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DES BOIS TROPICAUX**

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Session en téléconférence

**Rapport du Groupe de travail spécial sur la mise en œuvre de
l'infrastructure de financement de l'OIBT - Phase I**

(point 15(d) de l'ordre du jour provisoire)

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A. Introduction et mandat du Groupe de travail

1. Arrière-plan

Lors de la 52^e session (2017) du Conseil international des bois tropicaux qui s'est tenue à Lima, au Pérou, le Conseil a fait valoir la nécessité d'examiner les structures de financement en place à l'Organisation internationale des bois tropicaux (OIBT) dans le dessein d'améliorer ou d'examiner l'infrastructure de financement existante et de permettre ainsi à l'Organisation de répondre de manière plus efficiente aux opportunités de financement.

Il convient de noter que le montant des contributions volontaires était déjà en recul constant depuis ces 15 dernières années, ce pour de multiples raisons qui sont explicitées dans les rapports précédents du Groupe de travail, avant d'atteindre leur plus bas suite à l'ampleur de la dépréciation financière qui a débuté en 2017 pour se poursuivre jusqu'en 2017-2018.

Ces événements ainsi que les discussions approfondies qui ont suivi au Conseil ont incité celui-ci à adopter la DÉCISION 9(LIII)/22 «AMÉLIORER L'INFRASTRUCTURE DE FINANCEMENT ET LES STRATÉGIES DE LEVÉE DE FONDS DE L'OIBT». En application de cette Décision du Conseil a été créé le Groupe de travail spécial (GT), qui a été chargé d'explorer les options et de préparer pour examen par le Conseil des propositions ayant pour but d'améliorer l'infrastructure de financement et les stratégies de levée de fonds de l'OIBT.

Le GT s'est réuni au siège de l'OIBT du 3 au 5 septembre 2018 et le résultat de ses travaux a été examiné lors de la 54^e session du Conseil en novembre 2018. Prenant en considération plusieurs des préconisations formulées par le GT, le Conseil a adopté la DÉCISION 5(LIV) «AMÉLIORATION DE L'ARCHITECTURE DE FINANCEMENT ET DE LA LEVÉE DE FONDS DE L'ORGANISATION».

En application de cette Décision du Conseil, le mandat du groupe de travail a été prorogé d'une (1) année et le Directeur exécutif (DE) a été requis de piloter une démarche complémentaire de levée de fonds axée sur l'élaboration proactive de propositions avec de potentielles sources de financement et/ou la participation à des appels d'offres qui prennent en considération les objectifs de l'OIBT et les priorités stratégiques de l'Organisation, et y contribuent. En outre, le Secrétariat a été prié de mener par voie électronique un sondage (en tirant parti d'un sondage précédent mené en 2013; références: Décision 5(LIV) et rapport du Groupe de travail spécial sur l'infrastructure de financement et les stratégies de levée de fonds [document ITTC(LV/10)] afin d'obtenir des informations de la part des membres sur ce qu'ils considèrent être la valeur de l'OIBT et la transformation que celle-ci devrait opérer.

Le GT s'est réuni du 3 au 5 septembre 2019 au siège de l'OIBT et le résultat de ses travaux a été examiné lors de la 55^e session du Conseil en décembre 2019. Le Conseil a adopté la DÉCISION 8(LV) «MISE EN ŒUVRE DE LA NOUVELLE ARCHITECTURE DE FINANCEMENT DE L'OIBT – PHASE I» (annexe I), qui prend en compte un certain nombre des préconisations du GT.

Cette Décision du Conseil appelait le Secrétariat à jouer un rôle plus proactif dans la recherche de nouvelles voies de financement et de nouveaux partenaires pour financer les travaux de l'OIBT et piloter la Démarche programmatique ainsi que les quatre Axes programmatiques pour la période 2020-2022. En outre, la Décision prie le Directeur exécutif de réunir un Groupe de travail spécial (GTS) au cours du premier trimestre de 2020 afin de discuter des questions relevant du cycle des projets rationalisé.

2. Mode opératoire du Groupe de travail

En application de la Décision 8(LV), a été réuni un GTS, composé de trois experts nommés par les membres consommateurs, de trois experts nommés par les membres producteurs et d'un (1) représentant chacun du Groupe consultatif de la société civile (GCSC) et du Groupe consultatif sur le commerce (TAG), comme suit:

- M. Barney Chan (TAG)
- M^{me} Jennifer Conje (États-Unis)
- M. John James Leigh (Pérou)
- M. Nurudeen Iddrisu (Ghana)
- M^{me} Yoshiko Motoyama (Japon)
- M^{me} Daniele Ramiamanana (GCSC)
- M. Zahrul Muttaqin (Indonésie)
- M^{me} Argyro Zerva (Union européenne)

Les tâches spécifiques assignées au GTS en application du paragraphe 15 de cette Décision étaient les suivantes:

- En prenant en considération le projet de document pour discussion «La nouvelle Démarche programmatique et les quatre nouveaux Axes programmatiques» que le Directeur exécutif a présenté, préparer de brèves descriptions de chaque Axe programmatique et y associer trois à quatre objectifs chacun, qui seront présentées au Conseil à sa cinquante-sixième session;
- Affiner davantage les éléments d'un processus de cycle des projets rationalisé tel que contenu dans le rapport du Groupe de travail spécial sur l'infrastructure de financement et les stratégies de levée de fonds [document(LV)/10], en prenant en compte le rapport qui servira de base à la discussion et le besoin de maintenir une fonction d'examen au sein du cycle des projets rationalisé;
- Examiner le modèle de note conceptuelle de projet qui sera élaboré par le Secrétariat;
- Préparer un rapport sur ses travaux qui sera présenté au Conseil à sa cinquante-sixième session.

Le Directeur exécutif a décidé que les travaux du GTS ne commenceraient pas au 1^{er} trimestre de 2020 en raison de la propagation de l'épidémie de COVID-19 alors que des interdictions de voyager étaient instaurées à travers le monde. Il a en outre été décidé que le GTS se réunirait en téléconférence plus tard dans l'année au moment le plus idoine en fonction de la disponibilité des membres du GTS. Les travaux du GTS ont été étayés et éclairés par le Directeur exécutif, la Directrice des opérations et autres membres du personnel du Secrétariat. La liste des membres du GTS, l'/les ordre(s) du jour ainsi que le compte rendu (*Notes*) des réunions figurent en annexe II. Enfin, le Directeur exécutif a diffusé au début de l'année le projet de document de travail servant aux discussions sur la Démarche programmatique et les quatre Axes programmatiques (qui a été présenté au titre de document non officiel lors de la 55^e session du CIBT, à Lomé, au Togo) afin de recueillir les observations des membres et parties externes en préparation à la réunion du GTS.

Le GTS s'est réuni au cours de la période du 8 septembre au 2 octobre 2020 dans le cadre de six téléconférences programmées les 8, 14, 18, 24, 30 septembre et le 2 octobre. Les documents suivants ont été transmis au GTS au début d'août 2020:

- Rapport du Groupe de travail de 2019 (ITTC (LV)/10)
- Décision 8(LV) (annexe II)
- Observations des membres et parties externes sur le document de travail des discussions sur la Démarche programmatique et les quatre Axes programmatiques (annexe III)
- Projet de modèle de Note conceptuelle et proposition de Cycle des projets rationalisé préparés par le Secrétariat (envoyé au GTS le 25 août 2020).

Le GTS a élu M^{me} Jennifer Conje et M. John Leigh à la co-présidence du GTS pour 2020. L'issue des délibérations du GTS ainsi que ses préconisations sont présentées dans le présent rapport.

B. Préconisations du Groupe de travail spécial

1. Descriptions et objectifs des Axes programmatiques proposés

Axe programmatique 1: Chaînes d'approvisionnement légales et durables (LSSC) *

But: Améliorer la capacité des chaînes d'approvisionnement en bois tropicaux à satisfaire la demande grandissante que les produits soient vérifiés provenir de sources durables et légales.

Objectifs:

- Promouvoir et renforcer les réseaux et la collaboration entre consommateurs, producteurs, associations du commerce, négociants et société civile afin d'aider à mettre en place des chaînes d'approvisionnement légales et durables; et élargir et diversifier les marchés des bois tropicaux obtenus de forêts gérées en mode durable.
- Améliorer l'information sur le marché et le partage de l'information sur le commerce international du bois dans le but d'accroître la transparence en matière d'information sur le marché et des tendances à l'œuvre, et y compris sur l'élaboration d'exigences sur le respect des lois forestières dans les pays.
- Recenser et promouvoir les incitations dans le contexte de la demande en bois tropicaux et des chaînes d'approvisionnement à redoubler d'efforts pour traiter les questions de durabilité, légalité et traçabilité.
- Améliorer la capacité des pays producteurs de bois à produire des produits ligneux et non ligneux ainsi que des services durables.
- Sensibiliser au rôle critique que jouent des forêts tropicales gérées en mode durable s'agissant de contribuer aux trois piliers de la durabilité (économique, social et environnemental), y compris la réalisation des Objectifs de développement durable (ODD) ainsi que d'autres Objectifs mondiaux relatifs aux forêts et engagements.

Axe programmatique 2: Conservation de la biodiversité et des services écosystémiques

But: Maintenir et/ou valoriser la biodiversité et les services écosystémiques des forêts tropicales et paysages forestiers, tout en maintenant la production durable de bois et autres produits et services.

Objectifs:

- Encourager l'évaluation complète des paysages forestiers, y compris des services écosystémiques et de la biodiversité, ainsi que le recueil et/ou l'exploitation des données écologiques et biologiques existantes qui contribuent à la gestion durable des forêts tropicales.
- Encourager les démarches et pratiques innovantes (dont les paiements des services écosystémiques), la recherche et les technologies ainsi que le renforcement des compétences techniques visant à maintenir et/ou à valoriser la biodiversité tropicale et les services écosystémiques dans les forêts de production.
- Aider les pays à renforcer leurs capacités à appliquer les *Directives OIBT-UICN pour la conservation et l'utilisation durable de la biodiversité dans les forêts tropicales productrices de bois* et autres lignes directrices pertinentes de l'OIBT et autres reconnues au plan international.
- Renforcer la collaboration avec les organisations internationales, au nombre desquelles les secrétariats de la Convention sur le commerce international des espèces de faune et de flore sauvages menacées d'extinction (CITES) et de la Convention sur la diversité biologique (CDB), afin de valoriser la capacité des pays à mettre en œuvre les objectifs mondiaux en matière de biodiversité forestière, dont les dispositions relatives aux essences tropicales inscrites à la CITES.

* Si la mission définie dans la Décision 8(LV) précisait que soient élaborés trois ou quatre objectifs pour chacun des Axes programmatiques, le GTS a jugé nécessaire d'en inclure plus de quatre pour l'Axe programmatique 1.

Axe programmatique 3: Restauration des paysages forestiers et moyens d'existence résilients

But: Élargir la surface de paysages forestiers restaurée et accroître les biens et services que procurent les forêts plantées et restaurées, en offrant ainsi des possibilités de création locale d'emplois et de contribuer à des objectifs de développement au sens large.

Objectifs:

- Encourager l'utilisation et l'application des *Lignes directrices de l'OIBT pour la restauration des paysages forestiers en milieu tropical*.
- Faciliter l'amélioration des connaissances et compétences en matière de restauration des paysages forestiers (RPF) et de gestion durable des forêts restaurées et plantées.
- Aider à renforcer les capacités des pays tropicaux membres de l'OIBT à planifier et à mettre en œuvre la RPF sur le terrain.

Axe programmatique 4: Questions émergentes et innovation

But: Traiter les problématiques émergentes/urgentes et l'innovation en restant centré sur la réalisation des objectifs de l'Accord international sur les bois tropicaux (AIBT) qui ne sont pas couverts dans le cadre des autres Axes programmatiques.

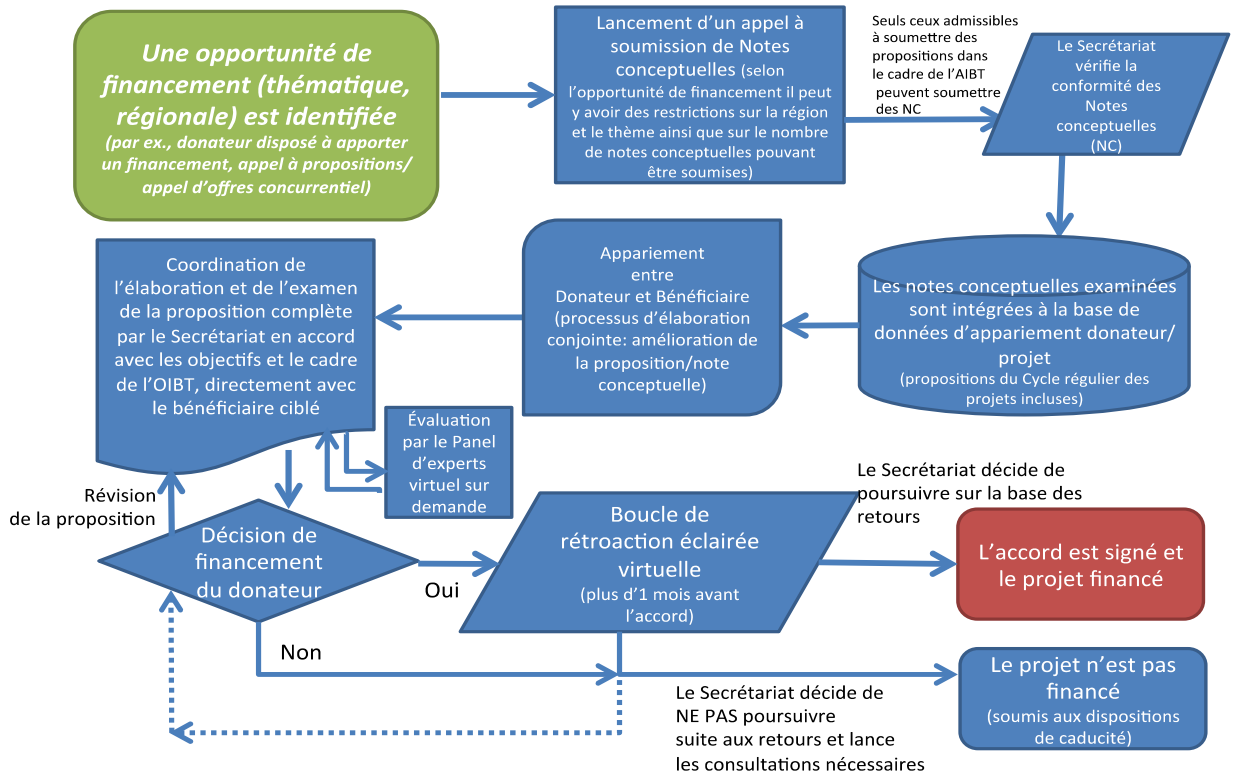
Objectifs:

- Permettre une certaine flexibilité dans le financement et une démarche rationalisée pour traiter des questions spécifiques qui ne relèvent pas des autres Axes programmatiques.
- Répondre aux opportunités qui permettent à l'OIBT et à ses membres d'être à l'avant-garde de l'innovation, de piloter de nouvelles approches ou études, et d'être en mesure de réagir aux priorités de la politique de développement internationale qui se font jour.
- Aider les membres à gérer les crises d'ordre naturel ou socio-économique ainsi que les crises financières, et à s'y adapter, qui ont des incidences sur la gestion durable des forêts tropicales ainsi que sur la production de bois et le commerce associé.
- Exploiter le réseau et l'expertise de l'OIBT en matière d'information et de données pour aider les pays à répondre aux questions émergentes/urgentes.

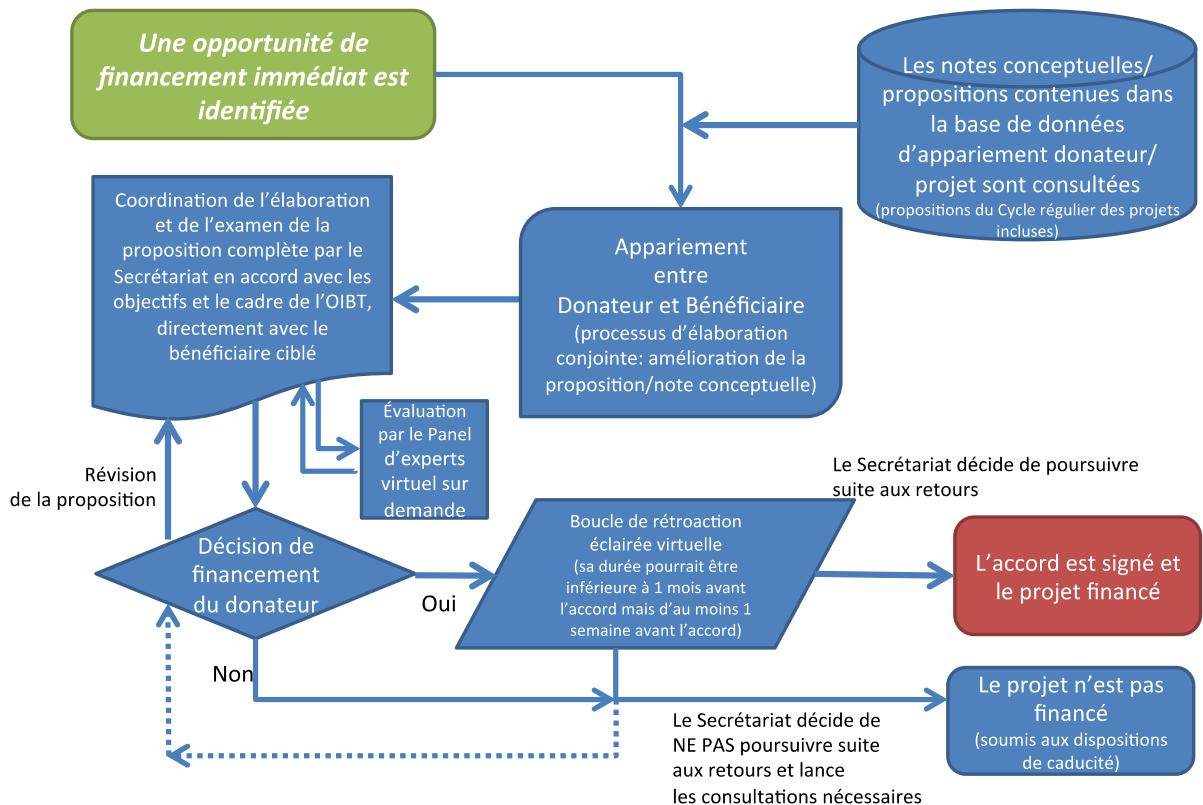
2. Approche proposée pour le Cycle des projets rationalisé

L'approche proposée pour le cycle des projets rationalisé est indiquée en détail ci-après. Elle s'articule autour de quatre scénarios de financement que rencontre l'OIBT, schématisés ci-après par des logigrammes et suivis d'explications sur leurs procédures centrales.

