

Statement by the Executive Director

ITTC 56, Agenda item 10

Distinguished delegates,

Excellencies,

Dear observers,

Ladies and gentlemen,

On behalf of the ITTO Secretariat it is my pleasure to welcome you to the 56th Session of the International Tropical Timber Council. This meeting takes place virtually under extraordinary circumstances caused by the global COVID-19 pandemic.

Meeting in a virtual session is far from ideal given the substance of the issues at hand and the depth and breadth of deliberations we must undertake to achieve consensus. Nevertheless, thanks to the hard work of team in the Secretariat to make this session technically possible, and the preparatory work by the Informal Advisory Group, I'm sure we will make considerable progress."

In keeping with the extraordinary circumstances, we are facing, I will keep my intervention short and will focus mainly on implementation of last year's Council decisions because time is limited and we need to hear your voices and receive your guidance. Please refer to the background documentation on the various agenda items, which I'm sure will facilitate your deliberations.

Let me inform you on the role that ITTO has been playing in response to the COVID-19 pandemic. Recognizing that the pandemic is the result of a breakdown in the relationship between human and natural systems, the focus of responses to it should also encompass the protection of ecosystems and the maintenance of their functions. Sustainable forest management, which involves the restoration, conservation and sustainable use of forests, provides essential goods and ecosystem services to support human health and livelihoods. Forest products and services are especially essential in many tropical countries whose economies have been heavily affected by the COVID-19 pandemic. Forests provide many communities with security and income, especially among the most vulnerable, and increase their resilience. In the present economic crisis, forests offer a refuge to many people who, to survive, have left the cities and returned to their rural homes. There is no question that the evolving crisis will have a deep impact on forest industries, domestic and international markets. Moreover, it is amplifying existing challenges, such as the ever-growing pressure on forests, the difficulty in meeting sustainability standards, the lack of finance for biodiversity conservation, and forest governance.

Through the objectives laid down in the International Tropical Timber Agreement and the Strategic Action Plan, ITTO has huge potential to provide solutions. The Secretariat played an active role in drafting a joint statement by the Collaborative Partnership on Forests (CPF) on the role of forests in the COVID-19 pandemic. I firmly believe that our new Pilot Programmatic Approach is providing an excellent

basis for responding to the needs of member countries during the crisis in a timely and focused manner. At a time when pressure on forests and demand for forest products and services are increasing, the three Program Lines—Legal and Sustainable Supply Chains (LSSC); Biodiversity and Ecosystem Services (BES); and Forest Landscape Restoration and Livelihoods (FLR-L)—offer exactly the right mix of thematic priorities and organizational orientation for addressing those challenges.

I wholeheartedly thank the ad-hoc Finance Working Group (AHWG) and the ad-hoc Advisory Board, as mandated by Decision 8 (LV), for their advice and validation of the Programmatic Approach and the Programme Lines and their invaluable inputs into the goals, objectives, scenarios and mechanisms of the streamlined project cycle. I am looking forward to deliberations on this topic under agenda item 15 this week.

Decision 8 (LV) also mandates the Executive Director with several other tasks, and here I provide an overview on how we have responded (more details will be presented under agenda item 15).

- **Fundraising:**

I thank the Government of Japan for the emergency funding they provided earlier this year for two projects on forest fire in Indonesia and Peru, which are now already under implementation. We also acknowledge other contributions, including one from a Japanese Buddhist organization to support women and local communities on food security and forest restoration in Togo. Several programmes or project proposals have been submitted in response to the call for proposals, on invitation, seeking voluntary contributions from donors. These include two large-scale proposals at a total value of EUR 31 million to support women and local communities in meeting livelihood needs through forest landscape restoration in four African countries and Indonesia. We hope to receive a positive response this month from the German Ministry of the Environment's International Climate Initiative. We have also submitted a proposal to the EU on promoting legal and sustainable supply chains for an amount of EUR 10 million. And we have been invited by the German Ministry of the Environment to submit a proposal for the incorporation of the Global Timber Tracking Network on the assumption that other donors will join as partners.

- **Policy work of the Organization (ITTA Article 24 and Decision 8(LV))**

In pursuing its tasks under Decision 8 (LV) and in line with Article 24 of the ITTA, the Secretariat has been playing an active role in the CPF to underpin its specific role in the international forest regime and to substantiate the goals and objectives of the three Program Lines. Here are three examples:

- **New guidelines on forest landscape restoration:** Program Line 3 of the new Programmatic Approach recognizes the growing importance of healthy ecosystems and their services in regulating the zoonotic emergency. Within the goal and objectives defined by the Finance AHWG, it is essential to further develop and substantiate national and global policy responses to ecosystem degradation, and to simultaneously

address the increasing demand for forest products and services, particularly in the tropics. ITTO has therefore taken the lead in translating the global wealth of accumulated knowledge and best practices on FLR into the “Guidelines for Forest Landscape Restoration in the Tropics”. This work has been done in close collaboration with many partners, including CIFOR, FAO, the GEF, IUCN, IUFRO, AFoCO, WRI and WeForest. These newly developed guidelines are now posted on the ITTO website as a guiding document for developing and implementing FLR interventions at the national and subnational levels. I thank the Council for guiding this policy work on FLR. I also thank the two coordinators of the guidelines, Jürgen Blaser and Cesar Sabogal, as well as members of the CPF and other organizations, who provided invaluable contributions to the guidelines. I am certain that the new ITTO guidelines will help advance FLR in international processes, including the agenda for the post-2020 Global Biodiversity Framework and the United Nations Decade for Ecosystem Restoration, which begins in 2021.

