agreement is due to expire on 6 December 2021, hence requiring a Council decision (if necessary by special vote) before that date to extend, renegotiate, or terminate the agreement. The IAG opined that negotiations on the ITTA, 2006 will be impossible in the current situation before the expiration date. Hence, the most appropriate and necessary action would be an extension of the current agreement. As there were no objections raised, a decision on the extension of the ITTA, 2006 was considered non-controversial and appropriate for consideration at the virtual Council Session under the circumstances. As such, the extension of the ITTA, 2006 will be included on the ITTC56 agenda and a draft decision be tabled for Council's consideration and approval.
33. After further deliberations, the IAG recommended a five-day agenda for a virtual ITTC56 from 9 to 13 November 2020, including the use of one day for the work of the Committees. The allocated time for each daily segment will be two hours, with some flexibility to increase to three hours if really necessary.
- J. Discussion on the proposed ITTO Silence Procedure (SP) and if agreed upon, recommendation to Council on its adoption accompanied by a letter from the Chair, a draft decision and flowchart of the process**
34. Before the 10 September IAG meeting, the Secretariat had circulated a draft flowchart of the proposed SP. The Executive Director said that there were two main considerations: i) approval of the SP; and ii) its application if approved.

35. The main deliberations were as follows:
- i. It was understood that there would be no voting during the virtual ITTC56 because its agenda would deal only with non-controversial items and would aim for consensus.
  - ii. There were questions from both producer and consumer members on the need to introduce the proposed SP when the ITTO clearly has its own well established decision-making procedures, including decision-making without meeting or intersessionally.
  - iii. The use of consistent terminology was important, being 'consensus' or 'non consensus', as per terms used under the ITTA, 2006. The introduction of new terms such as SP or no-objection could create confusion.
  - iv. The introduction of the SP is dependent on how beneficial it would be to the ITTO and only if agreed upon, will require rules on how to apply it.
  - v. There were questions on whether the proposed SP, and in particular the silence period after the virtual ITTC56, could imply the possibility of reopening items agreed during the virtual meeting and on how to deal with such items from that point onwards.
  - vi. The introduction of the SP is an issue linked to the governance and decision-making of the Organization, a process well-enshrined in the ITTA, 2006. The ITTO had functioned well following the principles of the ITTA, 2006; the introduction of new elements for decision-making should be done with extreme care because it could imply amendments to the ITTA, 2006 which would be considered a controversial issue.
  - vii. It was recognized that matters relating to the proposed SP require further deliberation.
  - viii. It was recommended that the SP should not be used at the upcoming virtual Session.
36. After lengthy deliberations, the IAG concluded not to introduce the SP at the upcoming virtual ITTC56 due to uncertainties in its proposed application and lack of clarity on advantages it offers when compared to ITTO's existing procedures. The IAG also recommended an assessment of consensus-building and decision-making in the virtual format after the virtual ITTC56.

**K. Approval of the ITTC56 Provisional Agenda (following incorporation of changes after the last IAG meeting), which will be posted on ITTO's website following approval**

37. A revised draft provisional agenda was circulated to the IAG on 4 September 2020, including agenda items relating to the work of the Committees (now agenda item 17), and a general heading on matters related to Article 14 of the ITTA, 2006 (agenda item 15). The main deliberations were:
- i. the need to re-insert an agenda item on the Ad-hoc Working Group on the New ITTO Financial Architecture (now agenda item 14 (d));
  - ii. the need for a detailed heading for agenda item 15 (now agenda item 18) on matters related to Article 14 of the ITTA, 2006. The revised heading would read: "Matters related to Article 14 of the ITTA, 2006 regarding the selection, election and recruitment of the Executive Director of ITTO";
  - iii. removal of the agenda item "Other business", on the basis that decisions and papers need to be provided in advance, and] the virtual format does not lend itself to matters of business being raised from the floor on the day;
  - iv. Timelines for the submission of draft decisions. The Secretariat recommended that draft decisions on procedural non-controversial items should be submitted **four weeks before the session** so that members would have enough time for their deliberations. Secretariat will also post a list of procedural draft decisions on the ITTO website. If needed, the IAG could reconvene to recommend to Council which draft decisions should be tabled at the virtual ITTC56;
  - v. the draft decision on the process to elect a new ITTO Executive Director would use text from the June intersession decision (not agreed) and the report of the Ad Hoc Working Group on Selection of the Candidates for the Position of Executive Director of the ITTO, without reference a starting date; and
  - vi. A daily allocation of time will be made for discussion on draft decisions.

**L. Proposal for a Decision 8(LV) Advisory Board meeting**

38. After deliberations, the IAG decided that the next meeting of the Advisory Board on Decision 8(LV) would be scheduled after the Financing Working Group completes its work so that its report could be used as an input to the meeting.