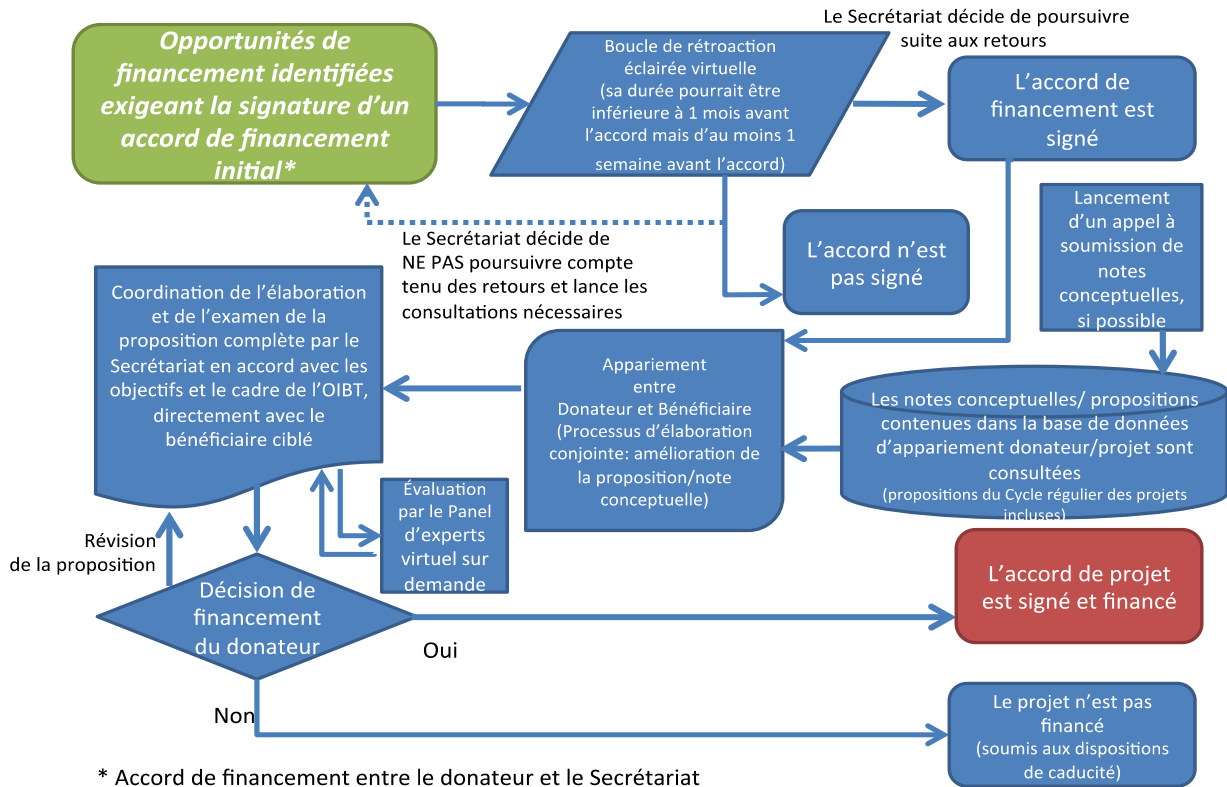
Démarche programmatique: Scénario de financement 1



Démarche programmatique: Scénario de financement 2

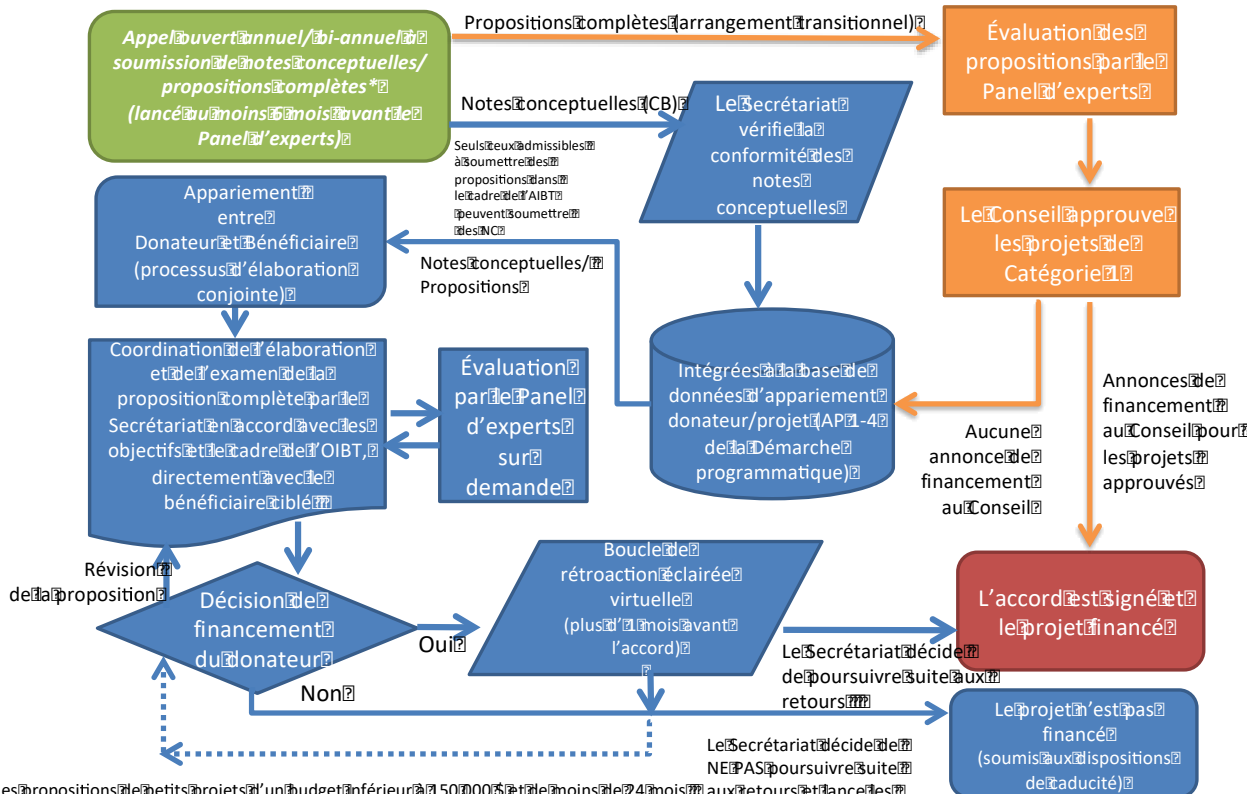


Démarche programmatique: Scénario de financement 3



* Accord de financement entre le donateur et le Secrétariat

Démarche programmatique: Scénario 2 (Cycle régulier des projets)



* Les propositions de petits projets d'un budget inférieur à 50 000 \$ et de moins de 24 mois aux retours et finances doivent être soumis au format prescrit dans le Manuel OIBT de la formulation des projets.

Lancement d'appels à soumettre et soumission des Notes conceptuelles (NC)

- Un appel à soumettre des notes conceptuelles (NC) sera lancé lorsqu'aura été identifiée (par ex., la volonté d'un donateur d'apporter un financement, un appel à soumettre des propositions émis par un donateur/appel d'offres concurrentiel) une opportunité de financement (thématique, régional), qui ne revêt pas un caractère immédiat et laisse suffisamment de temps aux membres pour élaborer une NC et au Secrétariat de l'examiner. Un appel ouvert annuel à soumettre des NC/propositions complètes sera également lancé indépendamment des opportunités de financement spécifiques identifiées.
- En fonction de l'opportunité de financement, il pourra y avoir des restrictions quant à la région ou au thème de même que le nombre de NC pouvant être soumis pourra être limité.
- L'admissibilité à soumettre une NC suivra les modalités de soumission de propositions et appliquera les restrictions prévues par les règles de l'OIBT en vigueur (Décision 7(XXXIII) et alinéa 8 de l'article 19 de l'AIBT de 2006).
- Une NC devra avoir été avalisée par le point focal national de l'OIBT avant de pouvoir être soumise.
- Un petit projet d'un budget inférieur à 150 000 \$EU et d'une durée de moins de 24 mois sera soumis sous la forme d'une proposition élaborée au format prescrit par le *Manuel OIBT de formulation des projets* et non d'une Note conceptuelle

Vérification de la conformité d'une Note conceptuelle

- Le Secrétariat vérifiera la conformité de toutes les NC avant de les intégrer dans la base de données d'appariement entre donateur et projet.
- La définition de la vérification de la conformité est la suivante: «s'assurer que l'auteur a renseigné toutes les rubriques de la NC tout en se conformant aux éléments indiqués dans les rubriques 3 et 4 du modèle de NC».

Base de données d'appariement entre donateur et projet, appariement entre donateur et bénéficiaire, et coordination de l'élaboration d'une proposition complète

- Les NC examinées ainsi que les propositions non financées du Cycle régulier des projets seront intégrées à la Base de données d'appariement donateur/projet et rendues publiques.
- L'appariement entre un donateur et un bénéficiaire se fera en toute transparence au moyen de la base de données et, sur demande, une proposition sera élaborée dans le cadre d'un «processus d'élaboration conjointe» qui pourra permettre d'améliorer les propositions et NC existantes.
- Le processus d'élaboration conjointe passera par un échange d'informations et d'idées entre le Secrétariat, le donateur et l'auteur du projet, qui alimentera l'élaboration de la proposition et augmenter ainsi ses chances d'être financée.
- Le Secrétariat coordonnera l'élaboration et l'examen d'une proposition complète directement avec le bénéficiaire ciblé, en accord avec l'AIBT de 2006, sur la base des objectifs et du cadre de conformité de l'OIBT.
- La proposition sera évaluée par le Panel d'experts ou par d'autres experts techniques selon la nécessité, sur demande.
- Dans certains cas, une proposition complète de projet déjà approuvée par le Conseil pourra être révisée plus avant dans le cadre de ce processus à la demande d'un donateur ou suivant l'intérêt qu'il manifesterait.

Rôle du Panel d'experts et examens techniques des notes conceptuelles

- Le Panel d'experts examinera les NC sélectionnées, sur demande, en sus des propositions de projets soumises dans le cadre du Cycle régulier des projets au cours de sa réunion annuelle fixe.
- Le Panel d'experts pourra aussi être requis d'examiner des notes conceptuelles sélectionnées par téléconférence en dehors de la réunion fixe, en fonction du moment et de la nécessité.
- Le Secrétariat, le cas échéant, lancera des appels pour que des spécialistes idoines dotés de l'expertise requise soient représentés au sein du Panel et consultera des experts externes issus

de projets de l'OIBT pour mener les examens techniques (en fonction des fonds disponibles nécessaires).

Boucle de rétroaction éclairée virtuelle

- La Boucle de rétroaction éclairée virtuelle a été créée par la Décision 8(LV) afin d'«informer les membres avant de conclure tout accord, de préférence au moins un (1) mois à l'avance, si possible. Les membres auront la possibilité de donner leur avis sur l'accord. Le Directeur exécutif fondera sa décision de procéder ou non à l'accord sur la base des retours reçus de la part des membres».
- Eu égard aux opportunités de financement immédiat, la période de notification pourra être inférieure à un (1) mois avant l'accord, mais devra être d'au moins une (1) semaine avant de conclure l'accord.
- La Boucle de rétroaction éclairée virtuelle est d'autant plus importante lorsque l'attente de l'aval du Conseil durant une session du Conseil risque de se solder par l'occasion manquée d'optimiser les opportunités de financement qui apparaissent à bref préavis. En outre, il s'agit d'une manière d'assurer la transparence du processus tout entier, en particulier s'agissant des scénarios de financement immédiat, qui permet aux membres de contribuer leurs retours au Secrétariat avant de conclure un accord, tout particulièrement dans les cas où les activités proposées relèvent de questions d'orientation stratégique qui peuvent ne pas encore avoir fait l'objet d'un accord au sein du Conseil.

Dispositions de caducité

- Les dispositions de caducité en vigueur s'appliqueront également aux propositions complètes et aux NC non financées, ce afin de gérer le volume et la pertinence des propositions/NC incluses dans la base de données.
- Un pays aura toujours la possibilité de soumettre à nouveau une proposition déclarée caduque qui aura été adaptée/révisée en fonction des circonstances qui prévalent.

Opportunités de financement identifiées nécessitant la signature d'un accord de financement initial (Scénario de financement 3)

- Ce scénario couvre les situations dans lesquelles le donateur dispose déjà des fonds en ayant à l'esprit l'OIBT et requiert qu'un accord de financement initial soit passé entre le donateur et le Secrétariat pour pouvoir poursuivre le processus.
- Dans ce cas, on aura recours à la boucle de rétroaction éclairée virtuelle avant que l'accord de financement ne soit conclu et avant que la proposition ne soit complètement élaborée, moyennant un délai minimum d'une (1) semaine pour recueillir les retours des membres. Un accord de projet séparé entre le Secrétariat et le/les bénéficiaire(s) pourra être signé plus tard avant le commencement du projet.

Appel ouvert annuel/bi-annuel à soumission de notes conceptuelles/propositions complètes, et Cycle régulier des projets (Scénario de financement 4)

- Au cours de l'appel ouvert annuel/bi-annuel lancé durant cette phase pilote, l'auteur pourra décider de soumettre des NC, une proposition de projet complète ou une proposition d'avant-projet. Toutefois, les membres sont vivement encouragés à soumettre des NC, ce qui facilitera pour l'Organisation le passage à un processus de Cycle des projets rationalisé. Ainsi que mentionné précédemment, un projet dont le budget de l'OIBT est inférieur à 150 000 \$EU et dont la durée est de moins de 24 mois peut être soumis sous la forme d'une proposition complète en lieu et place d'une NC.
- Un appel ouvert sera lancé au moins six mois avant la réunion du Panel d'experts afin de laisser un intervalle suffisant pour qu'une NC ayant suscité l'intérêt d'un donateur puisse être formulée sous la forme d'une proposition complète qui sera examinée par le Panel d'experts parallèlement aux propositions du Cycle régulier des projets.

- Si l'approche reposant sur des NC constitue une tentative de rationaliser le processus afin d'éviter que les auteurs ne consacrent trop de temps et d'efforts à élaborer une proposition complète avant que son financement n'ait été déterminé, il ne s'agit pas pour autant de restreindre les auteurs qui disposent déjà de propositions à soumettre ou sont désireux d'en élaborer en vue de les soumettre, à condition que ces propositions soient conformes aux exigences du modèle de NC.
- Il est préconisé que le Cycle régulier des projets (soumission de propositions complètes par l'auteur) soit maintenu pour au moins une (1) année au cours de la phase pilote avant de passer éventuellement, en fonction de la décision que prendra le Conseil, à un modèle dans lequel seules des NC ou de petites propositions (limite de 150 000 \$EU et 24 mois) seraient soumises.

3. Modèle de note conceptuelle de projet proposé

1. Description générale
1.1. Intitulé du projet
1.2. Pays soumissionnaire(s)
1.3. Site spécifique & pays/régions/secteur(s) bénéficiant du projet
1.4. Aval du Point focal de l'OIBTⁱ
1.5. Durée du projet prévue (en mois)
1.6. Budget indicatif (en \$EU) Budget de l'OIBT: \$EU Budget de contrepartie: \$EU Budget total: \$EU
1.7. Axe programmatique cibléⁱⁱ <input type="checkbox"/> Chaînes d'approvisionnement légales et durables <input type="checkbox"/> Biodiversité dans les forêts productives <input type="checkbox"/> Restauration des paysages forestiers et moyens d'existence résilients <input type="checkbox"/> Questions émergentes et innovation
1.8. Type de projetⁱⁱⁱ <input type="checkbox"/> Renforcement des capacités/Formation <input type="checkbox"/> Mise en œuvre communautaire/sur le terrain d'un projet <input type="checkbox"/> Projet pilote/de démonstration <input type="checkbox"/> Travaux/études analytiques <input type="checkbox"/> Atelier/réunion/séminaire <input type="checkbox"/> Innovation <input type="checkbox"/> Élaboration/mise en œuvre de politique <input type="checkbox"/> Développement de marché/produit <input type="checkbox"/> Autre ^{iv}
1.9. Résumé de la proposition (max. de 2000 caractères)
2. Renseignements sur l'auteur
2.1. Coordonnées de l'agence d'exécution (AE) Nom de l'agence/Organisation/Institution: Nom du correspondant principal: Courriel, téléphone/télécopie, site web:
2.2. Type d'organisation <input type="checkbox"/> Organisme gouvernemental <input type="checkbox"/> Organisation de la société civile <input type="checkbox"/> Université/Institut de recherche <input type="checkbox"/> Organisation internationale <input type="checkbox"/> Association du secteur privé/de la filière <input type="checkbox"/> Autre ^{iv}
2.3. Agence(s) de collaboration (<i>renseignements identiques à ceux de l'AE ci-dessus</i>)
2.4. Expérience pertinente de l'agence d'exécution: (max. de 500 caractères)

3. Pertinence (max. de 2000 caractères pour chacune des sous-rubriques)

3.1. Conformité aux objectifs (AIBT de 2006) et priorités (Plan d'action stratégique en vigueur) de l'OIBT

3.2. Pertinence avec les Axes programmatiques de l'OIBT

3.3. Pertinence avec les Objectifs de développement durable (ODD) et les Objectifs mondiaux relatifs aux forêts (OMF) ainsi que d'autres programmes mondiaux relevant des forêts

3.4. Pertinence avec les politiques du pays soumissionnaire

3.5. Liens avec des projets/activités antérieurs/en cours de l'OIBT et d'autres institutions (le cas échéant)

4. Synopsis du projet (max. de 2000 caractères par sous-rubrique)

4.1. Objectifs (préciser la référence à des éléments figurant dans la série des Lignes directrices de l'OIBT, selon la nécessité)

4.2. Problème(s) essentiel(s) à traiter

4.3. Principaux bénéficiaires et parties prenantes

4.4. Activités centrales

4.5. Acquis et impacts escomptés, dont innovations/transmutations

4.6. Financement existant pour une/des initiative(s) connexe(s)/contacts existants avec de potentiels donateurs

4.7. Toutes autres informations jugées nécessaires/importantes

4.8. Mesures d'atténuation des risques^v

5. Budget indicatif (en \$EU)

Description	OIBT	Contrepartie	TOTAL
1. Personnel			
2. Sous-traitance			
3. Déplacements et per diem			
4. Biens d'immobilisation			
5. Consommables			
6. Publication/Diffusion			
7. Divers			
TOTAL			
À REMPLIR PAR L'OIBT			
<i>Suivi et examen du projet par l'OIBT</i>			
<i>Audit annuel/final</i>			
<i>Appui au programme de l'OIBT</i>			
TOTAL GÉNÉRAL			

-
- i (joindre pièce justificative au format PDF, JPG, PNG) – sans cet aval, la NC ne sera pas examinée*
 - ii Cocher une seule option*
 - iii Cocher jusqu'à trois options*
 - iv Champ de saisie à renseigner manuellement*
 - v L'auteur recensera les risques potentiels ou anticipés et la manière dont ils seront atténués*

4. Autres questions à l'examen du Conseil

Outre les propositions précédentes qui ont été élaborées sur la base du mandat de la Décision 8 (LV), le GTS a formulé les préconisations suivantes:

1. La phase pilote encourage la formule consistant à soumettre des NC bien qu'il conviendrait de maintenir le Cycle régulier des projets (soumission de propositions complètes par l'auteur) pour au moins une (1) année au cours de la phase pilote transitionnelle avant de passer éventuellement à une formule dans laquelle seules des notes conceptuelles ou des petites propositions (budget inférieur à 150 000 \$EU et durée de moins de 24 mois) seraient soumises.
2. Le prochain appel ouvert devrait être lancé six (6) mois avant la prochaine réunion du Panel d'experts et être ouvert à la soumission de Notes conceptuelles (utilisant le modèle recommandé ainsi que les buts/objectifs des Axes programmatiques), de petites propositions complètes (ainsi que décrites au point 1 ci-dessus) et de propositions d'avant-projets.
3. Aucune révision du règlement financier ou des manuels de projets n'est envisagée à ce stade durant la phase pilote. Toutefois, il conviendrait d'envisager des modifications à l'avenir, au moment où le Conseil statuera quant à l'officialisation de l'adoption de toute nouvelle procédure.
4. En application de la Décision 5(LIV) du Conseil en son paragraphe 9, un bilan de la mise en œuvre de ladite décision, y compris de l'effectivité et de la faisabilité à long terme de la phase pilote de la Démarche devra être dressé par le Directeur exécutif, à l'issue duquel un rapport de bilan sera fourni aux membres au moins 90 jours avant son examen par le Conseil à sa 58^e session en 2022; il est préconisé que le Conseil statue lors de sa 57^e session (2021) sur la manière dont sera structuré le processus de ce bilan et sur la question de savoir si un nouveau groupe de travail devra être créé afin de prendre part à celui-ci.



