



**INTERNATIONAL TROPICAL  
TIMBER COUNCIL**

Distr.  
GENERAL

ITTC(LVII)/4  
27 September 2021

Original: ENGLISH

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FIFTY-SEVENTH SESSION  
29 November – 3 December 2021  
Virtual Session

**REPORT OF THE AD HOC ADVISORY GROUP UNDER DECISION 9(XXXI)**

(Item 9(a) of the Provisional Agenda)

**Report of the ad hoc Advisory Group under Decision 9(XXXI)**

**REPORT OF THE VIRTUAL MEETING HELD ON TUESDAY 13<sup>th</sup> July 2021**

Participants:

1. Mr. Kheiruddin Md. Rani, ITTC Chairperson
2. Mr. Luke Thompson, Consumer Spokesperson
3. Mr. Jorge Malleux, Producer Spokesperson
4. Ms. Yoshiko Motoyama, Host Country Representative
5. Mr. Steven Johnson, ITTO Officer-in-Charge (OIC) (assisted by Secretariat)

The Draft Agenda was presented by the ITTC Chairperson and adopted as follows:

1. Opening remarks - Chairperson ITTC
2. Discussion on options and modalities for ITTC 57 – OIC to present Options & Discussion
3. Other matters
4. Closing - Chairperson ITTC

**1. Introduction**

The AHAG conference call under Decision 9(XXXI) was convened on 13<sup>th</sup> July 2021 and chaired by the ITTC Chairperson. All the participants are listed above. The Chairperson thanked the AHAG for its agreement on the attendance of select observers at this meeting, which included the ITTC Vice-Chairperson, additional colleagues from the host government and senior officials from Secretariat. The OIC presented the historical grounds for Decision 9 (XXXI), based on the need for a small agile group at that time to deal with emergencies relating to Council sessions. Any future enlargement of this group as appropriate will need a further Council decision if Council deems it necessary.

**2. Discussion on options and modalities for ITTC57**

The OIC took the AHAG through the background brief circulated by Secretariat. He informed that the Government of Japan has in place entry bans on over 159 countries and an unconditional requirement of 14 days of (self)/quarantine even for diplomats and further informed it is uncertain whether current policies will stay in place or change in the near future, given the fluidity of the situation. The global situation on the status of the COVID-19 remains gloomy for coming months with no certainty on travel restrictions being lifted and/or resuming any normality. Although the administration of vaccinations has sped up in Japan since the brief was prepared, only a few members of staff have been offered the first vaccine with others still waiting to secure vaccination appointments. The ITTO Secretariat continues to largely work from home with minimum presence in the office whilst awaiting vaccinations to be offered. It is hoped that most staff members will be vaccinated before the proposed dates of the 57<sup>th</sup> Council session in order to serve Council and associated panels wherever and however they may be held. Vaccination of secretariat staff does not mean a physical Council session can be held in November 2021, however, since all delegates arriving from overseas would still need to quarantine for two weeks under current policies.

Following an update on the current situation between all the participants, it was acknowledged that there are too many variables and uncertainties surrounding the spread of the COVID-19 globally and this impacts on any decision to be taken relating to the ITTC57.

**2.1 Options for ITTC57 - Three Options were discussed at the AHAG conference call:**

**Option 1** - whether it is prudent and/or viable to proceed with a physical meeting on the current dates booked at Pacifico Yokohama of 2-7 November 2021. As discussed at the ITTO Informal Advisory Group (IAG) Meeting held on 1<sup>st</sup> July 2021, and as summarized above, planning and holding a physical meeting in Yokohama in November will be difficult/impossible due to the current global situation with several countries reporting the spread of highly transmissible variants of the COVID-19. Additionally, several countries have had no option but to reimpose movement restrictions, which include continued and/or enhanced restrictions on international travel and quarantine requirements, both in the receiving countries and upon travel back to home countries. Based on current information, it is highly likely that such travel restrictions will remain inconducive for a physical meeting in November 2021. A decision to cancel the Pacifico Yokohama booking in Nov 2021 for the 57<sup>th</sup> session (already re-booked from originally planned dates in 2020) would result in a mandatory cancellation fee of around USD 80,000 (50% of the total reservation fee due) for the reservation at the Pacifico Conference

Centre if communicated by 1<sup>st</sup> October 2021 (after that date the full fee is due whether the meeting happens or not). This fee will need to be covered from ITTO funds (administrative budget and/or Working Capital Account).

**Option 2** - whether it would be prudent to postpone ITTC57 until June 2022 or November 2022 in the form of a physical meeting. The same cancellation fee stipulated above applies here.

This is a possible option but with the implication that there would be at least an 18-month interval between ITTC 56 and ITTC 57. A date during H1 or H2 of 2022 would allow the City of Yokohama to draw on approved budget allocations for hosting a single ITTC session in 2022. When considering this option, it was noted that several international organisations have carried out their annual meetings virtually in 2021 or postponed to a date well into 2022 for a physical meeting, or conducted a hybrid approach with a combination of both where feasible.