39. The IAG meeting on 10 September 2020 was adjourned at 10:05 p.m. (Japan Standard Time), with a vote of thanks to the Chairperson.

**M. Adoption of the draft IAG III Agenda**

40. The draft agenda was adopted.

**N. Approval of the IAG I & II executive summary report**

41. The Secretariat informed that comments received from members of the IAG to the IAG I & II executive summary report were incorporated as appropriate. The latest version of the report was circulated on 21 October 2020. The IAG agreed to adopt the report.

**O. Nomination of Vice-Chairperson of ITTC56 Mr Kheiruddin Rani, Director-General Malaysian Timber Industry Board (MTIB)**

42. The Producer Spokesperson put forward the nomination of Mr Kheiruddin Rani for the position of the Vice-Chairperson of the Council and thanked the Consumer Caucus for its acceptance. It was noted that Mr Rani has had close contact and experience in several ITTO matters and efforts over the years and is in contact with the Producer Caucus.

43. The Producer Spokesperson and the Chairperson expressed sadness and respect for Mr Freezailah's decision to step down as Vice-Chairperson for personal reasons.

44. It was noted that the Vice-Chairperson had intended to participate at the IAG III meeting but sent his sincere apologies at being unable to do so due to a prior engagement being unexpectedly extended.

**P. Update by the Secretariat on ITTC56 preparations**

45. The Secretariat informed that most Council documents have been posted on ITTO's website<sup>1</sup> including Committees' documents and category 1 project and pre-project proposals recommended by the Fifty-fifth Expert Panel for Technical Appraisal of Project and Pre-project Proposals for members' consideration and approval, through the electronic time-bound no objection procedure<sup>2</sup>.

46. The progress report of the ITTO Fellowship Programme is also available on ITTO's website and the Fellowship selection panel is currently reviewing applications and expects to complete its work by 28 October 2020.

47. The document on the Resources of the Special Account and the Bali Partnership Fund (BPF) is available on the members' portal<sup>3</sup>. The BPF panel will be established with the recommendation not to meet due to low levels of funding and prepare its report for consideration of Council.

48. A Credentials Committee will be formed and convene prior to the Session. The Secretariat will send a reminder to the Spokespersons on their nominations for the Credentials Committee. **Delegations are to submit their credentials to Secretariat by 28 October 2020.**

49. Ascertainment of quorum will be done through a report generated by the Kudo system based on email addresses logged into the meeting on a daily basis.

50. The schedule of meetings during the ITTC56 is under preparation and a draft will be circulated to IAG members by 22 October 2020.

51. The Expert Panel report will be presented at Council by the Secretariat instead of the Chair of the Expert Panel. This is due to the Expert Panel being convened virtually due to the pandemic and did not elect a Chair. Revisions of project and pre-project proposals were done electronically between first and second reviewers only.

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<sup>1</sup> [www.itto.int/council\\_committees/documents/](http://www.itto.int/council_committees/documents/)

<sup>2</sup> [www.itto.int/council\\_committees/projects/](http://www.itto.int/council_committees/projects/)

<sup>3</sup> [www.itto.int/members\\_only/upcoming\\_documents/](http://www.itto.int/members_only/upcoming_documents/)

52. Council documents yet to be posted on the ITTO's website include the draft ITTO Biennial Work Programme 2021-2022, the Decision 8(LV) Ad-hoc Working Group report and the IAG report of its Thirty-fourth meeting. These documents and the text of draft decisions will be made available on 23 October where Secretariat will notify members.
53. The CEM-CFI Chair requested Secretariat to continue close contact with Committee Chairs and provide briefings for running sessions of the Committees. Secretariat replied that it was already doing so and informed that updated Committees' agendas will be available from 30 October 2020 to include category 1 project and pre-project proposals upon completion of the electronic time-bound no-objection procedure. Secretariat also stated that members have been informed on the possibility of raising concerns in writing, if appropriate, on Committees' agendas. None have been received to date. The Chairperson highlighted the importance of continued communication between Secretariat and Committees' Chairs.

**Q. The need for and the timing of the next Decision 8(LV) Advisory Board meeting**

54. The Secretariat reported that the report of the Financing Working Group under Decision 8(LV) is complete pending some ongoing communications and requested the IAG to decide on whether a meeting of the Advisory Board should be scheduled prior to the ITTC56. The representative of Japan requested holding such a meeting as soon as possible to address issues relating to visibility on ITTO engagement with multilateral organizations. The Secretariat noted that both subjects will be dealt with under item 15 of the Council's provisional agenda and under the Executive Director's Opening Statement. The IAG recommended scheduling the next meeting of the Advisory Board before ITTC56. Secretariat will submit tentative dates to the IAG for its consideration.