ANNEXE I CONSEIL INTERNATIONAL DES BOIS TROPICAUX

Distr.
GÉNÉRALE

ITTC(LV)/19
6 décembre 2019

CINQUANTE-CINQUIÈME SESSION
Du 2 au 7 décembre 2019
Lomé (Togo)

DÉCISION 8(LV)

MISE EN ŒUVRE DE LA NOUVELLE ARCHITECTURE DE FINANCEMENT DE L'OIBT – PHASE I

Le Conseil international des bois tropicaux,

Conscient du besoin pour l'Organisation d'améliorer son architecture financière et d'adapter les opérations du Secrétariat afin d'exécuter le mandat que lui confère l'AIBT avec une plus grande efficacité;

Rappelant les objectifs énoncés à l'article premier de l'AIBT de 2006;

Rappelant la Décision 9 (LIII), par laquelle a été créé le Groupe de travail spécial sur l'infrastructure de financement et les stratégies de levée de fonds;

Rappelant en outre la Décision 5 (LIV), par laquelle ont été approuvés, entre autres éléments: la mise en œuvre pilote d'une démarche complémentaire de levée de fonds, un sondage mené par voie électronique afin de recueillir auprès des membres un complément d'informations sur la manière dont ils considèrent la situation du financement et les solutions envisageables, et la prorogation pour une durée d'une (1) année du mandat du Groupe de travail spécial afin de lui permettre d'élaborer une proposition de «cycle de projets rationalisé» et d'aider à développer des thèmes adaptés qui seront utilisés dans les propositions de levée de fonds;

Prenant en considération les travaux et les préconisations du Groupe de travail spécial sur l'infrastructure de financement et les stratégies de levée de fonds;

Rappelant l'obligation juridique faite aux membres de verser leur quote-part de contribution au Budget administratif, lequel concourt à la force opérationnelle générale de l'Organisation lui permettant d'exécuter son mandat;

Notant le besoin de conserver les forêts tropicales et de les gérer en mode durable compte tenu de l'interaction de nature critique entre les forêts tropicales et les menaces pesant sur l'environnement telles que le changement climatique, la disparition de la biodiversité, la dégradation des terres et la désertification;

Prenant acte de la pertinence directe des activités de l'OIBT avec celles d'autres organisations et processus de niveau international relevant des forêts telles que la Convention-cadre des Nations-Unies sur les changements climatiques (CCNUCC), la Convention des Nations Unies sur la lutte contre la désertification (CNUCLD), la Convention sur la diversité biologique (CDB), le Groupe intergouvernemental d'experts sur l'évolution du climat (GIEC), la Plateforme intergouvernementale scientifique et politique sur la biodiversité et les services écosystémiques (IPBES), ainsi qu'avec des programmes connexes tels que ceux du Fonds vert pour le climat (FVC);

Conscient que le Fonds pour l'environnement mondial (FEM) met en œuvre de manière grandissante des projets qui, de manière intégrée, font une place à la gestion durable des forêts, au lien entre la déforestation et les chaînes d'approvisionnement de produits de base, à la restauration des paysages, à l'agriculture de type durable et à l'adaptation aux effets du changement climatique, par exemple à travers le Programme à impacts en matière de systèmes alimentaires, de l'utilisation des sols et de la restauration et le Programme à impacts en matière de gestion durable des forêts dans le cadre du cycle du FEM-7;

Reconnaissant le caractère unique du mandat de l'OIBT, et le rôle que joue l'Organisation pour favoriser la gestion durable des forêts productrices de bois, faciliter la mise en place de chaînes d'approvisionnement en produits de base et une utilisation des sols opérées dans le respect de la légalité et des pratiques durables, ainsi que la mobilisation du secteur privé, autant de composantes essentielles qui sont privilégiées dans les Programmes à impacts du cycle du FEM-7;

Prenant acte du besoin d'assurer la transparence, la supervision, et du fait que les membres doivent prendre une part active à l'architecture financière et au cycle des projets rationalisé qui sont proposés, et y contribuer des apports;

Décide de:

1. Inviter le Secrétariat à jouer un rôle plus proactif s'agissant de rechercher de nouvelles voies de financement et de nouveaux partenaires pour le financement des travaux de l'OIBT;

Démarche et axes programmatiques

2. Mettre en œuvre à titre pilote la démarche programmatique et les quatre axes programmatiques pour la période 2020-2022 comme suit:
 - Chaînes d'approvisionnement légales et durables (LSSC);
 - Conservation de la biodiversité et des services écosystémiques;
 - Restauration des paysages forestiers et moyens d'existence résilients;
 - Questions émergentes et innovation;

Interaction avec le FEM et autres potentiels partenaires

3. Prier le Directeur exécutif d'engager le dialogue avec les Secrétariats du FEM et des conventions connexes, en vue d'explorer des opportunités de travailler en partenariat avec celui-ci en qualité de partenaire non accrédité dans un avenir proche, tout en poursuivant la vision à long terme d'en devenir un partenaire accrédité;
4. Prier le Directeur exécutif de solliciter une prorogation ou un renouvellement du protocole d'accord conclu avec le Secrétariat de la CDB pour une durée supplémentaire de cinq (5) années; ainsi qu'avec le Secrétariat de la CNULCD pour les cinq (5) prochaines années, en vue de valoriser la mise en œuvre synergique de l'AIBT et de ces Conventions, en particulier eu égard aux activités qui sont financées dans le cadre des domaines d'intervention centraux du FEM que sont la biodiversité et la dégradation des terres;
5. Prier le Directeur exécutif d'explorer la possibilité d'établir un protocole d'accord avec la CCNUCC à des fins similaires;
6. Prier le Directeur exécutif de:
 - i. transmettre au FEM les priorités de l'OIBT afin de guider les stratégies et programmes du cycle du FEM-7 se rapportant aux forêts/bois;
 - ii. explorer les possibilités de participer aux Comités de pilotage du Programme du FEM en matière de gestion durable des forêts, du Programme du FEM en matière d'alimentation, d'utilisation des terres et de restauration, et autres programmes relevant des forêts, en vue de réaliser les objectifs de l'AIBT;
7. Prier le Directeur exécutif de poursuivre les efforts menés en vue de devenir officiellement accrédité auprès du FVC, tout en explorant les opportunités à court terme de travailler en partenariat avec une entité accréditée, afin de valoriser le rôle actif que joue l'OIBT dans la lutte contre la déforestation et la dégradation des forêts;
8. Réserver du temps dans l'/les ordre(s) du jour de sessions ultérieures du Conseil, pour inviter de nouveaux partenaires et donateurs potentiels à présenter leurs futures opportunités et priorités de financement afin d'aider à étayer les futures notes conceptuelles de projet;

Mécanismes de financement supplémentaires

9. Autoriser le Directeur exécutif à explorer des mécanismes financiers supplémentaires, selon la nécessité (à savoir des appels d'offres concurrentiels, contrats, invitations à soumissionner) qui apportent de nouveaux financements à l'Organisation et soient en accord avec le mandat de l'AIBT, le Plan d'action stratégique, le Programme de travail biennal, l'ensemble des règlements de l'Organisation et prennent en compte les projets de l'OIBT en attente d'un financement;
10. Instaurer, dans le cadre de la nouvelle architecture de financement, une «boucle virtuelle de rétroaction éclairée» et prier le Directeur exécutif d'informer les membres avant de conclure tout accord, de préférence au moins un (1) mois à l'avance, si possible. Les membres auront la possibilité de donner leur avis sur l'accord. Le Directeur exécutif fondera sa décision de procéder ou non à l'accord sur la base des retours reçus de la part des membres;
11. Autoriser le Directeur exécutif à engager un, ou des consultants, chargé(s) d'apporter un appui spécifique ciblé se rapportant aux efforts de levée de fonds, selon les besoins du Secrétariat;
12. Autoriser le Directeur exécutif à rechercher des contributions volontaires pour l'exécution de la disposition indiquée au paragraphe 11, et si aucune n'est obtenue, à utiliser des fonds de la Réserve de fonds de roulement pour un montant maximal de 100000,00 \$EU pour sa mise en œuvre;

Cycle des projets rationalisé

13. Prier le Secrétariat de mettre au point un modèle de note conceptuelle et de le mettre en ligne sur le site web de l'OIBT à l'usage des membres lorsqu'ils répondent à des appels à soumissions;
14. Prier le Secrétariat de lancer un appel à soumettre des notes conceptuelles selon la nécessité, en précisant la priorité géographique et thématique, afin d'aider à éclairer et à faciliter la réponse aux potentielles sources/opportunités de financement que le Secrétariat recherche. Les membres sont encouragés à également soumettre des propositions de niveau régional;
15. Prier le Directeur exécutif de réunir au cours du premier trimestre de 2020 un groupe de travail spécial composé de trois (3) experts désignés par les membres consommateurs, de trois (3) experts désignés par les membres producteurs et d'un (1) représentant chacun du Groupe consultatif de la société civile (GCSC) et du Groupe consultatif sur le commerce (TAG) afin d'entreprendre les tâches suivantes:
 - a) En prenant en considération le projet de document pour discussion «La nouvelle démarche programmatique et les quatre nouveaux axes programmatiques» que le Directeur exécutif a présenté, préparer de brèves descriptions de chaque axe programmatique et y associer trois à quatre objectifs chacun, qui seront présentées au Conseil à sa cinquante-sixième session;
 - b) Affiner davantage les éléments d'un processus de cycle des projets rationalisé tel que contenu dans le rapport du Groupe de travail spécial sur l'infrastructure de financement et les stratégies de levée de fonds [document(LV)/10], en prenant en compte le rapport qui servira de base à la discussion et le besoin de maintenir une fonction d'examen au sein du cycle de projets rationalisé;
 - c) Examiner le modèle de note conceptuelle de projet qui sera élaboré par le Secrétariat.
 - d) Préparer un rapport sur ses travaux qui sera présenté au Conseil à sa cinquante-sixième session;
16. Instaurer un comité consultatif composé du GCNO complété par des représentants du TAG et du GCSC, ou leurs remplaçants désignés, qui se réunira par téléconférence tous les quatre mois afin de recevoir un compte rendu sur la mise en œuvre pilote de la démarche programmatique, y compris sur l'interaction avec des organismes internationaux tels que les partenaires potentiels de financement, et de conseiller le Directeur exécutif;
17. Prier le Directeur exécutif de faire le point sur les avancées/réalisations de la mise en œuvre de la présente Décision, y compris une évaluation de son potentiel en matière de levée de fonds, à la cinquante-sixième session du CIBT.

* * *

ANNEXE II

Summary notes of the Working Group's Conference Calls

First meeting of the Ad hoc Working Group on Implementing ITTO's New Financing Architecture – Phase 1

Held via Skype, Tuesday, 8 September 2020

Introduction

1. Pursuant to Decision 8(LV), the Working Group established to identify and discuss measures to improve the efficiency of the organization of work and to prepare a report with recommendations for further deliberations by the Council at its Fifty-sixth Session, convened its meeting virtually on Tuesday, 8 September 2020 from 8:00 p.m. (Japan Standard Time). The Working Group comprised three representatives from producer members, three representatives from consumer members, one representative each from Civil Society Advisory Group (CSAG) and Trade Advisory Group (TAG), assisted by Dr. Gerhard Dieterle, Executive Director, together with members of the Secretariat. The list of the Members of the Working Group is as follows.

Ad Hoc Working Group

1. Mr. Barney Chan (BC), TAG
2. Ms. Jennifer Conje (JC), USA
3. Mr. Nurudeen Idrissu (NI), Ghana
4. Mr. John James Leigh (JL), Peru
5. Ms. Yoshiko Motoyama (YM), Japan
(Mr. Taku Sakaguchi, MoFA, and Mr. Rikiya Konishi (RK), Forestry Agency, also participated)
6. Ms. Daniele Ramiarmanana (DR), CSAG
7. Mr. Zahrul Muttaquin (ZM), Indonesia
8. Ms. Argyro Zerva (AZ), EU

ITTO Secretariat

1. Mr. Gerhard Dieterle (GD), Executive Director
 2. Ms. Sheam Satkuru (SS), Director, Operations
 3. Mr. Steve Johnson (SJ), Director, Trade & Industry
 4. Mr. Osamu Hashiramoto (OH), Director, Forest Management
 5. Mr. Gerhard Breulmann (GB), Planning, Monitoring & Evaluation Officer
 6. Mr. Simon Kawaguchi (SK), Finance/Administrative Officer
 7. Secretarial Support Ms. Naho Tamura & Ms. Maiko Suzuki
2. The Executive Director (ED) briefed the Working Group on its mandate as stipulated under Decision 8(LV) paragraph 15 as follows:
 - (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; and
 - (d) Produce a report of its work to be presented to Council at its Fifty-sixth Session.

3. The ED also referred to Decision 5(LIV) which outlined the background of the Working Group (AHWG). During the past months after the 55th Session of the Council, the Secretariat had worked on the implementation of these two Decisions with a modified approach. An advisory board was established as mandated under Decision 8(LV) paragraph 16. Additionally, Secretariat also established a feedback process earlier this year seeking inputs, views, guidance and suggestions, from Members and CSAG/TAG on five different questions as it was deemed important for the tasks of this AHWG. This delayed the start of the Working Group, together with the COVID pandemic, to convene a meeting. The Secretariat received valuable comments from partners and members during this period. Also during this period, the Secretariat took the initiative to submit a proposal to EU whilst receiving funding from Japan's emergency fund on a Forest Fire Project and a pilot amount from the Buddhist Organization Soka Gakkai for Empowerment of women in Togo. The Secretariat in close collaboration with potential beneficiary countries submitted two substantial proposals under a call for proposals by the German federal Ministry of the Environment (BMU-IKI Program) for Western Africa (€16 million) and Indonesia (€14 million).
4. Following the guidance of the Decision 8(LV) paragraph 16 Advisory Board (AB) 1st meeting held in April 2020, the Secretariat presented a summary matrix from all the comments received from the Producer/Consumer Members, CSAG, TAG and other stakeholders. The Secretariat further prepared a draft Concept Note template (CN), plus a CN review scheme with a table showing the stages in the review process and the processing scheme of those CNs. Slides were shared with the AHWG, showing the current financing architecture, which is very complex, and a streamlined project cycle, which should be a simple structure for the future. The ED stated that in line with Decision 8(LV), the Programmatic Approach and the four proposed Program Lines as presented in the Secretariat's non-paper are to be piloted until 2022 and forms the basis for discussion in the AHWG. The ED concluded his opening remarks stating that the product which the AHWG should have at the end of the day is something which the Council can agree upon as the basic background note for the financial architecture for the future.

Election of Chairperson

5. The AHWG elected Ms. Jennifer Conje (U.S.A.) and Mr. John Leigh (Peru) as Co-chairs of the AHWG.

Adoption of Agenda

6. The AHWG considered the following agenda for discussion:
 - A. Secretariat to briefly outline tasks under Decision 8(LV) para 15 & deadlines
 - B. Discussions on any questions submitted/clarifications sought by AHWG
 - C. Discussion between AHWG on tasks/divisions of tasks
 - D. Other Matters & Date of 2nd Virtual AHWG Conference Call
7. The Co-chair (JC) suggested that the AHWG prioritises items b), c) and d) as specified under Decision 8(LV) paragraph 15 in order to make progress on the streamlined project cycle since there had already been considerable discussions on item a) under the same paragraph in the past AHWGs in 2018 and 2019. The AHWG agreed to this approach.

Presentation by the Secretariat

8. The Secretariat introduced the table titled "Draft Concept Note Review/Processing Scheme":
 - The table is divided in three columns and three stages.
 - This matrix was prepared based on previous discussions and the decisions taken then.
 - The following points on a streamlined project cycle in the CN template and processes were noted:
 - a. First step would be for the secretariat to identify any potential funding source or geographic focus.
 - b. A call was supposed to have been issued for CNs by the secretariat this year but has unfortunately been delayed for several reasons, mainly due to the COVID-19 pandemic).
 - c. The call for CNs would have a deadline as the Regular Project Cycle (RPC) did.
 - d. CNs would need to be endorsed by official focal points.

- e. The number of CNs that can be submitted per member country should be limited, but the number is yet to be decided by the AHWG.
- f. CNs should follow the required format.
- g. The Secretariat (Technical Divisions) will screen the CNs for compliance with ITTO's mandate, otherwise they will be returned to the focal point.
- h. CNs that pass the screening will be uploaded on ITTO's CN database so that interested parties can review.
- i. In parallel to this procedure, the Secretariat will continue to identify possible donors' funding preferences and get in touch with Executing Agencies/focal points of the CNs.
- j. (Once the CNs receive interest from donors) CNs will be further developed into full project proposals.
- k. Secretariat wish to continue with the RPC as a distinct element of the Programmatic Approach which simultaneously offers more flexibility to tap into all available or prospective funding sources.
- l. While there should be more flexibility for CNs, they will still need to be compliant with ITTO's various guidelines such as Gender, Monitoring, Auditing, etc.
- m. The AHWG would need to discuss how to deal with different formats/structures of technical review of full proposals developed from CNs, as well as how to fit the current ITTO rules such as the Sunset clause, and the various guidelines.
- n. The funding flowchart sent to the AHWG is to demonstrate possible scenarios, processes and matching efforts between donor priorities and members.

Discussion

9. Following the presentation by the Secretariat on the draft CN review/processing scheme, the Co-chair (JL) opened the floor for comments and questions. The main points raised during the discussion are as follows:

Representative of Ghana

- What is the incentive for producer countries to support the new PA? The new PA does not ensure that funding may be secured even after a full project proposal is developed. How will it be different from the RPC in terms of ensuring funding?
- Referred to the previous year's WG discussion on the the merits of hiring a marketing/fundraising member of staff and whether there would be any further consideration on this.

Representative of Japan (MOFA)

- On the PPT on the future funding situation of the Organization, requested clarification on why there is a dotted line that goes from Earmarked Voluntary Contributions to the Administrative Budget.
- Requested clarification on the flexibility of the framework in terms of how to deal with emergency type special funds that become available quickly and that need to respond quickly; how to accommodate that sort of funding, which tends to increase in times like this where long-term visibility in terms of the funding landscape is very poor.
- Timing or timeline and vision for the informed feedback loop in situations where emergency type funding becomes available where the ability to respond to a funding call maybe tight and how that would affect the functioning of the informed feedback loop.

Representative of U.S.A.

- Timing of when these CN calls would actually be - are we envisioning the same twice a year cycle or is this an ongoing call as funding opportunities appear or is it a combination of both?
- In terms of the technical review of the full proposal, the initial conclusion of the last AHWG group was that maybe an Expert Panel is not needed. There was a lot of pushback on that recommendation. It seems that there is at least some desire to maintain an Expert Panel or a third party review outside of the Secretariat and outside of the donor and the project developer to ensure an independent review of the technical competence of a project. Perhaps it is necessary to re-insert the Expert Panel somewhere.
- In terms of the limitation of two concept notes. Is that per call or is that per year?

Representative of Peru

- On the diagram showing the future funding scenario of the Organization, it was noted that while the RPC has been eliminated, the BWP is still included. He pointed out that financing for both the BWP and the RPC have been dwindling so it may be necessary in the long run to review the performance of the BWP in terms of attracting funding.
- On the draft CN/review process, what is the minimum or maximum timeframe from achieving funding and starting implementation of projects/activities in the field.
- What is the maximum amount for each CN?
- How much progress has the Secretariat made in identifying potential funding sources?
- Requested clarification on the two CNs eligible per member/per cycle in the draft CN/review process.
- From the draft CN/review process, it appears that the Secretariat would be putting together regional projects. In the past, regional organizations were able to submit a regional proposal including their member countries (i.e., COMIFAC in Africa and ACTO in Latin America). How is that going to fit into Stage 1?
- Requested an update on the progress made by the Secretariat in the development of the new online CN database, which would also include all projects that are currently pending finance.
- How will the Secretariat identify and group the regional thematic concept note clusters (see red text at the bottom of Stage 1)? Stressed the importance for member countries to be able to set up their own regional proposals.
- How will the donors indicate interest in a programme line (PL) under the PA?
- It may be necessary to periodically update the PLs in accordance with donor trends.
- There should be an independent technical review of the proposals outside of the Secretariat to ensure objectivity.
- For the contractual arrangements, if a proposal is funded by several donors and each donor utilize their own agreements, how will the Secretariat put them all together into one contractual arrangement and how will it cope with the increased burden?

Representative of EU

- If a lot of funding becomes available, how would the Secretariat address the human resource needs that are associated with an increased amount of CNs that will be developed into full proposals and in meeting tight deadlines.

Representative of Japan (FA)

- Suggested for the Expert Panel to provide comments on the draft CN/review process.
- While supporting to have an ITTC decision on the CN/review process, there should be flexibility to allow each donor to decide whether to adopt the standard ITTO procedure or not in the implementation of individual donor contracts/projects especially in cases where a funding opportunity arises at a short notice.

10. Following the *tour-de-table*, the Co-chair (JL) asked the Secretariat to provide responses to the questions raised.
11. The ED requested the AHWG members to submit their comments and questions in writing to the Secretariat. He then informed the AHWG on the various types of funding calls that the Secretariat had been pursuing in line with the piloting approach endorsed under Decision 8(LV) which has proved beneficial and enhanced the learning experience within Secretariat. This included two large projects through the International Climate Initiative (IKI) under the Ministry of Environment, Government of Germany. One had narrowly defined terms that it should be a regional project or program with a maximum of four countries, focusing on landscape restoration with a link to poverty alleviation and budget of approximately €16 million. It had an extremely short submission time frame for West Africa. Cameroon, Cote d'Ivoire, Mali and Togo were included at a budget of US\$16 million, was submitted in June with the pre-selection notice to be made by November. The second was a proposal for Indonesia on land and seascapes (with a total budget of US\$30 million) under a country-specific call for proposals, a program developed using various projects pending financing. A proposal with a budget of €10 million was submitted to the European Commission for consideration as well as an US\$2.2 million forest fire project covering Indonesia and Peru, submitted in response to a 2-month time frame call for proposals from Japan. The ED stressed the importance of having a streamlined project cycle that is open and flexible to accommodate funding opportunities that emerge at short notice and allow the Organization to receive funding through various options.

