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STATISTICS AND MARKETS

COMMITTEE ON FOREST INDUSTRY

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REPORT OF PROJECTS AND PRE-PROJECTS IN PROGRESS

ECONOMICS, STATISTICS AND MARKETS

[A] Projects and Pre-Projects under Implementation

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

Budget and Sources of Funding:

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

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

Approved: Spring Project Cycle, April 2015

Financed: March 2016

Starting Date: July 2018

Duration: Planned: 15 months
To date: 26 months

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

The agreement for this project was therefore signed by ITTO and the Government of Mozambique in June 2017 and the Executing Agency submitted the inception report and all other start-up documentation in July 2018 after which the first installment of funds was transferred. A progress report/project launch report was submitted in March 2019 (covering activities to the end of 2018), and a second progress report was submitted in September 2019 (to justify the release of the second installment of project funds which was disbursed in January 2020) covering the period to August 2019. A third progress report was submitted covering activities until July 2020 just as this document was being finalized.

Based on the progress reports submitted (available in full from the Secretariat), the Executing Agency undertook project start-up activities (including recruitment of project team members from government agencies) in late 2018. A project steering committee was established consisting of representatives of all government agencies involved in forest law enforcement. The title of the Executing Agency has been changed to the National Directorate of Forests, currently under the supervision of the Ministry of Land, Environment and Rural Development (MITADER). The Provincial Forestry and Wildlife Services of Sofala are involved in establishment of an illegal logging control forum in Sofala province, while the Environmental Quality Control Agency (AQUA), which is also under the supervision of MITADER, is also contributing to project implementation as a key body in charge of forest law enforcement. The latest progress report indicates that while most project activities have been completed, including development of the log tracking system, delays in some field activities to implement the system in Sofala due to COVID-19 will result in a delay in project completion to mid-2021.

ITTO approved recruitment of the international and national consultants to carry out project field activities in April and June 2019, respectively. The first project monitoring visit was undertaken by the Secretariat in November 2019, when the work of the consultants to develop a pilot log tracking system in the Beira area of central Mozambique (from where many logs are exported) was found to be proceeding as per the approved workplan. A final monitoring visit scheduled for late 2020 has been delayed (likely to first half of 2021) due to COVID-19 travel restrictions which have also impacted field operations.

As part of its financial monitoring and oversight responsibilities, ITTO commissioned an independent audit of this project in mid-2020 following claims of payment delays/irregularities from the international consultants. The audit report (available on request from the Secretariat) found that all project funds were being handled appropriately as per the approved budget, and all issues with consultants were resolved.

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

Budget and Sources of Funding:

Total Budget:	US\$	581,536
Government of Japan:	US\$	396,080
Government of U.S.A.:	US\$	20,000
Government of Guatemala:	US\$	165,456

Executing Agency: Instituto Nacional de Bosques (INAB)

Approved: November 2019

Financed: Fifty-fifth Council Session (Togo, 2019)

Starting Date: May 2020

Duration: Planned: 36 months
To date: 3 months

The COVID-19 outbreak resulted in some delays in project start-up, but the project agreement was signed and all implementation arrangements finalized by May 2020, when the first installment of funds was sent. ITTO approved the subcontracted agency, Consejo Nacional de Estándares de Manejo Forestal Sostenible para la Guatemala, selected by INAB to implement the project, who nominated the project coordinator. ITTO also issued no-objection letters for the purchase of project equipment and a vehicle as per the approved budget/workplan.

Commencement of project fieldwork has been slower than expected due to COVID-19 related travel restrictions. A planned ITTO monitoring mission and the first project steering committee meeting have been postponed from mid-2020, most likely to the first half of 2021. The first detailed progress report was submitted by the implementing agency in late August, detailing the steps taken to initiate the project. The field site has been selected and field activities are scheduled to commence in September. A more detailed progress report will be provided to the next Session of Committee, hopefully once field activities are well underway and the delayed monitoring mission has been undertaken.

[B] Projects Pending Financing

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

Budget and Sources of Funding:

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

Executing Agency: Cámara Nacional Forestal (CNF)

Approved: September 2019

Duration: 30 months

This project was originally scheduled to lose its approved status under the sunset provision of Decision 2(X) Annex 2 on 31 July 2019. The government of Peru submitted a letter to the Executive Director

requesting that the project's approved status be maintained under the provisions of Decision 2(X) Annex 2. The extension was subsequently approved by the online no-objection process in September 2019. The new sunset date for this project is 30 April 2021.