**R. Update on Decision 2(LIV) Reconfirmation of further measures and mandating of legal actions regarding the financial impairment**

55. The Secretariat circulated a brief on 20 October 2020 to the IAG members on recent developments related to its efforts on exhausting legal measures (as mandated under Decision 2(LIV)) against the responsible parties involved in the financial impairment, including Secretariat's inclination to file a notice of appeal to the Supreme Court of Japan against the financial advisor (DSK), which would be the last step in the legal process against this party. Secretariat reported that the stamp fee for the Supreme Court is estimated at US\$40,000 plus US\$20,000 in legal costs. Secretariat informed that the current balance of Council authorized funds for this matter is US\$97,630. Secretariat highlighted that chances of the Supreme Court accepting ITTO's notice of appeal is 50:50 based on whether the Supreme Court judges are suitably convinced that the points of law raised by the ITTO in the High Court warrants reconsidering.
56. The deadline to submit the notice of appeal to the Supreme Court is 23 October 2020 and payment of the stamp fee is to be completed by 30 October 2020. Following a one-month period, and if the Supreme Court accepts the ITTO appeal to review the case, it can take an additional 4 months prior to a decision being issued. Secretariat is inclined to submit a notice of appeal to the Supreme Court as any ultimate decision by the Supreme Court will indicate closure of all possible legal actions that can be taken against the financial advisor.
57. Third-party notices issued against two former staff members incriminated in the impairment are alive and ongoing, but proceedings will be stayed until the process described in the two paragraphs above is finalized.
58. The Secretariat consulted the Government of Japan separately to confirm whether their stand is still in accordance with Decision 2(LIV). The Government of Japan confirmed Secretariat's inclination and a clip of this consultation will be shared with members of the IAG on 22 October 2020.
59. The Secretariat inquired if there is any dissension amongst the IAG on Secretariat's inclination to file a notice of appeal to the Supreme Court of Japan despite the low probability of winning the case although in doing so, it demonstrates that the organization is carrying out its due diligence in fulfilling the mandate of Decision 2(LIV). Secretariat highlighted that if anything, the minimum ITTO could expect is a correction on points of law, in which case the Supreme Court will defer the case back to the High Court.
60. The IAG unanimously recommended proceeding with the filing of the notice of appeal to the Supreme Court of Japan, utilizing the funds already approved under Decision 2(LIV) to cover all related costs.

**S. Consideration of draft decisions/elements of decisions submitted pursuant to ITTC Decision 7(XXXIII)**

Projects, Pre-Projects and Activities [Decision 1(LVI)]:

61. Secretariat informed that as per normal practice, this decision details activities and projects approved and funded by Council where a draft will be ready before ITTC56.

ITTO Biennial Work Programme (BWP) 2021-2022:

62. The adoption of a new BWP is a standard decision taken normally every two years. Its appendix is the actual work programme as approved by Council. The CEM-CFI Chair inquired on the similarity with the current BWP in terms of activities and the way it is organized. The Secretariat replied that the approach in drafting the BWP for 2021-2022 was to keep it as close as possible to the current BWP; most of the activities being proposed were approved and funded under the previous BWP and are being carried forward under the new BWP. There are a few new activities, such as the Global Timber Tracking Network due to an expression of interest from a donor and others which Secretariat considers supportive of ITTO's continued work and could attract new funds from donors.

Further extension of the ITTO Strategic Action Plan 2013-2018 and Extension of the International Tropical Timber Agreement (ITTA), 2006:

63. These two draft decisions are considered non-controversial where similar decisions have been adopted previously. The text to be used will be based on previously adopted decisions and adapted accordingly for circulation to members prior to ITTC56.

Implementation of ITTO's new financing architecture:

64. This draft decision is currently a placeholder as further consultations may be needed. The Secretariat noted that there are a few recommendations in the report of the ad hoc Working Group, which could constitute the substance of a draft decision, if appropriate, for Council's deliberation.
65. The Executive Director mentioned that the ad hoc Working Group fulfilled its tasks and discussed 4 to 5 objectives of the Programme Lines and the Concept Note approach. On matters of substance, the Working Group did not discuss the Programmatic Approach and its integration within the new financing architecture. He reached out to the Vice-Chairs of the ad hoc Working Group for consideration of those matters and for continued guidance from the Working Group.
66. The Chairperson proposed that Secretariat prepares a draft decision to be further developed during the ITTC56 based on Council's deliberations. This was supported by the IAG.