12. In addition, the Secretariat provided information on the Japanese emergency fund as an example of a funding opportunity where flexibility in accommodating the funding call in a timely manner and flexibility in the contractual arrangements resulted in securing donor agreement. It was noted that as the limit of the number of CNs was under consideration, the Secretariat requested input from the AHWG on this issue. The Secretariat suggested that if the timing of the informed feedback loop established under Decision 8(LV) is not appropriate, perhaps Council should reconsider it. The Secretariat pointed out that while funding limits could be established, ITTO currently has funding limits for small projects only and not for full projects.
13. Further clarification was provided on the point raised by the representative of Japan with regards to the dotted line to the Administrative Budget in the diagram on the future funding situation of the Organization. The dotted line covers future scenarios where, for example, a member country may wish to offset Administrative Budget costs and not finance projects but this would all depend on what the scenario is like in terms of receiving assessed contributions from members. The Secretariat pointed out that the limit on the two CNs per call came from the report of the 2019 AHWG. Also, while the Secretariat had recommended considering transitioning from the normal RPC of two calls a year to one on the CN basis, whether the timing of the calls should be once a year or twice a year or a combination of the RPC and the CN is for consideration by the AHWG. On the timing of the informed feedback loop, the Secretariat had highlighted the possibility of needing to address a shorter timeframe than one month when that decision was drafted. However, the understanding was that the Secretariat would inform members as done with the FAO Education Project, which was an agreement that came in on a much shorter time-frame but the Secretariat informed the membership and went ahead with the agreement as there were no comments to the notification. It may be necessary to amend this provision in future. The need for the Expert Panel was discussed extensively at the previous AHWG and during the Expert Panel in 2019. The Secretariat was strongly supportive of maintaining the Expert Panel depending on how this CN process progressed in 12 months and to having an independent layer to avoid the Secretariat from having to take the whole responsibility in decision-making.
14. The ED responded to a comment made by the representative of Peru on the duality of the BWP and the RPC by pointing out that a consultancy undertaken in previous years showed that donors were not in favour of going through the RPC and instead put funds into the BWP which in turn channelled funds to field projects. In the future funding scenario, the BWP has been separated from field activities.
15. In response to two earlier comments on how the Secretariat will respond to different demands of donor implementation and if it will be a burden, the Secretariat informed that it had been coping in order to take advantage of whatever funding opportunities that arise but may consider hiring additional staff or consultants when funds start flowing in.
16. The Co-chair (JC) noted that the comments and questions raised to the Secretariat showed there is a need to balance concerns between being flexible to be able to take advantage of funding opportunities but also to show that ITTO has discipline in what it's accepting to undertake. Ensuring integrity in the process and consistency in how ITTO implements its activities in terms of relevance to the ITTA whilst ensuring that the contractual arrangements that ITTO enters into are within the policy boundaries agreed upon by Council so that any activity or project it undertakes adheres to the various ITTO's guidelines. In order to facilitate better understanding in the AHWG on the draft CN/review process, she requested the Secretariat to prepare several flowcharts for the next AHWG discussion, sketching out several different scenarios based on how funds come in, so that members can really understand how this concept works with each of those different scenarios as well as when a CN is required or not required. .
17. The representative of Japan highlighted the need to ensure that the CFA is involved in matters related to the Administrative Budget.
18. The representative of Ghana noted that his comment and question had not been addressed and requested clarification on the fate of a full proposal, developed through the CN/review process and at stage 3, that is not funded and if such a proposal could be resubmitted in a different cycle.
19. The Secretariat pointed out the difficulty in providing an answer to such questions as this is work in progress and the AHWG is trying to define it as we go along. It was noted that the issue of the validity

period of a project would need to be included in the new streamlined project cycle. The Secretariat reiterated the importance of having a balance between flexibility and rigor, which had been pointed out by the representative U.S.A., in order for the Secretariat and the Organization to be able to access all the different potential streams of funding available.

20. The Co-chair (JL) commented that the discussion on flexibility also needs to be looked at in terms of achieving the ITTA objectives and satisfying members' priorities and needs so the flexibility has to be broad, both from the financing side and from the implementing side.
21. During the consultations to explore possible dates for future meetings of the working group, the representative of Japan inquired if ITTO would like to put forward its priorities before the resource mobilization meetings with CBD scheduled to be held on Wednesday, 16 September 2020. The Co-chair (JC) requested the representative of Japan to provide a brief explanation on ITTO's role in the resource mobilization meeting to assist in deciding if it was necessary to be involved. The representative of Japan informed that many non-accredited biodiversity related organizations submit their funding priorities through the CBD Secretariat which uses GEF as its funding mechanism and suggested that ITTO could consider how its four programmatic lines could feed in through the resource mobilization meetings. The Secretariat provided an update of its work with CBD and reminded the Working Group that matters relating to the GEF and the CBD MOU fall under the other paragraphs of Decision 8(LV), which were not part of the mandate of this AHWG and more under the purview of the Decision 8(LV) para 16 Advisory Board. Secretariat would appreciate receiving assistance from member countries that are active in the GEF and GCF to align their national priorities with ITTO's while simultaneously conveying ITTO's priorities into the GEF through partner organizations.

Conclusion

22. The Secretariat reminded the AHWG members to send their questions and comments in writing (by e-mail) by Wednesday, 9 September 2020 to allow the Secretariat to compile an excel sheet with the questions and responses which would be made available for the AHWG before their next meeting. In addition, the Secretariat requested the AHWG members to send in their availability within the next two weeks up to 23 September in order to schedule subsequent meetings..
23. The AHWG decided to meet again on Monday, 10 September 2020 from 08:00 to 10:00 p.m. (JST) to continue their work.
24. The meeting was adjourned at 10:13 p.m.(JST). .

**Second meeting of the
Ad hoc Working Group on Implementing ITTO's New Financing Architecture – Phase 1**

Held via Skype, Monday, 14 September 2020

1. The Ad hoc on Implementing ITTO's New Financing Architecture – Phase 1 (AHWG) convened its second meeting virtually on Monday, 14 September 2020 from 8:00 p.m. (Japan Standard Time). The AHWG noted the absence of Mr. Nurudeen Idrissu (Ghana), Ms. Daniele Ramiamanana (CSAG) and Mr. Zahrul Muttaquin (Indonesia) and the list of participants for this meeting was as follows.

AHWG

1. Mr. Barney Chan (BC), TAG
2. Ms. Jennifer Conje (JC), USA
3. Mr. John James Leigh (JL), Peru
4. Ms. Yoshiko Motoyama (YM), Japan
(Mr. Taku Sakaguchi, MoFA, Mr. Rikiya Konishi (RK) and Ms. Akiko Tabata, Forestry Agency, also participated)
5. Ms. Argyro Zerva (AZ), EU

ITTO Secretariat

1. Mr. Gerhard Dieterle (GD), Executive Director
 2. Ms. Sheam Satkuru (SS), Director, Operations
 3. Mr. Steve Johnson (SJ), Director, Trade & Industry
 4. Mr. Osamu Hashimoto (OH), Director, Forest Management
 5. Mr. Gerhard Breulmann (GB), Planning, Monitoring & Evaluation Officer
 6. Mr. Simon Kawaguchi (SK), Finance/Administrative Officer
 7. Secretarial Support Ms. Naho Tamura
2. The Co-chair (JC) suggested that the AHWG begin its work with a brief presentation from the Secretariat on the slides showing the different possible scenarios for calls of concept notes (CN) under the programmatic approach (PA) followed by discussion and consideration of the draft CN template prepared by the Secretariat.
 3. The Secretariat introduced the four slides showing the different funding scenarios of the PA as follows: (1) targeted call for concept notes when a thematic or regional funding opportunity is identified; (2) when urgent funding opportunities arise; (3) funding opportunity where request to sign a funding agreement emerge; and (4) scenario based on the Regular Project Cycle (RPC) and a periodic call for CNs.
 4. An extensive discussion ensued in the AHWG following the presentation by the Secretariat where the AHWG made the following suggestions to improve clarity:
 - On all slides, change the title to financing approach number 1 (2, 3, 4) under PA or financing scenario number 1 (2, 3, 4) under the PA or scenario approach number 1 (2, 3, 4) underneath the PA xx because the current title is confusing and it may be associated with the programmatic lines (PL) 1, 2, 3, 4.
 - Underneath PA 1, a description on what triggers the thematic call needs to be included in the first textbox (Targeted (thematic, regional) Call for CNs as needed). This could be the willingness of a potential donor to provide funding (earmarked or unearmarked) or to respond to a call for proposals (i.e. International development funding).
 - The second box in terms of the launch for the CNs - there needs to be more detail on the launch call for CNs to clearly distinguish it from scenario/financing approach four.
 - Some indication of what the review process would be for each of the difference scenarios is to be included in each of the slides.
 - In approach 2 and 3, there needs to be some indication of how the existing CNs in the database do or do not play a role in each of these approaches. In addition to what has been indicated by

the donor, the Producer needs taken into consideration need to be reflected underneath these two approaches.

- The review function of the Expert Panel (EP) needs to be clarified on whether it is involved or not
 - The need for flexibility of the sunset provision was raised by the Co-chair (JL). The Co-chair (JC) suggested that the current sunset provisions should be maintained in order to assure some discipline in terms of the size of the database and the project's relevancy. Countries can always resubmit a sunset proposal that is adapted/revised to current circumstances.
5. The representative of EU noted that the discussion mainly focussed on individual projects even though the Secretariat had referred to funding scenarios for regional or thematic projects and suggested consideration of whether to prioritize and specify that proposals where more than one country are involved would be given a priority over the individual projects in order to attract more funding and have a larger impact. The ED recommended not specifying prioritization of certain category of funding scenarios at this stage. The representative of Japan supported allowing for all kinds of possibilities of funding in light of the fragility of the financial environment post-COVID.
 6. The AHWG also discussed ways in which a third-party review could be integrated before a funding agreement is signed. Secretariat noted that in cases of urgent funding scenarios, it may not be possible to integrate a review. Any independent review would need to be adaptable and tailored depending on the funding scenario. The AHWG considered the possibility of a virtual review of the proposal by the EP as needed prior to entering the virtual informed feedback loop. The Secretariat commented that having a virtual review process could be considered but would not be possible in all cases and it would need to be included inside the textbox on development and review of full proposal. The Co-chair (JC) suggested that the Secretariat propose different options on the third party review for consideration and discussion by the AHWG.
 7. The Co-chair (JC) further suggested that the AHWG could consider the refined funding scenarios taking into account comments made at their next meeting and requested AHWG members that have any further elements for inclusion in the refined slides to submit those comments to the Secretariat with a copy to all AHWG members for transparency.
 8. The Co-chair (JC) proposed to move to the consideration of the draft CN and requested the Secretariat to display it on the screen. The Secretariat requested to provide clarification on the desirability of an online submission system due to practical and managerial reasons and also to meet compliance requirements. The Co-Chair (JL) pointed out that many places in the Amazon and Africa may not have access to online systems and would therefore need to enter the information into a word file, send it to their contact points who in turn would enter the information into the online submission system which could limit Producers and grassroots organizations from submitting concept notes. The Secretariat informed that the online submission system would be very simple. The ED stressed the importance of the CN in ensuring equality amongst proponents and the accessibility of the online system in facilitating entries by the proponents. At the end of this discussion, the Co-Chair (JC) requested the Secretariat to revise the draft CN taking into account comments sent by AHWG members for the AHWG's consideration at its next meeting with the aim of finalising the draft CN.
 9. The AHWG also considered the number of CNs that each member could submit per call and decided to insert wording in the financing scenario approach 1 that depending on the funding opportunity, the number of CNs and regional specificity would be determined. For the RPC, the AHWG would urge member countries to limit at least national projects to two CNs. For regional and bi-regional projects, the CN limit would be left open.
 10. The representative of EU requested the ITTO Secretariat to send the revised documents in advance to allow AHWG members time to review these documents. The Secretariat informed that efforts will be made to circulate revised documents by close of business on Tuesday or by noon on Wednesday and a poll to determine possible dates for the next meeting would also be sent.
 11. The AHWG decided to meet on Friday, 18 September 2020 from 07:30 to 9:30 p.m. (JST) to continue their work.
 12. The Co-chair (JC) proposed to the AHWG that the two Co-chairs work together to introduce some initial draft discussion points on the objectives of the PA for the meeting on Friday or at the following meeting.

13. The Co-chair (JL) requested those AHWG members that have any additional comments to send them to the Secretariat as soon as possible to allow the updated documents to be sent out 24 hours before the next meeting.
14. The meeting was adjourned at 9:55 p.m. (JST).

**Third meeting of the
Ad hoc Working Group on Implementing ITTO's New Financing Architecture – Phase 1**

Held via Skype, Friday, 18 September 2020

1. The Ad hoc Working Group (AHWG) on Implementing ITTO's New Financing Architecture – Phase 1 convened its third meeting virtually on Friday, 18 September 2020 from 7:30 p.m. (Japan Standard Time). The AHWG noted the absence of Mr. Zahrul Muttaqin (Indonesia) and the list of participants for this meeting was as follows.

AHWG

1. Mr. Barney Chan (BC), TAG
2. Ms. Jennifer Conje (JC), USA
3. Mr. John James Leigh (JL), Peru
4. Mr. Nurudeen Idrissu (NI), Ghana
5. Ms. Yoshiko Motoyama (YM), Japan
(Mr. Taku Sakaguchi, MoFA, Mr. Rikiya Konishi (RK) and Ms. Akiko Tabata, Forestry Agency, also participated)
6. Ms. Daniele Ramiaramananana (DR), CSAG
7. Ms. Argyro Zerva (AZ), EU

ITTO Secretariat

1. Mr. Gerhard Dieterle (GD), Executive Director
2. Ms. Sheam Satkuru (SS), Director, Operations
3. Mr. Steve Johnson (SJ), Director, Trade & Industry
4. Mr. Osamu Hashimoto (OH), Director, Forest Management
5. Mr. Gerhard Breulmann (GB), Planning, Monitoring & Evaluation Officer
6. Mr. Simon Kawaguchi (SK), Finance/Administrative Officer
7. Secretarial Support Ms. Naho Tamura and Ms. Maiko Suzuki

2. The Co-chairs proposed that the AHWG discuss the following agenda items circulated by the Co-chairs prior to the meeting:
 - Discussion and finalization of the project concept note (CN);
 - Review and discussion on the updated financing scenarios provided by the Secretariat with comments received at the last call; and
 - Exchange of views on the programmatic lines objectives, using the Co-chairs' paper (circulated prior) as the basis for discussion.
3. The Secretariat shared the updated draft CN, having incorporated the various comments made by the members of the AHWG. The Co-chairs took the AHWG through each comment with the aim of either further revision and/or finalization of the document. The representative of Japan (YM) had suggested that an Executive Summary outlining the proposed project, project backgrounds, objectives, planned activities, outputs and key features of the project be added in 200-250 words. As Section 1.6 "Background & Problem Statement (max. 1000 characters)" will cover the same nature and is more or less the same length, the AHWG agreed that Section 1.6 is retained as it is.
4. The representative of Japan (RK) requested to insert "and project types" after the title of Section 1.5 so that it reads "1.5. Programme Line Focus and Project Types". The rationale of this request was that donors often have certain preferences or conditions for selecting projects that can be funded, and it would be necessary to make it clear which type of project the CN is for. Hence, it was suggested to include a list of pre-defined project types with tick boxes. The Co-chair (JC) suggested that the Secretariat identifies the appropriate project types with the provision to be able to tick multiple boxes since projects usually link to several objectives, such as capacity building and community-based research activities. The Executive Director (ED) proposed that in the case of multiple ticks, they are prioritised among the project types; this information should be accessible in the database so that the project type and corresponding funding received will be visible. The AHWG generally agreed to this approach.

5. The Co-chair (JL) noted that Sections 4.4 “Key Activities” and 4.5 “Expected outcomes and impacts, including innovation/transformation” will require a lot of text, mainly illustrating the project objectives and types but it should not duplicate Section 1.5. The Co-chair (JC) reaffirmed that the tick boxes in Section 1.5 would serve to give a quick snapshot of the project.
6. The representative of the EU (AZ) suggested that Section 1.2 should be “Submitting countries” instead of “country” in case it is a joint submission. Also, it would be also good to add to Section 1.3 “Intended Project Duration (in months) on country/ies/regions/areas that will benefit from the project”. The AHWG unanimously agreed to this edit.
7. The representative of Japan (RK) proposed to add under Section 2.1 “Mandate of the Executing Agency (EA)” and “Implementation Capacity” (outline of the existing human resources planned to be allocated to the proposed project and their roles). This was with a view to enable donors to identify whether the mandate of the organization/EA is relevant, the adequacy of its capacity, network, etc. and to justify that the EA is able to implement the project. The ED suggested pasting the link of the EA’s website (as Secretariat had suggested), showing their mandate and description of their organization in order to avoid the text to be too lengthy. Japan agreed to this and notes that this information could be attached as an annex to the CN and it does not have to be on the front page. The Co-chair (JL) also suggested that tick boxes could be added to this Section as well, to identify the type of the EA (NGO, Government agency, Environmental agency, etc.). The Secretariat will prepare a list of such categories in the next revision. The Co-chair (JC) noted that under proponent information “relevant experience of the executing agency” is to be described in maximum 500 characters and asked the Secretariat whether that would suffice. The Secretariat deemed the length to be appropriate.
8. The representative of Ghana (NI) enquired whether an environmental screening process or a checklist for environmental risk assessment could be introduced in the CN. The Secretariat, joined by the Co-chair (JC), noted that compliance to environmental/social guidelines would be incorporated when the CN is developed into a full project proposal. The aim of a CN is to be very brief, making it difficult to include such screening process at this stage. While the representative of Ghana agreed to this point, he raised this issue to avoid the possibility of CNs being turned down after a donor expresses interest due to the environmental/social compliance not being met.
9. The representative of Japan inquired on the relevance of Section 3.4 “Relevance to climate change mitigation/adaptation” as climate change was not a mandate of the ITTA. If this was to be included, it can be included under other global agenda in 3.3 above. The representative of Japan noted that such insertions could arguably call for many other environmental issues like biodiversity, disaster prevention, etc to be listed, that would make the list very long. The ED and the Co-chair (JL) agreed that, while climate change is an important global issue, it is one among the various SDGs and it should not necessarily be highlighted here. The AHWG agreed to remove Section 3.4.
10. The Co-chair (JL) suggested to include a self-evaluation checklist under Section 4 for the EAs on whether they complied with the SCR or not. It would have to be evaluated by an independent body as a later stage, such as the Expert Panel or the Secretariat, but it would also be very good for the focal point to know if the EA actually complies with the SCR standards. The representative of Madagascar (DR) commented that this checklist would fit better under Section 4. The Co-chair (JC) requested the Secretariat to prepare a checklist under this Section in the next revision of the CN.
11. The Co-chair (JL) noted that the length limit of maximum 2 pages may not be enough to cover all the contents required in the CN. The Secretariat informed the AHWG that they are working with the developers on the technical side of the CN format and will try to accommodate the length that is deemed appropriate. The Co-chair (JL) agreed that we could improve this issue over time.
12. The Co-chair (JC) commented that Section 4.1 “Objectives and impact indicators” should be changed to “Objectives” and then have “Impact indicators” in 4.5 “Expected outcomes and impacts, including innovation/transformation” as it fits better. The AHWG agreed to make this edit.
13. The AHWG agreed to delete Section 4.7 “Strategic approach” as it seemed unnecessary.

14. Several members of the AHWG questioned whether the CNs require endorsement of the government. The Secretariat informed the members that the CNs would need to be endorsed by the government as standard practice for all other ITTO projects in the past. It is also necessary to go through the focal point to keep control of the number of CNs submitted per country. However, in submitting the CNs online, the system should be developed to enable the focal point to press the final button in the submission to ITTO (being password protected etc). This would ensure that all CNs are endorsed by the government regardless of who completed the CN form. The Co-chair (JC) requested the Secretariat to seriously consider the mechanism of controlling or actually getting the approval of the focal point before the project CN is completed. This would ensure securing the focal point's approval before CNs are filled out. The representative of Ghana (NI) noted obtaining the government's endorsement will increase the motivation for members to pay their Assessed Contribution to ITTO in a timely manner to ensure their CNs are eligible for funding. The comment was well noted by the AHWG.
15. The ED stated that the AHWG that the majority of ITTO projects and activities funded in the past were focused on forest management, silviculture and those very close to the affiliation of the focal points, lacking initiatives from the private or trade sector. While agreeing that the endorsement by the government is important, the tendency is for projects or activities being proposed in line with the interest of the focal points. The Co-chair (JC) agreed that particularly the industry side of proposals was lacking, but perhaps this issue would be resolved at a specific call for the LSSC programmatic line, attracting more CNs coming from the forest industry. She noted this situation existing since the Regular Project Cycle being the mainstream of ITTO project funding. It involves very complex political internal matters which may not be suitable to deal with through the CNs, but it should continue to be raised in Council and to be further discussed among Members.
16. The CSAG representative proposed including monitoring, evaluation and a reporting plan under section 4 of the CN. The Secretariat informed that the monitoring, evaluation, reporting and financial accounting should be included in the full proposal. Also, since the amount of funding available and the duration of the CN is uncertain where the purpose of the CN is only to provide basic information, the Secretariat strongly suggests including the monitoring, reporting and financial accounting in the full proposal and not in the CN. The Co-chair (JL) also suggested to follow the procedures established under the ITTO Manual for Project Formulation and ITTO Manual for Project Monitoring, Review, Reporting and Evaluation, which outline the procedures for monitoring, reporting and evaluation, and concluded that it would not be necessary to include monitoring, reporting and financial accounting in the CN.
17. The Co-chair (JC) noted that the Secretariat and Co-chair's (JL) responses also addressed Japan's comment under section 5 of the CN to include an explanation of the financing plan for key activities, which will be built into the full proposal instead of the CN when there is donor interest to develop a full proposal.
18. The representative of Ghana pointed out that while the Secretariat had informed earlier that the textbox field limits need to be adjusted by Secretariat, particularly for section 4 of the CN, noting that a maximum of two pages may not suffice. The AHWG agreed that Secretariat will address the balance between sections.
19. In concluding the discussion on the CN, the Co-chair (JC) noted that the only issue remaining is the availability or accessibility to fill out the CN in the online database and how that will coincide with the focal point's approval. The Secretariat was tasked to come up with recommendations on how that part of the process could be controlled/resolved for consideration by the AHWG at its next meeting
20. The Secretariat introduced the updated slides showing the four different funding scenarios of the PA and highlighted the changes made after the last meeting. The AHWG made the following comments and suggestions to further improve clarity:
 - Under Financing Scenario 1, in response to a comment by the Co-Chair (JLL) on the donor matchmaking and recipient feedback loop, it was not clear to him whether the Secretariat would be formulating proposals. If so, it may become necessary to seek the assistance of consultants to cope with the increased workload. The ED suggested amending the textbox on "Development and review of full proposal based on ITTO objectives and frameworks" to "Coordinate the

development and review of full proposal based on ITTO objectives and frameworks” to better portray the situation.