2. PD 845/17 Rev.2 (M) Enhancing the Capacity of Forest Communities in Forest Governance, Monitoring and Community Development Projects in Mankraso Forest District Ghana

Budget and Sources of Funding:

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

Executing Agency: Rural Development and Youth Association (RUDEYA)

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

Approved: September 2019

Duration: 18 months

This project was originally scheduled to lose its approved status under the sunset provision of Decision 2(X) Annex 2 on 31 July 2019. The government of Ghana submitted a letter to the Executive Director requesting that the project's approved status be maintained under the provisions of Decision 2(X) Annex 2. The extension was subsequently approved by the online no-objection process in September 2019. The new sunset date for this project is 30 April 2021.

3. PD 878/18 Rev.2 (M) Support for the Certification of National Teak Plantations of the National Timber Board (ONAB), Benin

Budget and Sources of Funding:

Total Budget:	US\$	535,252
ITTO contribution:	US\$	444,752
Government of Benin contribution:	US\$	90,500

Executing Agency: Office National du Bois (ONAB)

Collaborating Agency: Direction Generale des Eaux, Forêts et Chasse (DGEFC)

Approved: October 2020

Duration: 36 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 31 May 2022.

4. PD 879/18 Rev.1 (M) Building the Capacity of the National Forest Information and Statistics System (Benin)

Budget and Sources of Funding:

Total Budget:	US\$	385,288
ITTO contribution:	US\$	347,088
Government of Benin contribution:	US\$	38,200

Executing Agency: Direction Generale des Eaux, Forets et Chasse (DGEFC)

Collaborating Agency: Institut National des Statistiques et de l'Analyse Economique

Approved: September 2019

Duration: 24 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 30 April 2021.

5. PD 893/19 Rev.1 (M) Promoting Development of Teak Plantations on Farmlands to Improve Quality, Marketing and Livelihood of Local Communities in Forest-Savannah Transition Zone, Ghana

Budget and Sources of Funding:

Total Budget:	US\$	648,044
ITTO contribution:	US\$	567,694
Government of Ghana contribution:	US\$	80,350

Executing Agency: Forestry Research Institute of Ghana (FORIG)

Approved: September 2019

Duration: 36 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 30 April 2021.

6. PD 913/20 Rev.1 (M) Strengthening Forest Monitoring and Extending the Coverage of the Traceability System in Panama

Budget and Sources of Funding:

Total Budget:	US\$	1,207,452
ITTO contribution:	US\$	856,352
Government of Panama contribution:	US\$	351,100

Executing Agency: Ministerio de Ambiente (MiAmbiente)

Approved: October 2020

Duration: 36 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 31 May 2022.

7. PPD 193/19 Rev.1 (M) Enhancing Socio-Economic Development and Environmental Protection through Comprehensive Bamboo and Rattan Program in the ASEAN Member Countries (Philippines)

Budget and Sources of Funding:

Total Budget:	US\$	146,600
ITTO contribution:	US\$	131,600
Government of Philippines contribution	US\$	5,000
INBAR contribution:	US\$	10,000

Executing Agency: INBAR

Collaborating Agencies: ERDB-DENR, ICBR, Relevant Agencies, NGOs, Private Sector and Other Investors in Cambodia, Indonesia, Malaysia, Myanmar, Philippines, Thailand, Vietnam

Approved: September 2019

Duration: 36 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 30 April 2021.

FOREST INDUSTRY

[A] Projects and Pre-projects under Implementation

1. PD 737/14 Rev.2 (I) Developing Supply Capacity of Wood-based Biomass Energy through Improved Enabling Conditions and Efficient Utilization of Degraded Forest Lands Involving Local Communities in North Sumatra Province of Indonesia

Budget and Sources of Funding:

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

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

Collaborating Agency: Indonesian Sawmill & Woodworking Association (ISWA)

Approved: Spring Project Cycle, April 2016

Financed: March 2016

Starting Date: October 2017

Duration: Planned: 48 months
 To date: 34 months

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

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

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

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

This progress report covers the period of operation from 1 October 2017 to 31 July 2020; the activities implemented during the period are outlined below:

Output 1: Development of sustainable supply of energy wood initiated

Out of 5 activities defined under the Output, 4 activities were implemented under YPO 1, namely:

- i. Activity 1.1: (completed) To identify suitable lands for development of energy forests in South-eastern of North Sumatra province covering 13 districts (Kabupaten). This activity was implemented with the assistance of a competent national consultant, Dr. Aswandi of Aek Nauli Forestry Research Institute, and had been successfully completed. A satisfactory technical report has been submitted by the Consultant to the PMU.
- ii. Activity 1.2: (completed) To allocate lands on 3 FMUs for energy forest development; the FMUs identified were KPH Unit XII Simalungun district, KPH Unit XVII Humbang – Hasundutan district and KPH Unit X Padang Sidempuan of Tapanuli Selatan district. The same as Activity 1.1, this activity was implemented with the assistance of a competent national consultant, Dr. Aswandi, and had been completed. A technical report of the activity had been submitted by the Consultant.
- iii. Activity 1.3: (on-going) To establish energy forest models for purpose of demonstration and training (3 sites, 3 species, 36 ha in total). Establishment of demo plots for energy forest at 3 sites using kaliandra, gamal, and lamtoro species had been completed as outlined below noting that growth monitoring is on-going:
 - a. At Simalungun FMU
 - The total land area planted was 9 Ha, the land was earlier occupied by Panribuan village community.
 - Planting of Kaliandra, gamal and lamtoro, each 3 Ha in size, was completed by end of April 2018.
 - The growth monitoring conducted in early April 2020 indicated that kaliandra grew better than gamal and lamtoro. Data processing is underway, to be reported in the next reporting period.
 - b. At humbang Hasundutan FMU
 - The total land area planted was 12 Ha; the land was previously occupied by Parlilitan village community.
 - Planting of kaliandra, gamal and lamtoro, each 4 Ha in extent, was completed by end of June 2018.
 - The growth monitoring carried out in early April 2020 indicated that kaliandra grew best compared to gamal and lamtoro. Monitoring data are under processing, to be reported in the next reporting period.
 - c. At Padang Sidempuan FMU,
 - The total land area planted was 12 Ha; the land was controlled by the FMU, not under occupation by local community.
 - Planting of kaliandra, gamal and lamtoro, each 4 Ha in size, was completed by end of May 2018.
 - The monitoring of growth carried out in mid-March 2020 indicated that kaliandra grew better than the other two species. The same as the other two demplots, monitoring data are still under processing.

In general, survival rate in all demplots was relatively low which might be due to:

- Low quality of planting materials;
- Inappropriate planting of materials by laborers;
- Lack of maintenance;
- Late of weeding;
- Late of replacement of died seedlings.

In particular, the low survival rate could be attributable to:

- Unsuitable soil at Humhas FMU;
- The lamtoro's site requirements do not match the site attributes in all sites.

- iv. Activity 1.5: To estimate potential supply of non-forest sources. The activity is currently under execution which may experience some delay caused by the wide spread of corona virus; the work was started on 19 May 2020, and is currently under reporting stage.

Output 2: Skilful manpower for development of wood-based biomass energy available

Out of 5 activities defined under Output, 4 activities have been implemented under YPO1 and YPO 2; they are:

- i. Activity 2.1: To conduct dialogue with local communities on benefits of energy forest development (50 villages in 13 districts) in Years 1 and 2 (completed).

- Dialogue with the communities at 49 villages in 13 Districts had been completed. The activity was implemented with the assistance of the University of Simalungun since June 2018 (YPO 1) till January 2019 (YPO 2);
- A Technical report on the activity is now available with the project.

- ii. Activity 2.2: To train local communities on technical skills for energy forest development covering planting, tree nursing, planting and harvesting techniques (100 farmers leaders of 50 villages). The activity has been fully implemented including the training on bee honey production, the 5th training module of the activity. Results of the activity are outlined below:

- The subjects covered in the training were:
 - a. Techniques for nursery development and for the production of planting materials (Module 1) for the three target species, namely: gamal, kaliandra and lamtoro;
 - b. Techniques for land preparation and for planting of planting materials (Module 2);
 - c. Techniques for plantation maintenance covering replacement of died seedlings, weeding, and fertilizing (Module 3);
 - d. Techniques for harvesting (Module 4) of trees of different ages and density of plantation;
 - e. Techniques for producing bee honey (Module 5) covering bee raising, honey harvesting and marketing.
- Participants of the training were 205 in total, originating from 12 districts surrounding the plantation demplots, noting that: participants of Module 1, 2, 3 and 4, each 34 people, are the same persons, while participants of Module 5 were 35 people. It is to be noted also, that the training on harvesting techniques was implemented only at two demplots as harvesting at Humbang Hasundutan demplot is not feasible due to the fact that all 3 species were failing to grow and develop.
- The time schedule for execution of the training modules (1,2 and 3) was:
 - ✓ 25-27 September 2019 at Simalungun demplot, 34 trainees;
 - ✓ 02-04 October 2019 at Padang Sidempuan demplot with 34 trainees;
 - ✓ 12-14 November 2019 at Humbang Hasundutan demplot, 34 trainees.
- The training on harvesting techniques (Module 4) was executed as follows:
 - ✓ 26-28 November 2019 at Simalungun demplot, 34 trainees;
 - ✓ 04-06 December 2019 at Padang Sidempuan demplot, 34 trainees;
- The training bee honey production (Module 5) was carried out on 06 – 09 July 2020 (excluding preparation) in Pematangsiantar with 35 participants originating from 11 different districts.

The number of trained farmers was 205 in total which met the indicator of achievement, i.e. 100 farmers, defined in the project document. A technical report on the implementation of the activity is under preparation, should be ready by August 2020.

- iii. Activity 2.3: To train local people on village cooperative management. The activity is under preparation for execution; ITTO Secretariat had issued a NOL to execute the activity.

- iv. Activity 2.4: To conduct comparative studies on wood-based energy industry development for executives and manager. Under this activity, 3 studies have been conducted which are highlighted below:

- The Vietnam study (13-19 May 2019): The study gained first-hand information on various aspects of forest industry development especially on forest management and forest industry development policies. The lesson learned from Vietnam were applicable to Indonesia's case.
- The Ganzhou, China study (24-30 May 2019): The primary activity of the study was the Project Coordinator attended the 4th Global Conference on Rubber-wood Industry Development. Among the useful lessons learned from the Conference are the use of rubber wood wastes for producing black pellet in combination with wastes of other wood industries; China is pursuing a wood industry clustering strategy for wood industry development whereby wood wastes by different industries can be efficiently collected and utilized by needing industries; Wood terminal development is also an essential part of the clustering strategy. A wood terminal buys timber from different sources, both domestic and overseas, and sells to consuming processors at competitive prices due to economies of scale.

Output 3: Investment in wood-based energy industry development promoted

The activities under Output 3 that had been implemented under YPO 1 and YPO 2 are summarized below:

- i. Activity 3.1: To disseminate information on technology and market for wood-based energy through website and other means. This activity has been continuously implemented since October 2018; and will go on till end of the project.
- ii. Activity 3.2: To organize one national workshop on wood-based energy development in Medan (completed). This Activity had been implemented under YPO 1 in the form of a One-day Workshop on "Initiation of new renewable energy (EBT) development in North Sumatera Province, on 4 December 2017 in Pematang Siantar. The workshop was attended by 53 participants representing the primary stakeholders and had successfully achieved its planned objectives. A separate technical report on the workshop is now available with the Project.
- iii. Activity 3.4: To conduct feasibility study on investment in commercial manufacturing of wood-based energy including electricity and wood pellets. This activity has been completed and had been presented to the project's workshop held on 2 September 2019 in Jakarta. The workshop was attended by some 40 people representing government institutions, practitioners, decision makers and would-be investors.
- iv. Activity 3.5: To review existing policy on wood-based biomass energy development in view of strengthening incentive for investment (completed). The activity had been completed and a FGD on results of the review work was held on 28 January 2019, attended by some thirty professionals.
- v. Activity 3.6: To form and operate a consultation forum on renewable energy for enhancing communication and coordination between stakeholders. The activity had been completed and its technical report on the activity is currently under compilation.

Overall, project operations have been going on track. There is no project monitoring activity implemented by ITTO Secretariat since January 2020 due to the Covid-19 pandemic. A full progress report was submitted by the Executing Agency in August 2020 and is available from the Secretariat.

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

Budget and Sources of Funding:

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

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

Approved: Spring Project Cycle, April 2015

Financed: March 2016

Starting Date: September 2018

Duration: Planned: 24 months
To date: 24 months

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

After several delays by the Government of Honduras, the project agreement was signed in April 2018 and the Executing Agency submitted an inception report and all other start-up documentation in June 2018. The first installment of funds was transferred to the Executing Agency in September 2018 when it was able to inform the Secretariat of the project bank account details.