Matters related to article 14 of the ITTA, 2006, regarding the recruitment, selection, and term of the Executive Director:

67. The Chairperson requested an update on the draft decision proposed by the Producer Caucus. The Producer Spokesperson noted that the subject has been largely discussed over the last two to three years. A working group was established at the ITTC54 in Yokohama to work on the terms of reference for the selection of a new Executive Director, taking into consideration decisions previously adopted. In 2019, the Working Group presented a well-elaborated report on a task that was not easy, with the purpose of setting the rules for future elections of the Executive Director and establish an institutional normality on this matter. Producers insist on the adoption/approval of the report of this Working Group to pave the way forward.
68. The Chairperson inquired if there were any consultations with the Consumers after the draft decision was submitted. The Producer Spokesperson indicated that before sending the draft decision to the Chairperson and the IAG, the text was shared with the Consumer Spokesperson. A few days later, an EU representative got in touch informing that they were preparing an alternative draft, which included a controversial aspect which had been largely discussed without agreement in Lomé, Togo and during the intersessional process - the possible extension of the current Executive Director. From the standpoint of Producers, their position is very transparent, solid and unified.

69. The Consumer Spokesperson thanked the Producer Spokesperson for his outline and mentioned that there was little to add. The Consumer Caucus discussed the draft decision and some Consumer members could not accept it as they felt it might initiate the recruitment process. An alternative was put to the Producers, which she understood was rejected. In the Consumers' discussions, the EU noted the possibility that if the alternative draft decision put forward by them was not accepted, they may have to go back to their members. The Consumer Spokesperson noted that she had not heard further from the EU. She also informed that in the Consumers' discussion, there was support for institutionalization and adoption of the terms for the selection and recruitment of the Executive Director. A number of Consumer members wish this matter to be resolved so that the Organization can move forward.
70. The Chairperson encouraged the Spokespersons to continue close contact on this draft decision to ensure that no controversial issue is tabled at the ITTC56 agenda to enable its easy adoption.
71. The Producer Spokesperson remarked that there is only one draft decision for consideration on this matter - the one sent by the Producers. He noted that he has not seen any formal alternative or proposal coming to the IAG, and, therefore there should not be any more discussion. The deadline for submission of draft decisions was fixed as midnight JST 16 October 2020 and Producers sent their proposal before the deadline. The Producer Spokesperson inquired to the Chairperson and the Secretariat if a formal proposal was sent by the Consumers or the EU and the answer was very clear. No alternative proposal was submitted by the Consumers or the EU. Hence, from the Producers' standpoint, this matter should be considered as it is. There is just one draft decision on the table, which sets the rules to move forward with well-institutionalized governance for the organization.
72. The Chairperson noted the Producer Spokesperson was right that there is only one draft decision on the table and it is up to the IAG to recommend the draft decision for further consideration of Council. At the same time, it is important to find consensus, being the reason for his plea to the Spokespersons to continue consultations before ITTC56.
73. The IAG considered the possible list of decisions to be considered and adopted by the Council at its Fifty-sixth Session as follows:
- i. Projects, Pre-Projects and Activities [Decision 1(LVI)]
  - ii. ITTO Biennial Work Programme 2021-2022 – submitted by the Secretariat;
  - iii. Further extension of the ITTO Strategic Action Plan 2013-2018 – submitted by the Secretariat;
  - iv. Extension of the International Tropical Timber Agreement (ITTA), 2006 – submitted by the Secretariat;
  - v. Implementation of ITTO's new Financing Architecture;
  - vi. Matters related to article 14 of the ITTA, 2006, regarding the recruitment, selection, and term of the Executive Director – submitted by Producer Caucus;

These draft decisions (except for the first) are included in Annex A to this report.

#### **T. Other matters**

74. The Vice-Chair of the CRF inquired about translation of the ITTO guidelines into French and Spanish and the timing in which these would be translated. The Secretariat replied that all guidelines, with the exception of the "Guidelines for forest landscape restoration in the tropics" have been translated into French<sup>4</sup> and Spanish<sup>5</sup>. Translation for the "Guidelines for forest landscape restoration in the tropics" is ongoing and Secretariat hopes it will be completed fairly soon.
75. The CEM-CFI Chair inquired when the IAG will meet again. The Secretariat replied that the IAG has now completed its work, in particular by recommending which decisions are to be considered by Council. If the IAG members feel the need for an additional meeting, this can easily be arranged. The body that will do the follow-up will be the Chairperson's Bureau.
76. The IAG meeting on 21 October 2020 was adjourned at 8:43 p.m. (Japan Standard Time), with a vote of thanks to the Chairperson.

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<sup>4</sup> [www.itto.int/fr/guidelines/](http://www.itto.int/fr/guidelines/)

<sup>5</sup> [/www.itto.int/es/guidelines/](http://www.itto.int/es/guidelines/)

## **ANNEX A**

### **Draft Decisions**

**Only text of draft Decisions is appended to this Report.**

**The full text of the draft BWP 2021-2022 can be found in document ITTC(LVI)/7.**



## INTERNATIONAL TROPICAL TIMBER COUNCIL

Distr.  
GENERAL

ITTC(LVI)/...  
13 November 2020

Original: ENGLISH

FIFTY-SIXTH SESSION  
9-13 November 2020  
Virtual Session

### DECISION ... (LVI)

#### ITTO BIENNIAL WORK PROGRAMME FOR THE YEARS 2021-2022

The International Tropical Timber Council,

Appreciating the work of the Secretariat in liaising with members, the Trade Advisory Group (TAG) and the Civil Society Advisory Group (CSAG) in preparing its proposal to Council on the Biennial Work Programme for the years 2021-2022;