- The Co-chair (JC) noted that the major difference between funding scenario one and funding scenario two is the amount of time available to launch a call for CNs (or not, as the case may be) and the (uncertain) time available for the virtual informed feedback loop under each funding scenario.
 - In Financing Scenario 2, the ED suggested to realign the text box “Concept notes/ proposals in the donor/project matching database are referred to (including CN from Regular Project Cycle)”. In addition, the representative of Japan suggested to modify the text to “existing CNs and proposals already cleared or already cleared CNs”.
 - Under Financing Scenario 2, the representative of Japan suggested setting a minimum number of days required for the virtual informed feedback loop. Secretariat suggested a minimum of a week. The AHWG agreed to the following amendment: “period could be less than one month but at least one week”. The same amendment will apply to the Virtual Informed Feedback Loop under Financing Scenario 3.
 - Under Financing Scenario 3, the Co-chair (JC) suggested to change the text in the green box “Urgent funding opportunity (request for funding agreement)” to “Funding agreements signed up front” or a similar title to show that the funding agreement is signed before the proposal with detailed activities is presented to the donor and clearly differentiate between Financing scenario 1 where a funding opportunity is identified and there is no funding agreement in place but a call for proposals is launched in order to potentially apply for identified funds.
 - The Co-chair (JL) and the representative of Japan requested for an example of Financing Scenario 3. The Secretariat informed that a past funding agreement with emergency funds provided by the Japanese Forestry Agency to produce country profiles under the Clean Wood Act for inclusion in the Clean Wood Navi could be considered an example. The Secretariat further informed that the funding agreement was signed and ITTO carried out work on activities similar to those undertaken previously in ITTO projects but in countries that were not covered at that time.
 - In Financing Scenario 4, the Co-chair (JC) suggested including a timeline for the call for project proposals that could be considered for funding by donors during the Council Session.
21. In considering Financing Scenario 2, the representative of EU referred to the textbox “Concept notes/proposals in the donor/project matching database are referred to (including CN from Regular Project Cycle)” and inquired if the CNs contained therein would have already been reviewed for conformity. The Co-chair (JC) commented that while Financing Scenario 1 does not have a textbox like under Financing Scenario 1 that specifically states Secretariat checks conformity of CNs, according to her understanding the Secretariat would have checked conformity of all CNs and proposals that are in the matchmaking database. The Secretariat requested the AHWG to define what checking conformity of the CN would entail and suggested that it be included in the report of the AHWG. The AHWG concluded that checking for conformity means ensuring that the proponent completes all sections of the CN while conforming with the elements specified under sections three and four of the CN.
22. Following this discussion, the Co-chair (JL) commented that conformity should also be considered in terms of Council deciding on the conformity of CNs similar to Council approving projects under Decision 1. The Secretariat explained that waiting for Council endorsement under Financing Scenarios 1 and 2 may result in the loss of opportunity in optimizing on funding opportunities that appear at short notice. The Decision 1 process would be more applicable under Financing Scenario 4. The Co-chair (JC) noted that there was confusion between the matchmaking feedback loop for the development of proposals and the informed feedback loop for adding transparency and suggested changing the matchmaking feedback loop to co-development or co-development process. The Co-chair (JC) also pointed out that the virtual informed feedback loop decided upon under Decision 8(LV) on the piloting of the PA was a way to add transparency to the entire process on urgent funding scenarios, enabling members to provide feedback to the Secretariat before a funding agreement is signed, particularly in cases where the activities proposed are policy issues that may not have been agreed upon by Council. The Co-chair (JL) then suggested the possibility of having CNs for ITTO policy work and, if funding is available, the possibility of prioritizing ITTO policy work. A suggestion to include a recommendation in the AHWG report for Council to consider undertaking a review of whether the BWP should be integrated into the PA was made.

23. The Co-Chair (JL) noted under Financing Scenario 4 that the proponent could decide if they wish to submit CNs, a full project proposal or a pre-project proposal. It was further noted that while the CN is an attempt to streamline the process to avoid proponents from spending a lot of time and effort developing a full proposal before funding was identified, that should not limit proponents that already have proposals prepared or are willing to develop proposals for submission from doing so. The AHWG noted that while Financing Scenario 4 referred to both proposals and CNs, the paths that each would go through was not clearly shown on the slide. In addition, a discussion ensued on whether it would be appropriate for the Expert Panel to appraise CNs, how the result would be communicated to the proponent and if/whether the CNs should be revised. The Secretariat commented that in the other three financing scenarios, the Secretariat was being assigned to review conformity of the CNs so unless the Expert Panel would be doing more than the review by the Secretariat under the more urgent financing scenarios, perhaps the Secretariat could also be given the authority to review the CNs and assess their conformity under Financing Scenario 4. The Co-chair (JC) noted that Financing Scenario 4 seemed to have mixed concepts and there was a general consensus amongst the AHWG that the Expert Panel does not need to review CNs. She requested the Secretariat to revise Financing Scenario 4 taking into account comments made and based on the premise that the Expert Panel only reviews proposals and not CNs. Financing Scenario 4 will be revisited at the next meeting.
24. The Co-chair (JL) requested the Secretariat to distribute past decisions on the Thematic Programmes namely Decision 8 (XLIV), Decision 9(XLIV), Decision 10(XLIV) and Decision 4(XLVIII), which in his view could be reviewed in order to develop proposals for future procedures relating to the PA/PLs.
25. The Co-chair (JC) requested AHWG members who have any specific comments to be taken into consideration in revising the funding scenarios slides for the next AHWG meeting to send them by e-mail to the Secretariat. In addition, she requested AHWG members to send their comments on the Co-chair's Discussion Paper on Programmatic Line Objectives.
26. The Co-chair (JC) noted that at their next meeting, the AHWG needs to address whether or not to go for annual calls versus biannual calls for CNs and proposals; whether or not there needs to be an assessment of CNs and by whom; whether or not the Expert Panel needs to be determined based on the number of proposals. Secretariat was requested to suggest appropriate timelines on the submissions of CNs to a call for individual funding of proposals or development of proposals.
27. The AHWG decided to meet on Thursday, 24 September 2020 from 07:30 to 9:30 p.m. (JST) to continue their work.
28. The meeting was adjourned at 9:55 p.m. (JST).

**Fourth meeting of the
Ad hoc Working Group on Implementing ITTO's New Financing Architecture – Phase 1**

Held via Skype, Thursday, 24 September 2020

1. The Ad hoc Working Group (AHWG) on Implementing ITTO's New Financing Architecture – Phase 1 convened its third meeting virtually on Thursday, 24 September 2020 from 7:30 p.m. (Japan Standard Time). The list of participants for this meeting was as follows.

AHWG

1. Mr. Barney Chan (BC), TAG
2. Ms. Jennifer Conje (JC), USA
3. Mr. John James Leigh (JL), Peru
4. Mr. Nurudeen Idrissu (NI), Ghana
5. Ms. Yoshiko Motoyama (YM), Japan
(Mr. Taku Sakaguchi, MoFA, Mr. Rikiya Konishi (RK) and Ms. Akiko Tabata, Forestry Agency, also participated)
6. Ms. Daniele Ramiamanana (DR), CSAG
7. Ms. Argyro Zerva (AZ), EU
8. Mr. Zahrul Muttaqin (Indonesia)

ITTO Secretariat

1. Mr. Gerhard Dieterle (GD), Executive Director (ED)
 2. Ms. Sheam Satkuru (SS), Director, Operations
 3. Mr. Osamu Hashimoto (OH), Director, Forest Management
 4. Mr. Gerhard Breulmann (GB), Planning, Monitoring & Evaluation Officer
 5. Mr. Simon Kawaguchi (SK), Finance/Administrative Officer
 6. Secretarial Support Ms. Maiko Suzuki and Ms. Shoko Suzuki
2. The Co-chair (JC) proposed that the AHWG proceed with the meeting in the following order:
 - Update from the secretariat on the financing scenarios revised with comments received at the last call;
 - Discussion and finalization of the project concept note (CN) and the project flows; and
 - Exchange of views on the programmatic lines (PL) objectives.
 3. The Secretariat shared the updated draft CN, having incorporated the various comments made by the members of the AHWG at the last call, especially on Scenario 4. The Co-chair (JC) enquired on the process to be used if a donor identifies a CN of interest from the new CN database that they may be interested in funding – how would the CN be developed and how to seek the Expert Panel's review. She noted that there were actually two sub-scenarios - one was in which the donor needs to commit funds under a short timeframe (falling under the urgent funding opportunity) and other where the donor prefers a review by the Expert Panel before a decision to fund is made.
 4. The Secretariat noted that in some cases donors may wish to have the full project proposal be revised even after it is approved by the Council.
 5. The Co-chair (JL) made an observation on Scenario 1. When matchmaking between donors and CNs particularly for relatively small projects of budgets around \$100,000 - \$150,000, it will still require a lot of time and effort from both donors and recipients, which may demotivate the donors from funding. The ED explained to the AHWG that the background thinking of the matchmaking idea was to combine existing concept notes to a bigger package, for which a donor might be interested in; such as the LLSE or projects with a thematic regional focus.
 6. The Co-chair (JL) suggested that the term "urgent funding" be changed to "immediate funding". The AHWG agreed.
 7. The Co-chair (JL) observed that when a funding agreement is to be signed for a package of small projects under a certain theme, there may be two different scenarios for "earmarked" and

“unearmarked” funds for the individual small projects that come into this package, as they work very differently. The Co-chair (JC) suggested adding an asterisk plus a footnote at the bottom of Scenario 3 stating “the funding agreement may be earmarked or unearmarked which may limit the regional or thematic focus as the concept note is considered.” The Secretariat edited Scenario 3 accordingly.

8. The Co-chair (JL) suggested that there should be more clarity on who the parties are in funding agreements i.e. whether between the donor and the Secretariat, or the donor and the recipient, or the Secretariat and the recipient. The Secretariat explained that Scenario 3 was to cover the situation when donors had funding ready and such funds were earmarked. Also, while the funding opportunity will come through the Secretariat, the funding agreement will be between the donor/Secretariat and the implementing agencies/recipient countries, and not between the donor and the Secretariat. In the case when the donor funds a large programme consisting of a package of projects, the funding agreement entered into upfront would be between the donor and the Secretariat. When these funds are distributed to various small projects in different countries, individual project agreements will be signed between the Secretariat and the recipients, hence there will be two layers of agreements. As the donor will enter the agreement with a clear focus on what kind of activities are to be funded, it is considered as “earmarked funds” even before allocating to certain projects. The Secretariat noted that no reference is needed on earmarked or unearmarked. Instead, another footnote would be added to Scenario 3 reflecting funding agreements and sub-funding agreements.
9. The Co-chair (JC) noted that a call for CNs may be launched for funding Scenario 3 which was missing. The Secretariat noted that necessary edits will be made to the next revision.
10. The AHWG discussed the frequency and timing of the call to be launched for CNs to ensure it is efficiently operated while maintaining the current RPC which launches at least one regular call per year. The AHWG agreed to Secretariat’s proposal that there should be one open call per year for CNs and that the RPC should be maintained for at least one year during the pilot phase and eventually shift to only the CNs. The AHWG agreed to recommend to the Council that at least one open call should be launched for CNs without funding indication from donors, and additional call(s) will be launched depending on the availability of funding. Following the proposal by the representative of Ghana (NI), it was also agreed that the open call for CNs would be held three to six months prior to the RPC call, so that the CNs that receive donors’ interest would have enough time to be developed into a full proposal to be reviewed by the Expert Panel together with RPC proposals. The Secretariat affirmed the open call for CNs would be launched soon after the Council, at the end of November or December 2020. The deadline for CNs submission would be in Q1 of 2021; the call for RPC proposals will be launched in time for the usual April deadline. All deadlines are adjustable as necessary.
11. The ED expressed his concerns on running the two mechanisms, CNs and RPC, in parallel. The idea of the CNs was to lift the burden of developing full proposals from member countries with no assurance of securing funding. Another aim of introducing CNs was to streamline the funding mechanism as the current patterns were becoming too complex. The Co-chair (JC) proposed that the presentation of Scenario 4 be redesigned to show that the RPC would be encouraged to transition to CNs, while not preventing members from submitting full proposals if they wish to do so. The ED suggested reverting to “Annual call for CNs or the RPC” and then the next box being “Members submit proposal/CNs.” Secretariat reminded the AHWG on what was reflected in the Finance AHWG Report of 2019 followed by discussions at the ITTC55, which is currently reflected in Scenario 4. The review by the Expert Panel is crucial under Scenario 4. The Secretariat will refine Slide 4 accordingly.
12. The representative of Ghana (NI) noted that a Council Decision would be needed to regulate which type of proposals would be allowed for submission, or else the transition from RPC to CNs will not be achieved. The Co-chair (JL) agreed with Secretariat’s proposal that the pilot phase should maintain flexibility, allowing members to submit full proposals under the RPC for a year or so, while assessing the viability of CNs. The representative from Ghana continued that once the testing phase is over, the CN scenarios and procedures should be streamlined once again and fine-tuned.
13. The Co-chair (JC) requested the AHWG to then move on to finalizing the project CN template. The Secretariat briefly guided the AHWG members through the following revisions made to the template based on comments raised at the last call:
 - Section 1.2: “Submitting Country” changed to “Submitting Country/ies” (comment from EU)
 - Section 1.3: Changed “Intended Project Duration (in months)” to “Country/ies/regions/areas benefitting from the project” (comment from EU)

- Section 1.4: Now reads “Endorsement from ITTO Focal Point (PDF, JPG, PNG attachment) – without endorsement the CN will not be considered” to ensure that the CN has been endorsed by the ITTO Focal Point (issue raised from various members or the AHWG)
 - Section 1.8: As requested by various members of the AHWG, the following project types have been listed with tick boxes – Capacity Building/Training, Community Field-based Project Implementation, Pilot/Demonstration Project, Research Project, Implementation of ITTO Guidelines, Workshop/Meeting/Seminar, and Others.
 - Section 1.9: As raised by various members of the AHWG, a limit of “maximum 2000 characters” has been included, which remains flexible. It was to add some adjustment to the entire length of the CN. The basis of 2000 characters was that it would equal to approximately 20 lines or one-third of a page, which seemed appropriate for this section.
 - Section 2.2: As requested by various members of the AHWG, this subsection was newly added to identify the type of the proponent organization. The following organization types have been listed with tick boxes – Governmental Agency, NGO/NPO, University/Research Institute, International Organization, Private Sector/Industry Association, and Other, with a field on the right to describe further.
 - Section 3.3: Deleted sub-item 3.4 on “Climate Change Mitigation and Adaptation” and added “other forest related global agenda” to Section 3.3 so that it now reads “Relevance to the Sustainable Development Goals (SDGs) and the Global Forest Goals (GFGs) and other forest related global agenda (comment by Japan)
 - Section 4: The maximum character limit for each subsection has been set to 2000 characters. Subsection 4.8 “Risk mitigation measures” has been newly added by the request from various members of the AHWG, to describe potential anticipated risk identified by proponents and to explain how they would mitigate such risks.
14. The Co-chair (JL) asked why the counting is by number of characters and not by words. The Secretariat replied that it was simply for a technical reason, being the most straightforward way, to avoid manipulation of font sizes, line spacing, etc. The AHWG agreed to use the number of characters to limit the length of the CN text fields.
15. The Co-chair (JL) noted that the current CN template does not specify the project location. It could be mentioned in the context of activities, outcome and impacts, etc., but it would be better to have a subsection on the front page showing this information, perhaps combined with “intended project duration” under Section 1.5. He also suggested that the location would be easy to find if a link to Google Earth/Google Maps was pasted in the template. Following the question from the Co-chair (JC) what would happen for multiple locations such as regional workshops, or when the exact locations are not decided yet, he suggested that if already decided, multiple locations should be listed in the form. ,If not yet decided, it could be left at a description of countrywide or regionwide level. It is important to make clear the area of influence of the project, particularly when the project type is for demonstration or community involvement, and also to ensure that the activity does not take place in protected areas. The representative of the EU (AZ) as well as the Co-chair (JC) were still not sure if it was absolutely necessary to indicate the project location in a separate subsection, as it could be described in the background of the project under other subsections. After an exchange of views, the AHWG decided to modify the title of Subsection 1.3 accordingly.
16. The Co-chair (JL) observed combining Section 1.7 “Programme Line Focus” and 3.2 “Relevance to ITTO Programme Lines” if considered overlapping. The Secretariat explained that under Section 1.7 only a box would be ticked without any explanation. Meanwhile under Section 3.2 the proponents could give a more detailed explanation of its relevance to that Programme Line in a text up to 2000 characters. The Co-chair (JC) agreed that Section 3.2 might be redundant as from her experience as a member of the Expert Panel on Technical Appraisal of Project Proposals, she noticed that in most cases the section on the relevance to ITTO objectives in project proposals were quite straightforward and it was more in the background and project description where it explained the relevance of the project to ITTO objectives. The ED explained to the AHWG that Section 3.2 was put in because Programme Lines could be very broad, such as the case of LSSC, it would involve activities from silviculture to logging, transport, market, consumer preferences and so on. By including this section applicants are reminded to justify why their project concept belongs to the objective marked under Section 1.7. The Representative of the EU (AZ) supported the ED remarks. The AHWG considered whether Section 3.2 could be grouped together with Section 1.7 so that it is shown in the same place. The Secretariat explained that the description on relevance to ITTO objectives was placed under

Section 3 as the entire section focuses on relevance, while Section 1 is a cover page and hence not appropriate for a lengthy description. Noting this, the AHWG decided to leave Sections 1.7 and 3.2 as it was.

17. On the project types listed under Section 1.8, the Co-chair (JL) suggested adding three more, namely, market studies, technological innovation, and policy-related. The representative of Japan (YM) agreed, noting that it will amplify the types that were not clearly specified. The AHWG agreed that another tick box for "Others (please indicate)" will be added to the list as well. As ITTO does not carry out basic research, the ED proposed to change "Research project" to "Analytical work/studies". The Co-chair (JC) noted that the role of the AHWG is to provide the Council with a basic idea of the initial CN that will be launched, and this list of project types is sufficient for consideration and approval to enable commencing the process. It was agreed that Secretariat will make suitable and appropriate adjustments moving forward.
18. The representative of Japan (YM) observed that a control system setting the maximum limit on boxes to be ticked is recommended. For example, only one box under Section 1.7 and two-three boxes under Section 1.8. She also noted that the emphasis on weight among the boxes ticked under Sections 1.7 and 1.8 would need to be identified. The Secretariat responded that as long as there is an agreed number of ticks allowed, there could be an automatic system controlling the number of boxes ticked, and that annotations would be made to indicate the weight emphasis among selected boxes. The ED proposed that two parallel rows of tick boxes be created under these sections showing "primary" and "secondary", which would facilitate the Secretariat in collecting information when reporting in future which project type received how much funding. The AHWG decided to make such edits to Sections 1.7 and 1.8, and that only one box should be selected for each of the boxes under "primary" and "secondary"; ticking a box under "primary" would be mandatory while selecting one for "secondary" would be optional. The representative of Japan (YM) appreciated the proposal by the ED since in this way it would help donors to identify project CNs that match their funding interest.
19. The representative of the EU (AZ) commented that the term "problem statement" under Section 1.9 gives a negative impression. Since it is expected to not only identify problems but also refer to solutions, it may be better to have a summary or abstract of the project covering the background of the project, issues to be solved and ways to address them. While the Co-chair (JL) agreed to this point, he stated that it will duplicate Section 4.2 "Key problems to be addressed." The representative of Japan (YM) suggested that, since Section 4.2 was overlapping with Section 1.9, it could be streamlined by deleting either of them or fusing with Section 4.1. The Co-chair (JC) addressed the members of the AHWG that at least when donors review the CNs they would need to have enough information to make good judgement on whether they wish a full proposal to be developed with a view to funding that project, while on the other hand the CNs should be concise to lift the burden from submitting members to develop full proposals with no guarantee of receiving funding, hence needing a balance. The CN template is trying to achieve this balance by limiting the number of characters and not the depth of the contents. The representative of the EU (AZ) suggested that some points under Section 4 could be moved into the Executive Summary to streamline the CN. The AHWG discussed ways to streamline the CN without losing its essential elements, but finally agreed to keep Section 1.9 and the entire Section 4 as it was.
20. The ED suggested a minor modification that NPO might be an unclear term for some members so it would be better to replace it with CSO (Civil Society Organization), which is a common term used under the OECD. The AHWG accepted this suggestion.
21. The AHWG were generally comfortable to finalize the CN template once the developments made during this call were reflected into the next revision. As the Programme Lines are yet to be discussed, the Co-chair (JC) proposed to have a call scheduled at 19:30 JST on Wednesday, 30 September, which would be the final meeting of the AHWG. She also requested the members of the AHWG to submit their comments on the Co-Chair's Discussion paper on PL objectives that was circulated earlier, to the Secretariat by the morning of Monday, 28 September (JST), so that the Secretariat could compile the comments into one document for reference at the next call. The Secretariat will also have ready the revision of Scenario 4 and the CN template updated with the discussions held during this call.
22. The fourth meeting of the AHWG adjourned at 9:40 PM (JST).