Following project start-up in September 2018, the Executing Agency established a project technical committee and received approval (in early 2019) from ITTO for the recruitment of project staff/consultants. The project office was established and the vehicle provided for in the approved budget was purchased to allow transport to the 3 project field sites in north-eastern Honduras. The range of lesser-used timber species to be studied was finalized in consultation with local experts, and meetings were convened in each of the project field sites to familiarize local stakeholders with the project's objectives and their respective roles. Inventories of the project field sites have been undertaken and full lists of timber species present generated. Manuals of best silvicultural practices have been developed for all of the target species and the market studies required to introduce these species to local and export markets have been mostly completed. Studies of the volumes available of the selected species have been undertaken, along with studies of local communities benefiting from extraction of the targeted lesser-used timber species.

The Executing Agency has submitted to the Secretariat a full project progress report covering activities to July 2020 which is available on request (Spanish only). After the initial delays in start-up, the project suspended activities due to COVID-19 between March-July 2020 and no request for additional funds has been received since the first disbursement was sent two years ago. However, the latest progress report indicates that the project should still complete all activities successfully in 2021 with less than a one year delay in the planned duration. An initial project monitoring mission was undertaken by the Secretariat in August 2019 during which all project activities were seen to be on schedule; a follow up mission scheduled for the second half of 2020 has been deferred until the first half of 2021 due to COVID-19 travel restrictions.

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

Budget and Sources of Funding:

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

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

Approved: August 2017

Financed: December 2017

Starting Date: July 2018

Duration: Planned: 24 months
To date: 26 months

This project aims at increasing economic, social and environmental benefits provided by Vietnam forestry and wood processing industry. The specific objectives of the project are to increase efficiency in the processing of acacia plantations in Vietnam. The expected outputs are: i) to increase the supply of acacia plantation timber which is available with larger diameter, improved quality and certified; ii) enhancing the processing capacity of acacia plantations to make full efficiency in the industry; iii) raising awareness of Timber Legality Assurance System (TLAS) for acacia plantations. The key targeted beneficiaries of this project are forest owners/planters and business entities of the private sector, who are dealing with acacia timber processing.

The project was partially financed at the Fifty-third Session of the Council in December 2017 and became operational with US\$26,480 (22.73% of the ITTO budget) still pending financing. The remaining budget was then fulfilled from the Bali Partnership Fund through, approved by the Fifty-fourth Session of the Council in November 2018. The first installment of ITTO funds for the project was disbursed to the Executing Agency in July 2018.

The execution of the work plan can be learned from the below table.

Outputs/ Activities	Percentage executed	Originally planned completion date	Estimated completion date
Output 1: Increased local supply of larger-size, certified and higher quality acacia timber for wood processing enterprises			
Activity 1.1:			
- Work with policy makers to improve and promote incentive policies of preferential loans for forest owners	100	20/8/2019	
- Connect forest owners with credit institutions in delivering preferential loans	100	30/9/2019	
Activity 1.2:			
- To hire consultants to evaluate and research the potential of large trees	100	31/3/2019	
- To connect experts with forest owners to deliver silvicultural techniques to forest owners	100	30/8/2019	15/6/2020
- To disseminate information of technique and standards for sustainable forest management (regulated under Vietnam laws and international organizations).	100	25/4/2020	15/6/2020