- **Forest education Initiative:** ITTO is partnering with FAO (lead) and IUFRO in a new global initiative on forest education to address the global decline in forest-related knowledge and skills and to understand on a global basis the emerging future needs for forest education at the professional, technical and general education levels. ITTO has taken the lead in the assessment in Asia.

In addition, underpinning Program Line 1 and in light of the COVID-19 pandemic, ITTO has taken the initiative to prepare an online learning course on legal and sustainable supply chains, with five distinct modules along the value chain from the forest to the market. We believe that, with this course, ITTO is breaking new ground and reaching new audiences in forest education and learning.

- **Market information:** The Secretariat is closely monitoring the economic impact of the COVID-19 pandemic on forest industries and trade. Under BWP Activity 1, a sub-study has been commissioned as part of broader analytic work on “incentives for green-growth value-chain investments in tropical forests”. We published initial results from this study just last week, for your information.
- Other important activities, such as the Global Green Supply Chain initiative and a feasibility study on the use of blockchain technology for timber and other forest products, are also underway, although they are being slowed by the travel restrictions imposed due to the COVID-19 pandemic.
- **Cooperation and coordination with other organizations (Article 15 and Decision 8 (LV))**
According to Decision 8 (LV), the Executive Director has been asked to undertake new efforts to engage with the GEF and other international organizations. We are doing so through various initiatives, although the general constraint is that, to receive funds, ITTO needs to be accredited

as an implementing organization. Attempts have also been made to work with accredited organizations as executive partners. This option is constrained by the fact that ITTO is de-facto a competitor for funds that implementing organizations request for themselves. The bottom line is that it is very difficult for ITTO to become accredited as an implementing or executing body without the active intervention of government members in the respective governing bodies.

The Secretariat has undertaken the following concrete steps:

- **Memorandum of Understanding (MoU) with the Convention on Biological Diversity (CBD)**
ITTO and the CBD have shared views on future collaboration and have reached an agreement at the executive level to renew the current MoU, which will expire at the end of 2020. An assessment of past collaboration between the two organizations is underway to develop the basis for future collaboration, and we will develop areas for joint work within the framework of the post-2020 Global Biodiversity Framework. A draft MoU has been shared with the CBD Secretariat. ITTO is also providing inputs to ongoing work to develop the post-2020 Global Biodiversity Framework.
- **The Global Environment Facility (GEF)**
ITTO has been implementing a small CPF joint activity on forest landscape restoration using GEF funds through IUCN (a GEF-accredited agency) since 2018. We are expecting to receive about US\$19,000 of GEF funds this year from IUCN to help in convening an FLR capacity-building workshop. I have presented the new pilot Programmatic Approach to the GEF Secretariat, and it was received with much interest, given GEF's new focus on the role of sustainable forest management and productive forests.
- **The Green Climate Fund (GCF)**
We resumed ITTO's application process for GCF accreditation in 2018. Several hurdles have been overcome in response to questions for clarifications from the GCF Secretariat. It is noticeable that the new GCF Forest Strategy shows strong similarities with ITTO's pilot Programmatic Approach.

Ladies and Gentlemen,

On a more personal note, please allow me some concluding remarks.

I believe that considerable progress has been made since in the last 3 1/2 years and since last year's Council session. We all at the Secretariat, with critical support from the ad hoc Working Group on Finance and the ad hoc Advisory Board, have worked hard to advance the reform and restructuring process. New initiatives and fund-raising efforts are underway.

However, the process is far from complete and important elements for the operationalization of the pilot finance architecture are missing. This includes among others the underpinning of the AHWG's proposed objectives with a comprehensive narrative and business model, or clarifying the interdependencies between the BWP and the pilot Programmatic approach, or establishing rules for the

financial and accounting aspects of the Program Lines, or developing a hierarchical set of criteria and outcome measurement indicators.

To further advance this outstanding task, this was the reason why I proposed in Lomé last year a limited extension of my term, also in considering that fund raising is a very personal business and building trust takes time. Changing leadership in the middle of an ongoing reform process is against best practice and normally leads to a loss of momentum, especially at times of COVID pandemic. Uncertainty provokes fears among some staff and positioning for others.

Council must make strategic choices. If leadership change is seen as in the best interest of the organization, I am happy to step aside so that an officer-in-charge can take over in the interim months ahead. Under these circumstances I have submitted constructive proposals to the Chairperson which would have allowed to start the recruitment process almost immediately while securing a smooth transition from one elected ED to another while keeping momentum with the reform agenda and keeping the Secretariat stable.

My highest priority is and always was to be an ED for all Members and to make useful contributions for the benefit of this unique organization and to advance the goals of the ITTA in non-partisan way. This is the spirit by which I applied for this position and will firmly adhere to whatever decisions are taken by the Council.

Distinguished delegates, ladies and gentlemen, I wish you a good start to this 56th session of the Council, and successful deliberations. Above all, I hope that the KUDO conferencing technology allows seamless connection and communication.

Thank you for your attention.

Gerhard Dieterle