Noting further that activities listed in the Annex to this decision are derived from the following: (a) ITTA, 2006; (b) the ITTO Strategic Action Plan 2013-2018; (c) the four ITTO Committee Reports to the Fifty-sixth Session of Council; and (d) previous Council decisions;

Decides to:

1. Adopt the Biennial Work Programme for the years 2021-2022 as contained in the Annex to this Decision;
2. Authorize the Executive Director to seek voluntary contributions from Member Countries and other funding sources to finance implementation of the activities listed in the Annex;
3. Request the Executive Director to implement and/or facilitate the implementation of activities in the approved Biennial Work Programme for the years 2021-2022, as contained in the Annex; and
4. Request the Executive Director to report to Council on the progress in implementing the Biennial Work Programme for 2021-2022 during the Fifty-seventh and Fifty-eighth sessions of the Council.

\* \* \*

**ANNEX**

BIENNIAL WORK PROGRAMME FOR 2021-2022 TO BE INSERTED BELOW  
IF COUNCIL AGREES TO DECISION



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### DECISION ... (LVI)

#### FURTHER EXTENSION OF THE ITTO STRATEGIC ACTION PLAN 2013-2018

The International Tropical Timber Council,

Noting that the implementation period of the ITTO Strategic Action Plan 2013-2018, extended to 2020 would expire at the end of 2020;

Acknowledging that the COVID-19 pandemic has caused delays in the work of ITTO during 2020, including the planned development of a new Strategic Action Plan;

Recognizing the objectives of ITTO as set out in Article 1 of the ITTA, 2006;

Decides to:

1. Further extend the implementation period of the ITTO Strategic Action Plan 2013-2018 extended to 2020, for one additional year through 2021;
2. Request the Executive Director to implement in a timely manner the 2021-2022 Biennial Work Programme activity to develop the next ITTO Strategic Action Plan for consideration and approval by Council at its Fifty-seventh Session in 2021.

\* \* \*



**INTERNATIONAL TROPICAL  
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**DECISION ... (LVI)**

**EXTENSION OF THE INTERNATIONAL TROPICAL TIMBER AGREEMENT, 2006 (ITTA)**

Recalling Article 44 of the ITTA, 2006;

Noting that the ITTA, 2006 entered into force on 7 December 2011, with an initial duration of ten years;

Further noting the desire expressed by all Members to extend the ITTA, 2006;

Decides in accordance with Article 44(2) of the ITTA, 2006, that the Agreement be extended for a period of five years with effect from 7 December 2021 until 6 December 2026.

\* \* \*



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### DECISION ... (LVI)

#### IMPLEMENTING ITTO'S NEW FINANCING ARCHITECTURE – PHASE II

*The IAG requested the Secretariat to include a placeholder for the above decision, with content to be developed by members through necessary consultations prior to and during the 56<sup>th</sup> ITTC session. Possible draft preambular text is included below to assist in discussions.*

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 and 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;

Further recalling Decision 8 (LV), which approved, among other elements: the piloting of the programmatic approach and the four programme lines, the establishment of a "virtual informed feedback loop", the convening of an ad hoc working group to consider refining the streamlined project cycle and the establishment of an advisory board;

Taking into consideration the work and recommendations of the Ad-hoc Working Group on Implementing ITTO's New Financing Architecture (document ITTC(LVI)/9);

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 challenges such as climate change, biodiversity loss, land degradation and desertification;

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;

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:

\* \* \*



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### DECISION ... (LVI)

#### MATTERS RELATED TO ARTICLE 14 OF THE ITTA, 2006, REGARDING THE RECRUITMENT, SELECTION, AND TERM OF THE EXECUTIVE DIRECTOR

The International Tropical Timber Council,

Recalling Article 14 of the ITTA, 2006;

Recalling Decision 5(LI) which established an open and transparent procedure for identifying qualified candidates for the Council to appoint an Executive Director;

Recalling Decision 10(LIII) on the rotation in the framework of the selection of the Executive Director of the ITTO;

Recalling Decision 6(LIV) on the selection of candidates for the position of Executive Director of the International Tropical Timber Organization;

Also recalling that Decision 6(LIV) decided that the term of future Executive Directors is 4 years, with the option to extend up to another 2 years, upon approval by the Council;

Emphasizing that the paramount consideration in the appointment of the Executive Director shall be to secure the highest standard of efficiency, competence and integrity, as established in Decision 6(LIV);

Welcoming the report of the Ad Hoc Working Group on Selection of the Candidates for the Position of Executive Director of the ITTO;