Activity 1.3:			
- To connect and provide information of demands of wood working enterprises for forest owners: type and size and certification of raw wood	100	15/5/2020	6/7/2020
- To provide the updated news and trend analyses of acacia timber markets	100	28/4/2020	28/12/2019
- To advise to make preferential policies to support the development of deep processing industry for acacia plantations.	100	30/7/2020	30/10/2019
Output 2: Enhanced capacity to increase efficiency of acacia timber processing industry			
Activity 2.1			
- To hold direct and indirect meetings between machine manufactures who want to post-pay their products and wood processing enterprises to discuss mutual demands of advanced timber sawing equipment and automatic drying technology	100	20/4/2020	20/12/2019
- To provide wood processing enterprises with information of wood working markets, events of machines and technology demonstrations of making wood products	100	15/4/2020	28/10/2019
- To consult policy makers to make encouraging and preferential policies for credit institutions to provide priority loans of technology and advanced machine equipment for wood processing enterprises.	100	20/4/2019	30/12/2019
Activity 2.2			
- To organize short-time training courses on techniques of timber classification, sawing, drying and preserving at the factories	100	4/2020	07/2020
- To hire experts to consult processing technology of acacia plantations properly	100	9/2019	
- To organize seminars, workshops, dialogues to share experiences on acacia plantations	100	4/2020	4/2020
- To communicate knowledge of the technology and techniques of processing acacia.	100	7/2020	12/2019
Activities 2.3			
- To hire experts to consult and prepare the technical guidelines of design, marketing skills of woody products that made from acacia plantations	100	30/4/2020	15/12/2019
- To hire experts to evaluate domestic acacia plantation for mechanical, physical and chemical properties	100	25/7/2019	
- To establish reports of domestic acacia plantation to provide authorities to make suitable policies to develop raw material areas and planning wood processing enterprises.	100	30/7/2019	30/7/2019
Output 3: Awareness on Timber Legality Assurance System (TLAS) applicable for acacia plantations raised			
Activity 3.1			
- To prepare guidance on implementation of TLAS procedures for wood processing enterprises and other relevant stakeholders;	100	30/4/2020	30/4/2020
- To disseminate the knowledge of the TLAS on internet and other media means;	100	20/1/2020	17/11/2019

- To promote cooperation with different national and international organizations (WWF, NEPCON, VCCI, etc.) to exchange and discuss TLAS implementation	78	25/4/2020	03/2021
Activity 3.2: To evaluate and simplify procedures to reduce the costs of TLAS implementation for acacia plantations.			
- To hire experts to assess the impacts of TLAS for enterprises and forest owners on the socio-economic efficiency of acacia plantations	100	1/2/2020	30/12/2019
- To advise the policy to promote development of acacia industry in the direction of simplifying administrative procedures and enforcing TLAS	100	10/7/2020	10/7/2020
- To facilitate dialogues between the processing enterprises, forest owners and administrative authorities at all levels to solve problems found in the process of TLAS implementation.	100	30/6/2020	30/6/2020
Activity 3.3: To provide short-term training courses of TLAS.			
- To organize short-term training courses for material staff/marketing sales to provide knowledge and practical skills as required by the TLAS procedures;	90	30/4/2020	12/2020
- To organize seminars, conferences to evaluate and public the results of implementation, draw lessons in the process of the TLAS implementation;	100	15/11/2019	

Overall, project operations have been going smoothly. No major obstacles are encountered by the project team.

[B] Projects and Pre-projects Pending Finance

1. PD 900/19 Rev.1 (I) **Developing Gender Sensitive, Community-based Bamboo Industry Development to Support Sustainable Bamboo Resource Management and Conservation in Lake Toba Catchment Area (LTCA) of the North Sumatra Province of Indonesia**

Budget and Sources of Funding:

Total Budget:	US\$	603,404
ITTO contribution:	US\$	499,184
Government of Indonesia contribution:	US\$	104,220

Executing Agency: Aek Nauli Forestry and Environment Research & Development Institute (FERDI)

Forestry and Environment Research and Development and Innovation Agenda (FOERDIA), Ministry of Environment and Forestry, Republic of Indonesia

Approved: September 2019

Duration: 36 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 30 April 2021.

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

Budget and Sources of Funding:

Total Budget:	US\$	673,134
ITTO contribution:	US\$	385,706
Government of Peru contribution:	US\$	287,428

Executing Agency: Cámara Nacional Forestal (CNF)

Approved: October 2020

Duration: 30 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 31 May 2022.

3. PPD 195/19 Rev.2 (I) Pre-project for a Feasibility Study on Processing and Valorizing Timber in Togo

Budget and Sources of Funding:

Total Budget:	US\$	125,032
ITTO contribution:	US\$	93,632
Government of Togo contribution:	US\$	31,400

Executing Agency: Office de Developpement et d'Exploitation des Forêts

Approved: October 2020

Duration: 12 months

Financing for this project is still pending and the Council has authorized the Executive Director to begin implementation as soon as earmarked funds for the total ITTO contribution become available in the Special Account. The project will lose its status as an approved project under the sunset provision of Decision 2(X) Annex 2 on 31 May 2022.

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