**Fifth meeting of the
Ad hoc Working Group on Implementing ITTO's New Financing Architecture – Phase 1**

Held via Skype, Wednesday, 30 September 2020

1. The Ad hoc Working Group on Implementing ITTO's New Financing Architecture – Phase 1 (AHWG) convened its fifth meeting virtually on Wednesday, 30 September 2020 from 7:30 p.m. (Japan Standard Time). The AHWG noted the absence of Ms. Daniele Ramiamanana, CSAG.

LIST OF PARTICIPANTS:

AHWG

1. Mr. Barney Chan (BC), TAG
2. Ms. Jennifer Conje (JC), USA
3. Mr. John James Leigh (JL), Peru
4. Mr. Nurudeen Idrissu (NI), Ghana
5. Ms. Yoshiko Motoyama (YM), Japan
(Mr. Taku Sakaguchi, MoFA, and Ms. Akiko Tabata, Forestry Agency, also participated)
6. Mr. Zahrul Muttaquin (Indonesia)
7. Ms. Argyro Zerva (AZ), EU

ITTO Secretariat

1. Mr. Gerhard Dieterle (GD), Executive Director
 2. Ms. Sheam Satkuru (SS), Director, Operations
 3. Mr. Steve Johnson (SJ), Director, Trade & Industry
 4. Mr. Osamu Hashimoto (OH), Director, Forest Management
 5. Mr. Gerhard Breulmann (GB), Planning, Monitoring & Evaluation Officer
 6. Mr. Simon Kawaguchi (SK), Finance/Administrative Officer
 7. Secretarial Support Ms. Naho Tamura, Ms. Maiko Suzuki, Ms. Shoko Suzuki, Mr. Tomiji Shudo
2. The Co-chair (JC) proposed that the AHWG quickly review the updates made on the slide of Scenario 4 based on discussions held at the last meeting before finalizing the slides on the four funding scenarios. Subsequently, the objectives of the Programmatic Lines (PL) are to be discussed based on the Co-chairs' discussion paper circulated earlier (with comments received from AHWG members incorporated). The AHWG agreed to proceed as proposed.
 3. The Secretariat presented the slide on Funding Scenario 4, which is the Regular Project Cycle (RPC) under the Programmatic Approach, with the following changes made to reflect the comments made at the previous meeting of the Working Group:
 - The text in the green box at the top-left was changed from “ Annual Call for Concept Notes (Launched after Council, deadline in Q1)” to “Annual/Biannual Open Call for Concept Notes/ Full Proposals (Launched after Council with appropriate deadline)
 - In the revised slide, two separate flows were created from this green box to the right, one flow for “full proposals (transitional arrangement)” leading to an orange box titled “Expert Panel appraises Project Proposals”; and another flow for “Concept Notes (CNs)” leading to a blue box saying “Secretariat checks conformity of CNs”.
 - Full proposals that received category1 rating from the Expert Panel and subsequently approved by the Council will divert into two flows, one is “Pledges made at Council” and the other is “Not pledged at Council”. The ones pledged will flow into the red box “Agreement is signed & Project is funded”. This is the end of this flow. On the other hand, the full proposals that were not funded at Council will proceed to the blue box “Integrated into donor/project matching database (Programmatic Approach PL 1-4)” where the Secretariat will try to match-make between the donors and recipients. The flow from this point onward will be the same with the CNs registered in the donor/project matching database.
 4. The representative of Ghana (NI) suggested that there should be an arrow flowing from the small blue box “Expert Panel reviews full proposal, if required” to the box on its left side “Coordination of the development and review of full proposal by Secretariat based on ITTO objectives and framework,

- directly with target recipient". The Secretariat and the Co-chair (JC) sought ways to present the flow correctly and agreed that there should be arrows pointing both ways to and from these two boxes.
5. Regarding the box "Expert Panel reviews full proposal, if required," the representative of Japan (YM) noted that the wording "if required" is unclear so it would be better to replace with "on request." The Co-chair (JC) agreed to this change to cater for urgent financing situations, where it switches to a different scenario flowchart and the terms "on request" or "if required" would become complicated.
 6. The representative of Japan (YM) further questioned whether this Scenario was meant to cover projects of all sizes, from small-scale projects to large ones with a budget of a million dollars. She suggested that, for small projects it would not be worthwhile going through the entire processes of either (a) submitting a CN and developing it into a full proposal or (b) submitting a full proposal to be reviewed by the Expert Panel, so they could be submitted as a full proposal but go through the flow of the CNs. She also flagged that, holding Expert Panel meetings would have cost implications, so it could be worth considering having compact processes for the Expert Panel when it is only for small-scale projects, such as holding virtual sessions or on-line based reviews. To cover these situations, she suggested to replace "if required" to "on request" rather than just deleting "if required," and to keep the language simple, delete "full proposals" so it would read "Expert Panel reviews on request." The AHWG agreed to add an asterisk on "Concept Notes" in the green box at the top left saying "Annual/Biannual Open Call for Concept Notes/ Full Proposals" and insert foot note stating "Small project proposals with a budget less than \$150,000 and 24 months are to be submitted following the format in the ITTO Manual for Project Formulation."
 7. The Secretariat explained that, during the course of previous discussions, it was agreed that the Expert Panel would meet physically (at least) once a year, while the frequency may be raised in accordance with the volume of project proposals received. In addition, the timing of holding the Expert Panel would be fixed on an annual schedule, and not as and when requested. The term "on request" would mean that the Expert Panel would be requested to review selected CNs in addition to the project proposals submitted under the RPC.
 8. The representative of Japan (YM) conveyed the preference of the Forestry Agency to hold the Expert Panel virtually and not physically. The Co-chair (JC) reminded the AHWG that from the Council there were strong feelings that the function and modality of the Expert Panel should be maintained as it is, at least until the transition to the Programmatic Approach is completed. The representative of Japan (YM) noted that such discussions were held before the outbreak of COVID-19 where the situation now differs. The Co-chair (JC) and the Secretariat confirmed that they will adapt to the circumstances as they have been doing since the outbreak of COVID.
 9. The Co-chair (JL) requested the Secretariat to include in the slide the timing of the open call for CNs, that it should be scheduled 3-6 months before the Expert Panel meets to allow sufficient time for the development of full proposals if any donor expresses interest in any of the CNs submitted. The Secretariat took note of the comment and changed the text in the green box on the top left to "Annual/Biannual Open Call for Concept Notes/ Full Proposals (Launched at least 6 months before the Expert Panel) ".
 10. The EU representative (AZ) pointed out that the arrow from "Expert Panel reviews on request" to "Funding decision by donor" should be removed since the Expert Panel has no influence to or contact with the donors. She also suggested that the term "The Expert Panel reviews" should be changed to "The Expert Panel appraises" to be consistent with other sections. These changes were incorporated.
 11. The representative of Ghana (NI), from his experience as a member of the Expert Panel, emphasized that undertaking the task of reviewing project proposals in addition to normal duties is a huge sacrifice. The Co-chair (JC) added that another member of the Expert Panel had also notified of the challenges faced in reviewing project proposals remotely.
 12. The Co-chair (JL) stated the necessity of including reference to the current rules (Decision 7(XXXIII) and ITTA, 2006, Article 19, para 8) on restrictions for the submission of project proposals from members who are in arrears of their assessed contribution as stipulated under the rules. This rule should also apply to CNs to avoid some members from not paying their contributions. The Secretariat reflected this in the funding scenarios.

13. The Co-chair raised a question whether a concern raised at the Informal Advisory Group (IAG) that some member countries may not be able to pay their assessed contributions due to the COVID crisis, was to be dealt with at this AHWG. The Secretariat explained that this issue falls outside the mandate of this AHWG and will be discussed under either the Decision 8(LV) Advisory Board or Council.
14. The Co-chair (JL) enquired on how the virtual informed feedback loop would work. It would be burdensome and time consuming if the intention is to send all the proposals to the focal points for their feedback. The Secretariat explained that the virtual informed feedback loop was established under Decision 8(LV) and it is only meant for members feedback on legal agreements that are about to be entered into by the Secretariat. Members are requested to provide comments, if any, by a certain deadline. If none are received an no objection raised, the Secretariat will proceed with the agreement.
15. The EU representative (AZ) requested that changes made to the slide for Scenario 4 should also be reflected in slides for Scenario 1, 2 and 3 to be consistent.
16. The representative of Japan conveyed a request from the Japan Forestry Agency that the reviewing process of the project proposals should be structured to ensure that experts of the areas relevant to the project are involved. The Secretariat responded that relevant experts would be sought as appropriate and necessary - this will be noted in the AHWG Report.
17. The ED suggested that the appraisal of the CNs/proposals could be done by “a specialized expertise” and not necessarily by the Expert Panel. The Co-chair (JC) reminded the AHWG that during the discussions held at the last Council there was a strong desire to maintain the Expert Panel so there would be much sensitivity in touching on the role or modality of the Expert Panel. She suggested that at this point, it could be included in the Report of the AHWG that “the Secretariat, as applicable, will make calls for appropriate experts to be represented on the Panel with appropriate expertise consult outside expertise on our project.” She added that even in the absence of experts in certain fields ITTO had been operating on the ground without problem so it would be better not to be too prescriptive at this point.
18. The AHWG moved to the consideration of the Co-Chair’s Discussion Paper on Programmatic Line Objectives with the received comments from the EU and TAG incorporated. Before opening the discussion, the Co-Chair (JC) reminded the AHWG that they were not re-writing the ITTA. New concepts that are not agreed upon within the ITTA or the Strategic Action Plan should not be introduced and the PLs are to be kept concise.

**Consideration of Programmatic Line (PL) 1 Legal and Sustainable Supply Chains (LSSC) Goal:
To enhance capacity in tropical timber supply chains to meet the increasing demand for sustainability and assurance that products are from legal sources**

19. The Co-Chair (JC) opened the floor for comments on the phrasing of the PL 1 goal. The Secretariat (SS), noting that PL 1 is called Legal and Sustainable Supply Chains, suggested to amend the goal by inserting “legality and/or sustainability” and remove “and assurance that products are from legal sources”. The amended text would read “To enhance capacity in tropical timber supply chains to meet the increasing demand for legality and/or sustainability”.
20. The Co-Chair (JC) sought comments from the AHWG on the recommended wording “legality and/or sustainability”.
21. The representative of EU suggested that as the title of PL 1 is Legal and Sustainable Supply Chains, it should be “legality and sustainability” without the word “/or”.
22. The Secretariat (SS) explained that the word “and/or” was used because not all countries are at the stage or level to be able to meet the requirements for sustainability. It is to reflect the reality in the market as not all countries are demanding sustainably produced products and there are many countries that accept legality as an assurance that the products are sourced from legal sources and further explained that this was to cover producer countries’ interests in the goal.

23. The Co-Chair (JL) commented that legality does not equal sustainability and there are many countries that claim that their products are legal even it is does not come from sustainably managed sources; and supported using the word “and/or”.
24. The ED pointed out that this is a goal that we are working towards so in his view it was not necessary to include the word “or” which is a trajectory towards sustainability.
25. The EU representative (AZ) stated that while she understood the approach of the Secretariat, this PL is about legal and sustainable supply chains so the goal to be accomplished should be kept together. In addition, while she also agreed with the comment made by the Co-Chair (JL) that it can be legal but not sustainable and vice-versa, the goal of this PL should be legal and sustainable.
26. The Ghana representative (NI) pointed out that the AHWG needs to be careful in defining legality in the PL because it could be defined from a producer country’s perspective or within someone’s jurisdiction. In his view, the original text “To enhance capacity in tropical timber supply chains to achieve sustainability, provide assurance that products are from legal sources, and meet market requirements” captured the goal of PL 1 well.
27. The Co-Chair (JC) agreed with the comment by the representative of Ghana and noted that the reasoning behind the original text was because of the consternation around the term legality. By saying that products are from legal sources, the term becomes less definitive and does not leave it up to ITTO or Council to define legality as ITTO is not the ultimate determiner of legality. The Co-Chair (JC) also suggested removing the wording “and meet market requirements” and asked the AHWG for their comments on going back to the text “To enhance capacity in tropical timber supply chains to achieve sustainability, provide assurance that products are from legal sources”. The representative of Japan supported this suggestion.
28. The Co-Chair (JL) concurred with the comments made by the representative of Ghana and the Co-Chair (JC) and supported this notion. In addition, he suggested removing the legal aspects.
29. The Co-Chair (JC) pointed out that the word “legal” had to be included as it is in the PL.
30. The AHWG decided to maintain the original text “**To enhance capacity in tropical timber supply chains to meet the increasing demand for sustainability and assurance that products are from legal sources**” as the goal for PL 1.

Consideration of PL 1 Objective Promote/Strengthen networks and collaboration amongst consumers, producers, trade associations, traders, and civil society to help build legal and sustainable supply chains and increase the share of tropical timber coming from sustainably managed forests in markets

31. The Co-Chair (JC) noted the suggestions “Promote/Strengthen” and the insertion of “increase the share of tropical timber coming from sustainably managed forests in the markets” and asked the AHWG members for their comments on “Promote/Strengthen”. The Co-Chair (JC) commented that the insertion of the word promote made sense and noted that this suggestion had been made by the representative of the EU.
32. The EU representative (AZ) explained that her proposal to insert the word “Promote/” before “Strengthen” was to promote wherever these networks did not exist and ‘strengthen’ referred to existing networks - this was the reasoning behind the “ / ”.
33. The Co-Chair (JC) noted that the representative of EU meant “promote and strengthen”, to which the representative of Ghana concurred.
34. The Co-Chair (JC) suggested to amend “Promote/” to “Promote and” so the text would read “Promote and strengthen networks and collaboration amongst consumers, producers, trade associations, traders and civil society to help build legal and sustainable supply chains and increase the share of tropical timber coming from sustainably managed sources”. In considering the suggested insertion of “increase the share of tropical timber coming from sustainably managed forests in markets” and deletion of “new markets for tropical timber”, the Co-Chair (JC) commented that while she understood the rationale for share of a market, the reference to market share could be linked to preferential trade

agreements. She proposed the text “increase markets for tropical timber coming from sustainably managed forests”.

35. The Secretariat (SJ) suggested to change “increase” to “expand” and the text would read **“Promote and strengthen networks and collaboration amongst consumers, producers, trade associations, traders and civil society to help build legal and sustainable supply chains and expand markets for tropical timber coming from sustainably managed forests”**.
36. The EU representative (AZ) enquired whether expand would include increasing the presence of tropical timber in an existing market. The Co-Chair (JC) commented that it would include both new markets and within an existing market. There were no further comments so the AHWG moved to consider the next objective.
37. Later in the meeting and at the end of discussion of another objective, the AHWG returned to consider this objective based on a request made by the ED. The ED commented that this objective only refers to expanding markets so it was necessary to consider this objective again. He informed that Objective 1 of the ITTA, 2006 talks about the expansion and diversification of markets. The diversification of the market is almost as important as expansion because there are different tree species that could be promoted.
38. The Co-Chair (JC) suggested to insert the word “and diversify” and a semicolon after “chains” to read **“Promote and strengthen networks and collaboration amongst consumers, producers, trade associations, traders, and civil society to help build legal and sustainable supply chains; and expand and diversify markets for tropical timber coming from sustainably managed forests”**.

Consideration of PL 1 Objective Improve market intelligence and information sharing on the international timber market with a view to achieve greater transparency and better information on markets and market trends, including on the development of forest legality requirements in different countries

39. The representative of Japan(YM) inquired if there was a consensus to remove this bullet point which had been struck out in the document. After the Co-Chair (JC) confirmed that there was no consensus on this, the representative of Japan suggested to re-insert the objective “Improve market intelligence and information sharing on the international timber market with a view to achieve greater transparency and better information on markets and market trends, including on the development of forest legality requirements in different countries” which had been deleted because it enshrined what is in the ITTA and insert the word “and trade” after “international timber market” to make it less one-sided.
40. The Co-Chair (JC) supported this and the text reads **“Improve market intelligence and information sharing on the international timber market and trade aimed at achieving greater transparency on market information and trends, including the development of forest legality requirements in countries”**.
41. **Consideration of PL 1 Objective** Exploit the incentives of equitable markets to encourage tropical producing countries to increase efforts to address sustainability, legality and traceability with more transparent sharing of market information and intelligence
42. The representative of Ghana was not agreeable to the use of the word “exploit” and suggested “explore”, which the Secretariat (SS) concurred.
43. The representative of the EU supported this suggestion and also pointed out that it was not clear what an equitable market would be. She suggested removing “exploit the incentives of equitable markets to encourage tropical producing countries” and replacing it with “identify and promote incentives for tropical producing countries”.
44. The Co-Chair (JL) thought that the equitable market may have been included due to the price differences and to improve the pricing of timber and suggested to leave in the word “equitable”.
45. The representative of Japan (YM) suggested that this objective should not just be for tropical producing countries and suggested removing “tropical producing”.

46. The representative of the Trade Advisory Group (TAG) explained the rationale behind the use of the word “equitable market” that they had introduced, which was to use the strength of the market as an incentive to move forward.
47. The Co-Chair (JC) stressed the importance of making sure that the language introduced is in compliance with the ITTA and strategic action plan. In addition, she pointed out that the introduction of new language such as “equitable market” which does not appear in either document could be policy sensitive within Council. She also noted that pricing and price-setting are sensitive issues for many countries and there was no consensus within ITTO about a price premium on certified products. The Co-Chair (JC) indicated that the AHWG could not insert new policy into the objectives and needed to comply with the current policy of ITTO and stressed the need to find language that would achieve the goal of this PL without crossing policy lines. In order to widen the coverage from producing countries to all countries as there would be a role for both consumers and producers, the Co-Chair (JC) suggested removing “producing” and end the text at “traceability”. The text would read “Identify and promote incentives to increase efforts to address sustainability, legality and traceability”. She asked the AHWG if this sentence and the previous objective would cover transparency of market information and intelligence. The Co-Chair (JL) and the representatives of EU and Japan concurred.
48. The Co-Chair (JL) suggested to add “in tropical timber markets” at the end of the sentence to read “Identify and promote incentives for countries to increase efforts to address sustainability, legality and traceability in tropical timber markets”.
49. The Co-Chair (JC) noted that the AHWG had been requested to develop two or three bullet points for each PL and the PL currently under consideration has five bullet points. She sought comments from the AHWG if they were comfortable with proposing more bullet points than requested under the Council Decision. As there were no objections, the Co-Chair (JC) moved to consideration of the next objective.
50. Later in the meeting, the Co-Chair (JC) revisited this objective and sought the views of the AHWG between “Identify and promote incentives for countries to increase efforts to address sustainability, legality and traceability” or “Identify and promote incentives to increase efforts to address sustainability, legality and traceability in tropical timber markets”.
51. The EU representative (AZ) asked for clarification on the introduction of this amendment. The Co-Chair (JC) explained that when the representative of Peru added the word “in tropical timber markets”, that directed towards everyone in the market but if you have the phrase “Identify and promote incentives for countries to increase”, there is something not grammatically correct because you are either talking about the market or the action is directed to everyone that is involved in that market or it is directed to countries. In order to cover all the actors involved in the tropical timber market (i.e. governments, private sector, traders) and promote incentives by all those actors to increase efforts of sustainability, legality and traceability, the word “for countries” needs to be deleted. The text was amended to “Identify and promote incentives to increase efforts to address sustainability, legality and traceability in tropical timber markets”.
52. The Secretariat (SJ) asked if the AHWG was only concerned about traceability in tropical timber markets as that is the way it reads now. According to his understanding, the suggestion made by the representative of Peru was aimed at identifying and promoting the incentives from the market and suggested to amend the text to “Identify and promote incentives throughout the tropical timber supply chain to increase efforts to address sustainability, legality and traceability”. He commented that we want to know tax incentives in producing countries, remunerative prices in the markets and all those incentives that we should be promoting. The representative of Peru commented that they had been discussing the timber supply chain and if they want to promote incentives, perhaps the word “demand and” could be added because both demand and supply play a pivotal role so the text would read **“Identify and promote incentives throughout the tropical timber demand and supply chain to increase efforts to address sustainability, legality and traceability”**. The EU representative (AZ) asked if instead of “tropical timber demand and supply chain” it should be “tropical timber demand and supply side”. The Secretariat (SS) affirmed the use of “chain” as demand is also a chain.