Decides to:

1. Adopt the text in Annex I to this Decision as the vacancy announcement to advertise the position of Executive Director;
2. Adopt the process contained in Annex II to this Decision as the procedure for the Selection Panel and procedures for the selection of the candidates for the position of Executive Director of the ITTO; and that a selection process be initiated at least 9 months in advance of the Council Session prior to the position becoming vacant, or immediately upon the early vacancy of the position;
3. Adopt the process contained in Annex III for the extension of the term of the Executive Director;
4. The selection process, appointment of a candidate, and conduct of the selected Executive Director once hired is subject, but not limited, to: ITTA, 2006; most recent ITTO Staff Rules and Regulations; Decision 8(LII); Decision 6(LIV); Decision 10(LIV) and this Decision;
5. The Executive Director is subject to Regulation 7.4a and Rule 709 of the ITTO Staff Rules and Regulations, such that the retirement age prescribed by the United Nations applies to the Executive Director;

Any Council decision electing an Executive Director is to be accompanied by a decision on the appointment of the Executive Director detailing the terms of employment, including start date and end date, retirement age restrictions, adherence to the Standards of Conduct for Executive Director (Decision 8(LII)), adherence to the most recent Staff Rules and Regulations,

## ANNEX I

### TERMS OF REFERENCE FOR VACANCY ANNOUNCEMENT FOR EXECUTIVE DIRECTOR OF THE ITTO

The International Tropical Timber Organization (ITTO), a commodity organization headquartered in Yokohama, Japan is in the process of appointing a new Executive Director.

The ITTO mission is to promote the expansion and diversification of international trade in tropical timber from sustainably managed and legally harvested forests and to promote the sustainable management of tropical timber producing forests. The Executive Director is the chief administrative officer of the International Tropical Timber Organization and is responsible to the International Tropical Timber Council for the administration and operation of the International Tropical Timber Agreement, 2006, in accordance with decisions of the Council. (Article 14.3, ITTA, 2006).

Functions:

- The Executive Director will strategically lead, oversee and direct the work and the performance of the ITTO Secretariat as mandated by the Council;
- Implement strategic priorities, policies and initiatives as decided by the Council;
- Lead the organization's finance, risk management, and corporate governance;
- Ensure efficient, effective and transparent management of existing structures and procedures for the administration and operation of the ITTA, 2006;
- Foster and enhance synergies and collaboration among members of the organization;
- Represent ITTO; strengthen and maintain close partnerships with high-level stakeholders, including the relevant Multilateral Agreements, International Organizations, representatives of government at relevant levels, civil society, including the private sector, and the UN to support of the delivery of the ITTA, 2006;
- Oversee and implement strategies for the mobilization of resources necessary for the implementation of the strategic priorities, policies and initiatives as decided by the Council, development of relations with donors other than ITTO members and strategies for partnership with stakeholders, including innovative modalities for the mobilization of resources;
- Create an environment in the Secretariat that fosters innovation and that empowers staff to translate vision into results.

The ITTO applies an equal opportunity recruitment policy and will consider all applications regardless of gender, religion, race or sexual orientation. Candidates must however be citizens of an ITTO member country.

#### 1. **Competencies**

Demonstrates:

- i. Professionalism: Professional competence and mastery of subject matter, is conscientious and efficient in meeting commitments, observing deadlines and achieving results;
- ii. Accountability: Ability to operate in compliance with state-of-the-art organizational rules and regulations, to deliver high quality results within agreed timeframes, within projected cost and to agreed quality standards in a transparent manner;
- iii. Communication: Ability to communicate effectively orally and in writing to a wide range of audiences. Listens to others, correctly interprets messages from others and responds promptly and appropriately. Openness in sharing information and keeping people informed;
- iv. Leadership: Ability to motivate staff and to delegate the appropriate responsibility, accountability and decision-making authority to each staff member. Makes sure that roles, responsibilities and reporting lines are clear, and that progress is monitored against targets;
- v. Ethical standards: Committed to the highest ethical standards in furtherance of his/her mission and the objectives of the ITTO;
- vi. Diversity and gender balance: Committed to promoting equal opportunities and the implementation of the ITTO Guidelines on Gender Equality and Empowerment of Women;
- vii. Diplomatic and negotiation skills: experience in working with high-level representatives from government, international organizations, private sector/civil society, and engaging with donors.

#### 2. **Professional Experience**

- i. Managerial experience: a proven track record and a minimum of 15 years of progressively responsible experience in managing complex programs, financial/human resources and strategic planning in areas relevant to forestry, trade, environment and other related fields;

- ii. Specific experience: demonstrated experience in the field of natural resource management, in particular sustainable forest management and related timber trade would be a distinct advantage;
- iii. International experience: demonstrated track record of professional experience of work in a leading capacity at the international level in and/or international organizations and of working in diverse, multicultural settings; Working experience in ITTO related fields in more than one region of ITTO membership would be an advantage;
- iv. Partnership building and fundraising experience: Demonstrated experience in creating strategic partnerships/networks and promoting initiatives with partner organizations. Demonstrated experience in mobilization of financial resources would be a distinct advantage.