Consideration of PL 1 Objective Enhance the capacity of tropical producing countries for legal and sustainable wood production (e.g. promoting and enhancing sustainable forest management practices, forest governance and law enforcement, development of tracking and inventory systems, improving processing efficiencies and waste utilization, ecological data collection and forest health monitoring, etc.)

53. The Co-Chair (JC) requested the representative of the EU to explain the proposed insertion of “promoting and” and “law”. The representative of the EU explained the insertion of the word “promoting and” together with enhancing sustainable forest management practices would promote it in countries that are lacking or lagging behind and the insertion of “law” would allow the text to read “forest governance and law enforcement” covering enforcement of law. Noting that there were no further comments on this objective from the AHWG, the Co-Chair (JC) moved to the next objective.

Consideration of PL 1 Objective Raise awareness of the critical role tropical productive forests that are managed sustainably play in contributing to all three pillars of sustainability (economic, social and environmental), including the achievement of SDGs and the goals and targets under the UN Strategic Plan for Forests (2017–2030), climate change mitigation and adaptation, and conservation of global biodiversity

54. The Co-Chair (JC) suggested to insert the word “of sustainably managed” and delete “that are managed sustainably” to read “Raise awareness of the critical role of sustainably managed tropical productive forests play in contributing to all three pillars of sustainability (economic, social and environmental), including the achievement of SDGs and the goals and targets under the UN Strategic Plan for Forests (2017-2030), climate change mitigation and adaptation, and conservation of global biodiversity”. The representative of Ghana noted that there was an emphasis on tropical productive forests and suggested to broaden the concept to include all forests by removing the text “productive”. The Secretariat (SS) suggested replacing the word “of” with “that” before “sustainably managed forests so the text would read **“Raise awareness of the critical role that sustainably managed tropical forests play in contributing to all three pillars of sustainability (economic, social and environmental), including the achievement of SDGs and the goals and targets under the UN Strategic Plan for Forests (2017-2030), climate change mitigation and adaptation, and conservation of global biodiversity”**. The representative of Ghana concurred with this.

**Consideration of PL 2 Conservation of Biodiversity and Ecosystem Services Goal:
To maintain and/or enhance biodiversity and ecosystem services of tropical forests and forest landscapes, while maintaining the sustainable production of timber and other non wood forest products and services**

55. The Co-Chair (JC) took note of the recommendation by the representative of TAG to include the recognition of payment for environmental services and decided to consider the goal first and then explore a way to include the recommendation in the objectives. The Co-Chair (JC) requested the EU representative to explain her proposed text insertion of “non wood forest” before “products and services” and why simply having “ other forest products and services” would not adequately capture it.
56. The EU representative (AZ) explained that they were referring to timber and usually when they are referring to products that get out of the forest, they are non-wood products so the text insertion would specify what is coming out of the forest.
57. The Co-Chair (JL) commented that it would be “non-timber forest products” but if it says “other products” it implies non-timber forest products and everything else, suggesting removing the text insertion. The Co-Chair (JC) concurred. The ED suggested “wood and non-wood” or “timber and non-timber”. The Co-Chair (JC) asked the EU representative (AZ) how strongly she felt about her proposed text insertion since most people would understand that other products and services includes non-timber forest products. She indicated that she did not have a firm preference. The suggested text was removed and the text read **“To maintain and/or enhance biodiversity and ecosystem services of tropical forests and forest landscapes, while maintaining the sustainable production of timber and other products and services**.
58. **Consideration of PL 2 Objective** Encourage the full valuation of forests, including ecosystem services and biodiversity, as well as the collection and/or use of existing ecological and biological data that can add to the scientific knowledge base for forest planning and land management decisions

59. The Co-Chair (JC) noted that the EU representative (AZ) had suggested to insert the word “forest landscapes” The Co-Chair (JC) recalled taking the word “forest” and “forest landscapes” from the ED’s paper on forest landscapes and asked the ED to provide his rationale for the insertion of the word “and landscapes” in the goals. The ED explained that forests are competing with other land resources such as agriculture and tourism. An assessment of the value of the forest cannot be made on the forest itself and it should include its relation to other values of the landscape. For that reason it would not make sense to see forests in the landscape continuum. The Co-Chair (JC) asked the ED, given his justification and the goal to maintain and/or enhance biodiversity and ecosystem services of tropical forests, if the insertion of “forest” before “landscapes” would make sense or if it should simply be “landscapes” in the goal “To maintain and/or enhance biodiversity and ecosystem services of tropical forests and forest landscapes...”. The ED suggested “forest landscapes” because there might be different purposes of ecosystem valuations but we should see all these forests as an element between other resources.
60. The Co-Chair (JC) asked the AHWG for their view towards amending the text to read “Encourage the full valuation of forests and forest landscapes including ecosystem services and biodiversity, as well as the collection and/or use of existing ecological and biological data that can add to the scientific knowledge base for forest planning and land management decisions”. The Co-Chair (JL) suggested to simply use “forest landscapes” instead of “forests and forest landscapes” and insert “including promoting the payment for ecosystem services” after “as well as” and to include benefit sharing of biodiversity. The Co-Chair (JC) informed that payment for ecosystem services is not included in the ITTA and the reference to the full valuation of forests captures the need to look at ecosystem services without taking a policy stance with ITTO on PES. The ED suggested that if we want to capture ecosystem service payments, it would be part of the last line on land management decisions so if it needs to be included, it should be at the end of the sentence instead of at the top. The Co-Chair (JC) deferred consideration of the insertion of “promoting the payment for ecosystems services” to a later discussion and noted that the text of the objective reads **“Encourage the full valuation of forest landscapes, including ecosystem services and biodiversity, as well as the collection and/or use of existing ecological and biological data that can add to the scientific knowledge base for forest planning and land management decisions”**.
61. The Co-Chair (JL) questioned where payment for ecosystem services would be included and pointed out that the collection and/or use of existing ecological and biological data that can add to the scientific knowledge base opens up a big box of activities there that actually borderline forestry. He commented that they can be included but encouraging the collection and use of existing ecological biological data would imply undertaking research activities, which the AHWG seemed to discourage during their previous meeting.
62. The Secretariat (SJ) pointed out that the ITTA mentions environmental services and not ecosystem services. Objective (q) of the ITTA stated that ITTO should promote better understanding of the contribution of non-timber forest products and environmental services to the sustainable management of tropical forests with the aim of enhancing the capacity of members to develop strategies to strengthen such contributions in the context of sustainable forest management, and cooperating with relevant institutions and processes to this end. So this objective casts it in the way that ITTO is supposed to pay attention to environmental services in the context in which they contribute to the sustainable management of forests or how they help to contribute to that.
63. The Co-Chair (JC) asked if there is a specific way in which he would change the first bullet or if he is comfortable with the way it is. The Secretariat (SJ) commented that if the AHWG decides to use ecosystem services, he has no objection but he just wanted to highlight the fact that environmental services is the terminology used in the ITTA. The Co-Chair (JL) supported the use of environmental services as this word had been used in ITTO for a long time. The Co-Chair (JC) noted that environmental services had transformed to mean something different in the trade arena. The Secretariat (SJ) agreed that it could be ecosystem services and stressed that the key point was that in the ITTA it says that ITTO is supposed to pay attention to these things to the extent to which they can help contribute to sustainable forest management, including by getting somebody to pay for it. The Co-Chair (JC) suggested inserting “contributes to sustainable forest management of tropical forests” and deleting “can add to the scientific knowledge base for forest planning and land management decisions” to read **“Encourage the full valuation of forest landscapes, including ecosystem**

services and biodiversity, as well as the collection and/or use of existing ecological and biological data that contributes to sustainable forest management of tropical forests.”

64. The Co-Chair (JL) asked if there could be something on payments for environmental services or payment for environmental services to the extent to which they can help contribute to sustainable forest management. The Co-Chair (JC) suggested to include payment for ecosystem services under the PL on Forest Landscape Restoration and Resilient Livelihoods includes a livelihood section. The Co-Chair (JL) commented that in relation to conservation of biodiversity and ecosystem services, one of the best things to conserve biodiversity and ecosystems was to have payments for these services so he thought it would be good to include in under the PL on Conservation of Biodiversity and Ecosystem Services. In his opinion it was more related to improving sustainable forest management than livelihoods.
65. The Secretariat (SJ) suggested incorporating PES into the next objective on innovative approaches, research and technology because ITTO should promote payments for environmental services, promote innovative approaches including PES, research and technology in order to put value on biodiversity.

Consideration of PL 2 Objective Promote innovative approaches, research and technologies and strengthening of technical skills aimed at maintaining and/or enhancing tropical biodiversity and ecosystem services in production forests, including through members’ implementation of the ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Production Forests and other relevant internationally acknowledged guidelines

66. Based on the discussion, the Co-Chair (JC) suggested inserting “include payment for ecosystem services” after “Promote innovative approaches”. The ED suggested including “and practices” after “technical skills” and to bring “include payment for ecosystem services” after that so the text would read **“Promote innovative approaches, research and technologies and strengthening of technical skills and practices (including payment for ecosystem services) aimed at maintain and/or enhancing tropical biodiversity and ecosystem services in production forests, including through members’ implementation of the ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Production Forests and other relevant internationally acknowledged guidelines”**.
67. The Co-Chair (JL) reiterated that he was not sure if the title of the PL has already been set but he would prefer to use environmental instead of ecosystem as biodiversity and ecosystem are the same thing while environmental covers water and air which would expand the coverage.
68. The Co-Chair (JC) reminded that the PL cannot be changed since it had been agreed by Council and noted that since the ITTA, the terminology environmental services within the trade realm has evolved to something about innovative technologies to deal with things like environmental clean-up.
69. The EU representative (AZ) indicated a preference to use ecosystem services and suggested to move the text “and practices (including payment for ecosystem services)” behind “Promote innovative approaches” because in her view it was about capacity building.
70. The Secretariat (SJ), in an attempt to shorten the objective, suggested ending the sentence at “production forests” and making a new bullet point **“Promote the implementation of the ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Production Forests and other relevant internationally acknowledged guidelines”**.
71. The Co-Chair (JC) commented that if the AHWG decided to include more objectives than the number prescribed in the Council decision, they could include a note in their report that for some of the PLs, they found it necessary to include more than three to four bullet points.
72. The Co-Chair (JL) suggested to include “ITTO and” after “other relevant” in the new bullet point to read **“Promote the implementation of the ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Production Forests and other relevant ITTO and internationally acknowledged guidelines”**.

73. The Ghana representative (NI) stressed the importance of streamlining the objectives to three or four. The Secretariat (SJ) sought clarification from the Co-Chair (JC) on the rationale behind Council's drafting of Decision 8(LV) to limit the objectives to three or four bullet points. The Co-Chair (JC) informed that the decision to have three or four was to enforce some discipline so that the text remained concise but the AHWG could include up to five bullet points with the inclusion of a justification by the AHWG in their report.
74. The Secretariat (SS) commented that there was some overlap in the objectives and suggested to attempt to consolidate them for consideration by the AHWG at their next meeting.
75. The Co-Chair (JC) noted that the Secretariat would consolidate the objectives under PL 2 and also requested the Secretariat to make an attempt to consolidate the objectives under PL 1.

Consideration of PL 2 Objective Assist in building countries' capacity to implement the post-2020 global diversity framework

76. The Co-Chair (JL) requested to make a comment on the objective "Assist in building countries' capacity to implement the post-2020 global biodiversity framework" and pointed out that the post-2020 global biodiversity framework is yet to be discussed. Hence, the outcome of the framework is unclear and will also be broad to include all ecosystems. He suggested that if there is reference to the framework, it should focus on forests or tropical forests because ITTO cannot assist building capacity in countries to implement global biodiversity in all ecosystems. He further suggested that since the outcome of discussions on the framework is unclear, it would be prudent to remove it from the objective. The objective which refers to further collaboration with CBD would capture that. The Co-Chair (JC) concurred. The representative of Japan also concurred and noted the importance not to prejudge the outcome of a pending negotiation, but thought that a mere reference to the Post-2020 global biodiversity framework, without attributing its content, can be possible and could be advantageous for fund raising linked to biodiversity and associate with GEF-8. The Co-Chair (JC) suggested, however, to remove the text "post-2020 global biodiversity framework".
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77. The AHWG agreed to meet on Friday, 2 October 2020 from 07:30 to 9:30 p.m. (JST) and the Co-Chair (JC) requested the Secretariat to provide an updated draft of the PLs for the AHWG to continue its work on the last two PLs on Friday.
78. The meeting was adjourned at 9:45 p.m. (JST).

**Sixth meeting of the
Ad hoc Working Group on Implementing ITTO's New Financing Architecture – Phase 1**

Held via Skype, Friday, 2 October 2020

25. The Ad hoc Working Group on Implementing ITTO's New Financing Architecture – Phase 1 (AHWG) convened its sixth and final meeting virtually on Friday, 2 October 2020 from 7:30 p.m. (Japan Standard Time). The list of participants for this meeting was as follows.

AHWG

1. Mr. Barney Chan (BC), TAG
2. Ms. Jennifer Conje (JC), USA
3. Mr. John James Leigh (JL), Peru
4. Mr. Nurudeen Idrissu (NI), Ghana
5. Ms. Yoshiko Motoyama (YM), Japan
6. Ms. Daniele Ramiarmanana (DR), CSAG
(Mr. Taku Sakaguchi, MoFA, and Ms. Akiko Tabata, Forestry Agency, also participated)
7. Mr. Zahrul Muttaquin (Indonesia)
8. Ms. Argyro Zerva (AZ), EU

ITTO Secretariat

1. Mr. Gerhard Dieterle (GD), Executive Director
 2. Ms. Sheam Satkuru (SS), Director, Operations
 3. Mr. Steve Johnson (SJ), Director, Trade & Industry
 4. Mr. Osamu Hashiramoto (OH), Director, Forest Management
 5. Mr. Gerhard Breulmann (GB), Planning, Monitoring & Evaluation Officer
 6. Mr. Simon Kawaguchi (SK), Finance/Administrative Officer
 7. Secretarial Support Ms. Naho Tamura, Ms. Maiko Suzuki, Ms. Shoko Suzuki, Mr. Tomiji Shudo
26. The Co-chair (JC) invited the Secretariat to walk the AHWG through the edits made to the text on the goals and objectives of Programmatic Lines (PLs) 1 and 2, reflecting the discussion held at the previous call and some additional suggestions by the Secretariat. Under PL 1, the Secretariat suggested to replace the word "timber" with "wood", with a view to standardizing the language as in most other associations that deal with wood products, which include timber, the preference is to use the word wood. The AHWG discussed which term would be more suitable and concluded that "timber" should be the standard term in the entire document since it was the term used in the ITTA.
27. The next suggestion made by the Secretariat was on the first bullet of PL1, to replace "markets for tropical timber *coming* from sustainably managed forests" to "markets for tropical timber *sourced* from sustainably managed forests." The AHWG agreed to this edit.
28. On the second bullet under PL1, the Secretariat suggested removing the word "timber" before "market" in order to make the market more encompassing, not restricted to timber. The representative of TAG proposed to remove "international" before "market" since it would then become more encompassing to include both domestic and international markets. The representative of Japan reminded the AHWG that this bullet is almost identical to Article 1, paragraph (h), of the ITTA, 2006, and that the term used there is "international timber markets". The AHWG agreed to leave the text as "international timber

market” to be consistent with the ITTA. This bullet would now read “Improve market intelligence and information sharing on the international timber market and trade aimed at achieving greater transparency on *markets* information and trends, including the development of forest legality requirements in countries,” and the plural in “markets” would imply that it covers both domestic and international markets. The ED explained that in the past, ITTO had implemented projects dealing with domestic timber markets in the Congo Basin as they determine the outcome for the international markets. He noted that domestic markets should not be dissociated with international markets. If there were no transparent market conditions domestically, it will not be possible to achieve that internationally. The Co-chair (JC) addressed the AHWG that such implications of the terms used in this document could be communicated to the donors by the Secretariat and that the language should be consistent with the ITTA as much as possible.

29. On the third bullet under PL1, the Co-chair (JL) requested that the term “timber” is inserted so that it reads “Identify and promote incentives throughout the tropical timber products demand and supply chain to increase efforts to address sustainability, legality and traceability.” Following the question raised by the representative of the EU (AZ) whether the language should be “tropical timber *and timber products*” instead of only “tropical timber”, the AHWG discussed how it could be most appropriately phrased to capture the objective of this bullet. The Secretariat explained that the definition of tropical timber in Article 2 of the ITTA, 2006, is primary and secondary products such as logs, sawn timber, veneer and plywood, while ITTO also deals with domestic and livelihood services such as bamboo and rattan. The Co-chair (JC) reminded the AHWG that this particular sentence was addressing sustainability, legality, and traceability, which would be focusing on predominantly primary timber products, so non-timber products would not be included in this regard. The AHWG agreed to include “timber” but delete “products” so that it reads “Identify and promote incentives throughout the tropical timber demand and supply chain to increase efforts to address sustainability, legality and traceability.”
30. The Secretariat proposed to edit the fourth bullet under PL1 so that it would read “Enhance the capacity of tropical producing countries for the production of legal and sustainable timber and non-timber products and services.” The Co-chair (JL) requested that the word “timber” should be added so it would be “tropical timber producing countries”. The AHWG agreed with the proposed text.
31. The Co-chair (JC) noted that there were five bullet points under PL1 so the AHWG would have to explain to the Council that although they made efforts to be as concise as possible, PL1 could not be reduced to three to four bullet points as described in their mandate.
32. On the fifth bullet, the Secretariat had suggested to remove “all three pillars of sustainability (economic, social and environmental), including” from the text as it was obvious. However, the Co-chair (JC) called for the attention of the AHWG that when making reference to any major international agreements, it is an important element for the US to point to the basic pillars of sustainability and then continue to “including,” to clarify that there was consensus between what is agreed upon internationally. This was a suggestion to avoid further disputes to be raised at the Council. She proposed that the above text be restored. The AHWG discussed the necessity of including “2030” after “SDGs” since by year 2030 there may be a new set of international development goals. The representative of the EU (AZ) preferred to keep it until there is a new ITTA and/or a new set of international development goals. She also noted that the official title was “The 2030 Agenda for Sustainable Development”. The representative of Ghana (NI), joined by the representative of Japan (YM), commented that as an objective item, this sentence was too long. The representative of Japan (YM) suggested to phrase it as “other global forest related goals and commitments” instead of listing the various international goals. The AHWG agreed that the text for the fifth bullet of PL1 would be “Raise awareness of the critical role that sustainably managed tropical forests play in contributing to all three pillars of sustainability (economic, social, and environmental), including the achievement of the SDGs and other global forest related goals and commitments.”
33. The AHWG discussed the text of PL2. The TAG representative (BC) proposed to include the recognition of payment for ecosystem services (PES) in PL2. However, the Co-chair (JC) noted that PES was covered in the second bullet point so this request has already been met.
34. There were no proposed changes to the first two bullet points. On the third bullet point, instead of “Promote the implementation of”, it was suggested as “Assist building countries’ capacity for implementing”. The representative of Japan (YM) questioned whether the third and fourth bullet points

could be integrated in some way since they both refer to CITES. The Secretariat explained that the two bullets were separated as the third bullet is on the implementation of the CITES listing while the fourth bullet is on enhanced collaboration between ITTO and CITES. Hence, they are different approaches. The representative of the EU (AZ) pointed out that “assist building countries’ capacity for the implementation of” does not seem to be the most suitable language. The Co-chair proposed to rephrase it as “Assist in building countries’ capacity to implement” which is a more active sentence. The AHWG agreed with this edit to the third bullet.