### **3. Education**

Master's or Ph.D. degree in forestry, natural resource management and conservation, economics, business administration, or other relevant field.

### **4. Language**

Proven ability in both oral and written communication in one of the official languages of ITTO (English, French and Spanish) and preferably a working knowledge in the other two official languages of ITTO. Very good command of English orally and in writing is essential.

### **5. Salary and Emoluments**

Salary is equivalent to that of an Assistant Secretary General (ASG) in the scale of the United Nations, including benefits such as removal expenses, home leave travel every 24 months, children's education grant, rental subsidies, etc.

### **6. Conflict of Interest**

Candidates or any close relatives should have no financial interest in the timber industry or timber trade and related activities. Candidates must – in their application – identify any professional or personal ties – also those linked to previous, terminated employment, that could be perceived as conflict of interest. Candidates must provide clarifications and information on how they intend to proactively prevent and manage situations in which such ties or other personal interests may conflict or appear to conflict with the interests of the ITTO, should the individual be appointed to position of the Executive Director.

### **7. Criminal Record Clearance**

Shortlisted candidates will be required to complete a self-attestation stating that they have not committed, been convicted or, nor prosecuted for any criminal offense. If there is information to the contrary, candidates should provide clarification and information in writing on these circumstances, for the consideration of the selection panel.

### **8. Terms of Service**

The appointment is for a period of four years. There is an option to extend for up to another 2 years if approved by Council. Any appointment takes into account Regulation 7.4a of Staff Regulations and Rules of the ITTO, which sets the retirement age as prescribed by the United Nations<sup>6</sup>.

### **9. Applications**

Written applications including a cover letter explaining how the candidate meets the required qualifications, a completed United Nations Personal History form (form P.11), a curriculum vitae and additional supporting materials related to the job qualifications and a recent photo must be received at ITTO headquarters by [ date ]<sup>7</sup> by [ 23:59 ] hours (Japan Standard Time). Applications may be submitted electronically or by mail or fax and should be sent to:

Executive Director, International Tropical Timber Organization  
International Organizations Center, 5th Floor Pacifico-Yokohama,  
1-1-1, Minato-Mirai, Nishi-ku,  
Yokohama, 220-0012 Japan  
Tel: (81-45) 223-1110 Fax: (81-45) 223-1111  
E-mail: [itto@itto.int](mailto:itto@itto.int)

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<sup>6</sup> Staff members shall normally not be retained in the service of the Organization beyond the retirement age prescribed by the United Nations and are expected to retire at that age. Earlier retirement consistent with the rules of the Provident Fund may be agreed between the Organization and the staff member.

<sup>7</sup> Date to be inserted consistent with timeline spelled out in Annex II or as otherwise approved by Council.

## ANNEX II

### PROCEDURE OF THE SELECTION PANEL AND PROCEDURES FOR SELECTION OF THE CANDIDATES

#### Procedures for Application to the Vacancy Announcement and Establishing the Selection Panel:

1. The selection process is to be initiated at least 9 months in advance of the Council Session prior to the position becoming vacant, or immediately upon the early vacancy of the position
2. The vacancy announcement should be posted for 3 months, including in the ITTO Tropical Forest Update and websites of the ITTO, the Collaborative Partnership on Forests and other relevant international organizations and through notification to national governments and international organizations including the United Nations. The vacancy announcement should inform applicants to submit their applications to the Secretariat by 23:59 hours (Japan Standard Time) on a date at least 4 months prior to the session at which the election of the Executive Director will take place. The Secretariat will thereafter inform the focal point of the applicant's country of citizenship, and request the focal point to register any objection to the applicant's further consideration to the Secretariat within a period of 4 weeks;
3. Establish a Selection Panel composed of 6 producer members, and 6 consumer members, to examine the applications and verify the information therein, and agree on an indicative shortlist of no more than four names. The panel shall meet in Yokohama, or virtually, and finalize its work no less than 10 weeks before the beginning of the Council Session at which the election will take place and shall circulate its report to members within two weeks. The two caucuses shall indicate their respective nominations for the panel to the Secretariat at least 1 month prior to the Selection Panel meeting, taking into account gender balance and geographic representation;