35. The representative of Japan (YM) sought the possibility of including CBD in the context of capacity building as it would promote ITTO's involvement through the CBD post-2020 biodiversity framework, as well as other issues that may come up with the post-2020 process. Noting the deliberations held at the previous call of the AHWG that some members preferred not to include in the text of an unknown outcome at this point, she added that it would be good to add language that refers to contributing to post-2020 process (without pre-judging the outcome and not making any reference to the content) as it would attract funding related to biodiversity. The AHWG discussed again whether making reference to the post-2020 process would be appropriate and concluded that they should not include anything that has not been internationally agreed yet, as member countries may not wish to approve the PLs if it referred to a yet to be determined framework, but to refer to this as part of “global biodiversity goals”.
36. The Secretariat drew the attention of the AHWG to the two different processes being dealt with in this bullet, one being capacity building for implementing ITTO/IUCN Guidelines and the other being implementation of CITES listings of tropical tree species. The former was about providing assistance to countries to implement the guidelines that ITTO had developed for them. The latter was to help countries implement requirements that are placed on them by other international organizations. Noting these comments, the Co-chair (JC) proposed the third bullet to be rephrased as “Assist building countries’ capacity for the implementation of the ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Production Forests, and other relevant ITTO and internationally acknowledged guidelines,” and the fourth bullet to be “Enhance further collaboration with international organizations, such as CITES and the CBD, including building countries’ capacities to implement CITES listings of tropical tree species .” The representative of the EU (AZ) sought clarity from the Secretariat whether “CITES” and “CBD” in the fourth bullet refers to conventions or their secretariats. The Secretariat responded that it was meant for international entities rather than organizations. The ED intervened that limiting the collaborating partners to CITES and CBD may lose a lot of potential for expanding this message within other organizations. The Co-chair (JL) added that in the context of the capacity to implement global biodiversity goals, the verb “enhance” would be preferred to “assist in building”. Noting these comments, the AHWG decided to change the text to “Enhance further collaboration with international organizations, including the secretariats of CITES and the CBD, to enhance member countries’ capacity to implement global biodiversity goals, including the CITES listings of tropical tree species.” The AHWG agreed to make this edit.
37. The fifth bullet point proposed in the original Co-Chairs’ draft text was “Assist countries to increase habitat connectivity through the establishment and management of conservation areas (including transboundary conservation areas) in tropical forests.” The Co-chair (JL), joined by a number of other members of the AHWG, pointed out that this bullet was too specific and that the previous bullet already refers to building capacity to implement global biodiversity goals. The AHWG decided to delete the fifth bullet point under PL2.
38. The Co-Chair (JC) opened the floor for comments on PL 3 goal “Forest Landscape Restoration and Resilient Livelihood Goal: To scale up the area of forest landscapes restored and to increase the provision of goods and services from planted and restored forests, thereby generating opportunities for local employment and contributing to wider development goals”. There were no comments and the Co-Chair (JC) moved to consider the first objective.
39. In considering the first objective under PL 3, the Co-Chair (JL) suggested deleting the word “help” so the text would start from “Build”. The EU representative (AZ) commented that building seemed like tropical countries do not have any capacity and suggested to use “Enhance”. The Co-Chair (JC) agreed with this suggestion and sought the views of other AHWG members on this suggestion. The Co-Chair (JL) and the representatives of Japan and Ghana supported this. The ED commented that ‘build the capacities’ does not capture the reality because ITTO assists countries to build their capacities, which was the responsibility of the countries. He noted that while shorter is better, the objective should make clear that ITTO was not acting on behalf of countries but assisting countries to

do something they want to achieve so he was hesitant to use “Enhance the capacity of countries”. The Co-Chair (JC) asked the ED if “Enhance” was acceptable to him or if he would like to suggest adding another word or a different word. The ED suggested that “support” or “assist” would be a better way to define ITTO’s role. The Secretariat (SJ) suggested removing “capacity” and amended the text to read “Support tropical countries to implement forest landscape restoration..”. The Co-Chair (JC) suggested inserting “Assist”. The Co-Chair (JL) suggested phrasing it “Assist tropical countries in the implementation” and commented that it is not necessary to mention the word “capacity”. He further suggested “in implementing” instead of “in the implementation”. The EU representative (AZ) noted that building capacity and implementing are two different things. The Co-Chair (JC) suggested using “Assist in building tropical forest countries’ capacity to implement...”. The Co-Chair (JL) asked if the text between the brackets was necessary because it is all implied in the forest landscape restoration - the text is lengthy. The Co-Chair (JC) supported this and asked the AHWG if they wanted to keep the text in brackets or if the text in the brackets could be removed. The representative of Japan stated that it would be good to keep it simple and if necessary perhaps it could be included as a footnote. There were no further comments and the text in brackets was deleted. The text of the objective read **“Assist in building tropical countries’ capacity to implement forest landscape restoration (FLR) in the field”**.

40. The second objective under PL 3 was “Promote the utilization and implementation of the newly revised ITTO Guidelines for forest landscape restoration in the tropics and its 32 FLR guiding elements”. The Co-Chair (JL) asked if it was necessary to say “newly revised” because these PLs may be used for the next few years. The text “newly revised” was deleted. The Secretariat (SS) asked if it was necessary to say “and its 32 FLR guiding elements” and suggested ending the text at “ITTO Guidelines for forest landscape restoration in the tropics”. The Co-Chairs supported this and the text “and its 32 FLR guiding elements” was deleted. The text read **“Promote the utilization and implementation of the ITTO Guidelines for forest landscape restoration in the tropics”**.
41. The third objective under PL 3 was “Undertake studies and assessments to improve knowledge and skills in FLR and the management of restored forests, in particular on land and resource tenure, markets for small holders and community-based entrepreneurs, public-private partnerships, and incentives and benefit-sharing mechanisms”. The Secretariat (SJ) commented that while ITTO may undertake some of these studies and assessments, there will be cases where ITTO will support countries to undertake them and suggested the text “undertake/and or support studies and assessments”. The Secretariat (SS) suggested the text “undertake to assist to improve knowledge” instead of committing the Organization to undertaking or supporting studies and assessments. This would allow for the use of multiple routes rather than just through studies and assessments. The representative of Japan suggested “Facilitate”. The Secretariat amended the text to read “Assist to improve knowledge and skills”. The Co-Chair (JC) suggested “Assist in improving knowledge and skills” or using the word “Facilitate” as suggested earlier by the representative of Japan. She continued to suggest the amendment to “Assist/Facilitate” so that the AHWG could discuss which one to use. The Co-Chair (JL) supported “Facilitate”. The Secretariat suggested “Facilitate the improvement of knowledge and skills”. The representative of Japan supported this. The Co-Chair (JC) suggested to remove “Assist/” and the text read **“Facilitate the improvement of knowledge and skills in FLR and the management of restored forests, in particular on land and resource tenure, markets for small holders and community-based entrepreneurs, public-private partnerships, and incentives and benefit-sharing mechanisms”**. The EU representative suggested adding “sustainable” before “management of restored forests”. The Secretariat (SJ) questioned whether it was necessary to include the list of ‘in particular’. The Co-Chair (JC) sought the views of the AHWG if the sentence could end at “forests” to avoid emphasizing the remaining aspects. The representatives of Japan, EU and Ghana supported this and the text after “forests” was deleted to read **“Facilitate the improvement of knowledge and skills in FLR and the sustainable management of restored forests”**.
42. Going back to the first objective, the ED suggested inserting the word “plan and” after “capacity to” and to move the first objective to become the last. There were no objections and the objective read **“Assist in building tropical countries’ capacities to plan and implement forest landscapes restoration (FLR) in the field”** and this objective was moved to the end to become the third objective.
43. The AHWG then moved to consider the PL 4 Goal which was “To address emerging issues which the other programmatic lines are unable to address” The EU representative (AZ) commented that she did not like the word “unable” as it gave a negative impression. The representative of Japan (YM)

suggested “have not addressed” instead. The Secretariat (SJ) suggested “To address emerging issues not addressed by the other programmatic lines” but in noting that “address” appeared twice, he suggested the text “To address emerging issues not covered by the other programmatic lines”. The Co-Chair (JL) noted the difficulty in defining this goal and sought the views of the AHWG. The Secretariat (SJ) pointed out that the real reason for this PL was to provide an avenue for members to still submit proposals on things they wanted but he did not know how that could be addressed in a succinct and politically correct way in the goal. The Co-Chair (JC) decided to leave the goal as is unless other members had any other ideas. The Secretariat (OH) commented that the title was emerging issues and innovation while the goal only said emerging issues and suggested including innovation in the goal. The Co-Chair (JC) agreed to this suggestion to be consistent and the text read “To address emerging issues and innovation not covered under the other programmatic lines”. The Secretariat (SJ) suggested to rephrase it to “To address emerging and/or innovative issues not covered under the other programmatic lines”. The EU representative (AZ) questioned what is the difference between innovation in the title of the programmatic line and innovative issues. The Co-Chair (JC) observed that innovative issues was different from innovation, which was creating a new approach while innovative issues was an adjective describing the issues itself and suggested returning to the text **“To address emerging issues and innovation not covered under the other programmatic lines”**.

44. The ED commented that PL 4 was intended to cover just in time issues where you could address things that were of an urgent nature like forest fires. Emerging includes innovation and some new things but the understanding of just in time was to have a spontaneous reaction to new issues which arise. The Co-Chair (JC) commented that in her view, emerging issues captured those just in time issues and opened the floor for their comments on the interpretation of the word “emerging”. The Secretariat (SJ) observed that the title “emerging issues and innovation” had been approved in the decision by Council so we cannot amend the title but suggested that the goal could say “To address urgent issues and innovation not covered under the other programmatic lines” because he felt that it was better not to repeat the wording in the title of the PL in the goal. The EU representative (AZ) asked if using “To address urgent issues” would mean that ITTO would have to act as a rapid response mechanism. The Co-Chair (JC) noted that when COVID-19 broke out, ITTO had done a survey of how it had impacted countries and that was an example of how ITTO had rapidly responded to an urgent issue like COVID-19. The representative of EU was of the view that COVID-19 was also an emerging issue and wanted to understand the difference in English. The Co-Chair (JC) commented that in her view “emerging” did capture urgent but apparently to others it didn’t. She observed that the ED did not feel that emerging captured urgent and the Secretariat (SJ) had suggested to explain it better by saying “to address urgent issues and innovation” instead of repeating the title of the PL and opened the floor for comments. The EU representative (AZ) stated her preference to use “emerging” because “urgent” gave her the impression that it is something that needs to be solved at that moment like for example ITTO would go and put out a fire. The Ghana representative (NI) agreed with the EU representative (AZ) and stressed that the word “emerging” should be used because the goal should capture what we are going to do and suggested to also add “urgent issues” so the text read “To address emerging/urgent issues and innovation not covered under the other programmatic lines”. The Co-Chair (JL) found the goal to be very broad and suggested “To address emerging/urgent issues and innovation focussed on achieving ITTA objectives”. The representative of Japan suggested modifying the text to “that are not covered” and the final text read **“To address emerging/urgent issues and innovation focussed on ITTA objectives that are not covered under the other programmatic lines”**. The representatives of Ghana and EU agreed with this text.
45. There were no comments on the first objective under PL 4 “Allow for funding flexibility and a streamlined approach to address specific issues not captured by the other programmatic lines” and the AHWG moved to the next objective.
46. In considering the second objective under PL 4, the Secretariat (SJ) commented that it should be “window of opportunity” or “respond to opportunities”. The text was amended to read **“Respond to opportunities that allow ITTO and its members to be at the forefront of innovation, pilot new approaches or studies, and be able to react to emerging international development policy priorities”**.
47. The third objective under PL 4 was “Help members manage and adapt to natural, socioeconomic and financial crises affecting sustainable forest management and the production and trade of legal and

sustainable tropical timber (e.g. Study on how COVID-19 is affecting forest management and trade)". The Co-Chair (JC) noted that this objective was specific with the inclusion of an example Study on how COVID-19 is affecting forest management and trade and opened the floor for comments. The Secretariat (SJ) suggested removing the example because it may dictate what people think ITTO should do. The Co-Chair (JL) agreed. The Secretariat (SS) suggested to replace "help" with "Assist" and the amended text read "Assist members to manage and adapt to natural, socioeconomic and financial crises affecting sustainable forest management and the production and trade of legal and sustainable tropical timber".

48. The Co-Chair (JC) suggested ending at "sustainable forest management" instead of specifying the remainder of that sentence because including it would limit the objective. The Secretariat (SS) supported leaving it in to include the mandate of the ITTA in the objective. The Co-Chair (JL) stated that it was included under PL 1 so its inclusion would be a repetition. The Co-Chair (JC) commented that she is open to both options and opened the floor for comments from other AHWG members. The representative of Ghana thought that they should end at "sustainable forest management" to avoid repeating an item included in another PL. The representative of EU also supported to end at "sustainable forest management" and asked if they only wanted to specify the crisis affecting sustainable forest management or if they would like to broaden the objective to "forest and their sustainable forest management". The Co-Chair (JL) suggested "sustainable forest management and timber trade", which the representative of Japan supported.
49. The ED supported including the trade and production aspect in this PL because in his view, the enterprises and the private sector, which are outside the forest, were affected by the economic crisis caused by COVID-19. It was about sawmills and production of products from timber and focussing on sustainable forest management would narrow the objective. The Secretariat (SS) continued that the trade element is also part of the mandate of the ITTO and ending the text at sustainable forest management would only allow the objective to focus on the forest aspect so in her view, it did not matter if there was repetition of something under another PL because the context here is totally different to PL 1.
50. The Co-Chair (JL) asked the AHWG if there was a preference between "sustainable forest management and timber trade" or "and the production and trade of legal and sustainable tropical timber". The EU representative (AZ) preferred "legal and sustainable tropical timber". The Co-Chair (JL) suggested to say "sustainable forest management and timber production and trade". The Co-Chair (JC) asked the views of the AHWG between "sustainable forest management and timber production and trade" and "the production and trade of legal and sustainable tropical timber" and noted that the EU representative (AZ) had expressed a preference for the latter. The Ghana representative (NI) preferred the former because there already was an emphasis on the trade of legal and sustainable timber under another PL. This text would include the supply chain or at the sawmill level that is at the production level as well as sustainability and captured how COVID had affected both timber production and timber trade. The representative of Japan commented that it could be either text but her preference would be for the latter as that was what made the Organization quite unique and it was part of its mandate. She asked if the AHWG wanted to be broaden or narrow the objective, which was where she felt conflicted. The Co-Chair (JC) noted that the production and trade of legal and sustainable tropical timber would bring the objective closer to PL 1. In her view, inclusion of a crisis affecting production would not mean that the AHWG did not care about legal and sustainability. It would open the objective to other aspects of the production process that had not been focussed on so she preferred "timber production and trade". The Co-Chair (JL) commented that the inclusion of legal and sustainable tropical timber may mean that ITTO cannot tackle illegal logging, which was an important issue worldwide and supported to leave the text as "sustainable forest management and timber production and trade". The representative of Japan agreed.
51. The ED suggested the text "sustainable forest management and supply chains" would include sustainable supply chains that covered everything from the forest to the production of products to the markets. He thought that was what was happening now under the crisis with enterprises having no access through the supply chains. He further suggested that there could be another way to phrase this and leave out "timber production and trade". The Co-Chair (JL) stated that saying supply chains would not support the increasing or enhancing demand, which was also part of ITTA. The Ghana representative (NI) commented that the production and trade would include the entire supply chain from the mill to the point of sale even though it is not specifically mentioned, which includes supply chains. He thought that "timber production and trade" should suffice instead of introducing the concept

of supply chains here. The Co-Chair (JL) agreed. The EU representative commented that specifying the timber supply chain may include everything but stressed the importance to include legal and sustainable because in addition to impacting the supply chain, COVID or whatever else, could also have an impact on legality. Therefore, in addition to PL 1, it was important to specify that this objective would assist members to handle any consequences on their legal and sustainable supply chains because illegal logging and illegal trade could continue to take place even under a crisis because there may be no law enforcement due to people having to stay home. The Ghana representative disagreed by saying that COVID had impacted timber production and the trade aspect but in his view had not impacted legality and sustainability because there are checkpoints in place and staff working at those checkpoints to ensure traceability and even if people are infected, there are other staff to cover for those that are not working because of COVID. He suggested to leave it at “timber production and trade”. The Co-Chair (JC) noted that there was an entire PL focussed on legal and sustainable tropical timber and recommended to provide some space for this PL on emerging issues and innovation to be able to deal with other issues. As a way forward, she suggested to end the text at “timber production and trade” and asked the AHWG if they were agreeable to this recommendation. The EU representative stated that if that was the preference of the majority, she agreed with the recommendation. The Co-Chair (JL) and the representative of Japan also supported this and the text read **“Assist members to manage and adapt to natural, socioeconomic, and financial crises affecting sustainable forest management and timber production and trade”**.

52. Returning to this item later in the discussion, the Co-Chair (JL) suggested inserting “tropical” after “sustainable” in the third objective to read **“Assist members to manage and adapt to natural, socioeconomic, and financial crises affecting sustainable forest management and timber production and trade”**.
53. The representative of Japan took the floor and suggested the inclusion of a new objective under this PL which was more information based. In her view, ITTO’s information and expertise was so valuable that it would keep the Organization in business under economic crises/any pandemic situation that may keep recurring and there was an informational advantage that may not have been fully explored. She suggested to include the text “explore how to better leverage ITTO’s information/data expertise”. The Secretariat (SJ) suggested “Leverage ITTO’s information/data expertise to assist countries to manage economic crisis”.
54. The Secretariat (SS) asked if this should be included under the emerging issue and innovation. The representative of Japan commented that information *is* innovation and innovation *is* information driven in today’s data economy. The Secretariat (SS) enquired who would fund this PL to which the representative of Japan replied private sector/ industry participants would be willing, as they benefit from market/trade-related information. The Secretariat (SS) suggested placing it under PL 1. The Co-Chair (JC) stated that it could be included under this PL because it was not just about legal and sustainable and it could be on other issues. As the text had not been captured earlier, the Co-Chair (JC) asked the Secretariat (SJ) to repeat his suggested text. The Secretariat (SJ) suggested saying something like “to cope with emerging/urgent issues” to make it consistent with the goal of this PL. He then suggested inserting the text “ to address emerging/urgent issues”. The ED suggested the text “respond to”.
55. The Ghana representative asked why would ITTO need intense data capture to be able to address to emerging issues in countries than what we already have enlisted in the entire PLs. The representative of Japan noted that the need for information increases when trade is suspended or when supply chains are in difficulty. The ability to provide that kind of information especially in tropical timber countries amongst those who are trying to purchase or trying to build businesses out of timber at a time when markets are disrupted would be an incredibly important function. The ED informed that ITTO currently had a contract with a consulting company undertaking a study on markets and incentives for the private sector which, based on the emerging COVID-19 crisis, had added new elements to undertake a survey among members on how they reacted to the challenges from the crisis and what their response strategies were. This was an example of an emerging issue which was caused by the crisis and something that ITTO would have an advantage in addressing because of its status. The Secretariat (SJ) noted that the representative of Japan focussed mainly on the issue of trade disruption and COVID, which are good examples, but from his perspective ITTO should be able to leverage not just information but also its networks such as the Trade Advisory Group and the networks in member countries to assist countries to respond to any kind of emerging/urgent issues be it a pandemic that disrupts trade or forest fires raging out of control in a region. He suggested that this

PL would allow ITTO to maybe leverage its networks and data that it was either already collecting or able to collect to help countries to deal with such matters. Also, to include something about the networks because part of ITTO's strength was the networks that it had developed over the years with different stakeholders in the tropical countries. The text read "**Leverage ITTO's network and information/data expertise to assist countries to respond to emerging/urgent issues**". Consideration of the PLs goals and objectives are now completed.

56. The AHWG moved to consider the latest updates made to the Financing Scenario flow charts where the Secretariat (SK) briefly explained the latest edits made to the Financing Scenarios since the last meeting which were: 1) addition of a footnote mentioning that small projects proposals with a budget of less than US\$150,000 and 24 months are to be submitted following the format in the ITTO Manual for Project Formulation; 2) stressed that only those eligible to submit proposals under the ITTA can submit CNs; 3) addition of arrows going both ways between the textbox "Expert Panel appraises on request" and the textbox on "Coordination of the development and review of full proposals..."; 4) in the textbox on Expert Panel, the verb "reviews" was changed to "appraises"; 5) the Expert Panel appraisal on request goes in between the Coordination of the development and review of full proposal; and 6) the scenario will be launched at least six months before the Expert Panel. There were no further comments and the Financing Scenario flow charts are now completed.
57. The AHWG discussed the timeline for reporting. Secretariat (SS) informed (and reminded the AHWG of the 1-month before Council deadline to post Council documents onto the ITTO homepage) that the draft report will be prepared and circulated to the AHWG members by COB JST Wednesday 7 October 2020 for comments to be received latest by COB Monday 12 October 2020. The English version could be uploaded to the ITTO homepage earliest Wednesday 14 October 2020 and the translations could be uploaded later that week. The Co-Chair (JC) suggested that if the AHWG report is finalised slightly less than 1 month before Council, the Co-Chairs could explain to Council that this was partly due to the timing of how this AHWG was convened and the modalities of having to work virtually over several phone calls which delayed the finalisation of the report. The AHWG agreed with this suggestion.
58. The AHWG expressed its appreciation to the ITTO Secretariat for facilitating and supporting its work.
59. The meeting was adjourned at 9:30 p.m. (JST).