#### Procedures for the Selection Panel:

1. The panel will take measures to ensure equitable evaluation of all applications;
2. The panel initially screens whether the applications submitted fulfill the requirements, in terms of information and documentation, as specified in the vacancy announcement and meet minimum objective criteria based on the Terms of Reference for the position of the Executive Director;
3. Disclosure of a potential conflict of interest is not necessarily grounds for disqualifying an applicant. The panel will carefully review any disclosures of conflict of interest or perception of conflict of interest and the accompanying mitigation strategy and assesses whether the proposed mitigation is sufficient. The criteria to be examined in order to determine the independence of a candidate and to prevent potential conflicts of interest, include the following:
  - Active management position and/or large share ownership of companies in the forest sector, in particular in timber trade;
  - Presence of close/family relationships with corporate officers of one or more companies in the forest and timber sector;
  - History of conviction and/or prosecution from any criminal offense.Shortlisted candidates must provide certified official documents to demonstrate their academic and professional qualifications for verification. If the claims of a candidate cannot be verified, the panel may choose to conduct additional reference checks for that candidate or elevate the next qualified candidate into the shortlist;
4. The panel scrutinizes in more detail professional experience, competencies, and overall suitability in order to select up to 4 candidates to be considered for a shortlist.
5. The Panel selects an indicative shortlist of up to 4 candidates, taking into due consideration Decision 6(LIV) in the process;
6. The panel provides the shortlist to Council, as well as a brief report outlining its process and key issues or concerns;
7. All applications will be treated with the strictest confidentiality throughout the entire process by all persons involved.
8. The Panel also will review and suggest edits to an initial draft decision, prepared by the Secretariat, detailing the terms of employment, including start date and end date, retirement age restrictions, adherence to the Standards of Conduct for Executive Director (Decision 8(LII)), adherence to the most recent Staff Rules and Regulations, including as amended and including the provisions for early dismissal (for poor performance, misconduct or other violations<sup>8</sup>).

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<sup>8</sup> In cases of gross negligence and serious misconduct as defined in Regulation 8.1 of the ITTO Staff Regulations and Rules, the appointment of the Executive Director may be terminated by Council. A Panel made up of the Chair of Council, the Vice-Chair of Council and three of the Committee Chairs acting on behalf of the Organization will convene to review relevant investigation findings and will recommend to Council whether or not to terminate the contract of the Executive Director. The panel may decide to suspend the Executive Director until Council takes a decision (Decision 8(LII), Annex, paragraph 6).

### ANNEX III

#### PROCESS FOR THE EXTENSION OF THE TERM OF THE EXECUTIVE DIRECTOR OF ITTO

According to Decision 6(LIV), the term of future Executive Directors is 4 years, with the option to extend up to another 2 years, upon approval by the Council.

1. The Executive Director shall state his/her intentions whether or not he/she is seeking an extension:
  - a) If he/she is seeking an extension, he/she shall inform in writing to the members, his/her intention well in advance of the upcoming Council Session, providing also justification for this extension, including his/her achievements as the Executive Director of ITTO. Upon presentation of his/her rationale at Council, the Executive Director shall excuse him/herself from the room, at which point the plenary will open for discussion on that agenda item, including ways to proceed. Upon conclusion of discussion, the chair will then call for the Council to decide, aiming to reach consensus.
  - b) If he/she does not seek an extension of his/her term, the Chairperson of the Council will immediately invoke the process to advertise the vacancy, select and appoint a new Executive Director.
2. The Council shall decide on the extension of the Executive Director up to an additional 2 years, at the latest one year prior to the end of the Executive Director's term, via the inclusion of an agenda item at the relevant Council Session. Taking into consideration the procedure recommended by the AHWG on TOR for the selection, election and extension of the new ED.

\* \* \*

**ANNEX B****ITTO Voluntary Contributions Cash Receipts FY2020**

<b>Amount</b>	<b>Country/Organization</b>	<b>Comment</b>
US\$2,210,526.32	Japan	PP-A/56-340 Emergency Assistance for Forest Fire Management pledged in FY2020
US\$500,000.00	USA	Pledges to be made in FY2020
US\$317,557.31	Korea	PD 712/13 Rev.2 (F) and PD 836/17 Rev.1 (F) pledged in FY2019
US\$110,172.00	Netherlands	Pledges to be made in FY2020
US\$107,237.00	CITES	PP-A/52-320C pledged in FY2018
US\$100,000.00	China	Pledges to be made in FY2020
US\$93,240.00	Soka Gakkai	PP-A/56-341 Support women's groups with FLR pledged in FY2020
US\$57,466.81	GIZ	PP-A/53-323A LSSC pledges made in FY2019
US\$723,029.56	Japan Forestry Agency	PP-A/56-342 Two proposals being formulated under the BWP LSSC Activity (Component 1: Strengthening SFM standards and timber legality framework in Myanmar / Component 2: Analysis of legality assurance systems and good practices in China, Myanmar and Viet Nam to support Japanese importers for the legal and sustainable timber trade)
<b>US\$4,219.229.00</b>	<b>TOTAL VOLUNTARY CONTRIBUTIONS CASH RECEIVED TO DATE in FY2020</b>	

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