**Option 3** – to hold a virtual ITTC57 session in the currently scheduled week of 1-5 November 2021, as was done for the ITTC56, in order to maintain the regular Council session cycle. The OIC noted that in fact the dates of a virtual session could be any time acceptable to members (when it was pointed out that the UNFCCC COP 26 will also convene in first half of November). He suggested that when planning timing of a virtual session, it would be best to adhere to the type of schedule used at ITTC 56 (ie around 3 hours per day of virtual sessions during weekdays running from Monday to Friday) in terms of ensuring participation and keeping interpretation and Secretariat overtime costs reasonable. This option would also entail holding a physical session in 2022, to maintain the usual regular Council session cycle. Slots at the Pacifico Conference Centre for 2022 are available in June and in November 2022. Discussion during the AHAG meeting saw support expressed for both dates, with an overall preference leaning towards ITTC58 being held in November 2022 although this decision ultimately lies with the IAG to recommend the exact dates to Council. The available slot for June 2022 needs to be confirmed/cancelled by 31<sup>st</sup> July 2021 so without further instructions from the AHAG, the Secretariat will cancel this slot to avoid another non-refundable deposit fee being lost (the deadline for confirming/cancelling the Nov 2022 slot before having to pay the non-refundable deposit is November 30 2021).

## **2.2 ITTC57 & ITTC58 Cost Estimates & Budget Implications:**

The costs for **2021** will be covered by the Administrative Budget H02 “Council Session Outside Japan” budget heading where \$200,000 is allocated from the 2021 budget and an additional \$200,000 from the 2020 budget from last year (unless voluntary contributions for this purpose are received from members).

- Cost for convening a virtual Special Session in July/August 2021 USD 60,000  
The above option was included following discussions at the IAG on 1<sup>st</sup> July 2021, aimed at dealing with Finance matters on accessing funds from the WCA to address budget shortfalls in 2021 (due to assessed contributions being paid late or not at all). At this point, the Secretariat recommends not proceeding with a Special Session. If necessary, the OIC will utilise emergency procedures as detailed in the ITTO Rules of Procedures for a quick decision on this matter in August.
- Cost for convening a virtual Council Session in 2021 USD 210,000  
This figure includes the cancellation fee of USD 80,000 for the Nov 2021 slot in the event a virtual session is decided for the ITTC57, an estimate for the costs of the KUDO platform (based on costs incurred in 2020 for test sessions and daily 3-hour Council sessions) and simultaneous interpretation costs as incurred during the ITTC56.
- Cost for convening a physical Council Session in 2021 USD 400,000  
Looking at current information, this option is highly unlikely.
- Cost for not holding a Council Session in 2021 USD 80,000  
This figure is the cancellation fee for the Nov 2021 slot mentioned in the 2<sup>nd</sup> bullet

The costs for **2022** will be covered by the City of Yokohama for ONE Council Session and there will be no cost implication to the Administrative budget.

- Cost for convening a virtual session in 2022 USD 130,000
- Cost for convening a physical session in 2022 USD 400,000

### **2.3 Deadlines to be noted:**

- Deadline for the cancellation of the Nov 2021 slot 2-7 Nov 2021 is 1 Oct 2021 + cancellation fee of JPY 8,936,000 (double this amount needs to be paid if the deadline is missed)
- Deadline for confirmation/cancellation of June 2022 (Mon 13 – Sat 18 June 2022) is 31 July 2021 (if not cancelled by this date, non-refundable booking fee payable as above)
- Deadline for confirmation/cancellation of Nov 2022 (2<sup>nd</sup> week of Nov 2022) is 30 Nov 2021 (if not cancelled by this date, non-refundable booking fee payable as above)

The reservation for November 2022 was automatically proposed by Pacifico Yokohama as ITTO convenes its Council Session every other year in Yokohama. As City of Yokohama pays for ONE ITTC Session during their fiscal year 2022, the option of either June or November 2022 needs to be confirmed so that the other slot can be cancelled in good time.

It was acknowledged that holding a physical meeting in Yokohama in November 2021 is difficult if not impossible due to the current global situation surrounding the COVID-19 which shows no clear signs of abatement. Based on current information, it is likely that travel restrictions will remain inconducive for a physical meeting in November 2021.

### **2.4 Modalities for the ITTC57:**

Secretariat proposed the same modalities as the ITTC56, including the utilisation of the KUDO platform again if a virtual session is agreed. Secretariat further recommends holding a maximum of 3-hour daily sessions as interpretation costs will increase significantly if sessions go beyond 3 hours per day (e.g. since 2 or more teams of interpreters will be needed).

The OIC recalled that the AHAG which recommended a virtual ITTC56 had deferred the content of the Council agenda to the IAG as this task does not fall within the mandate of the Decision 9 (XXXI) AHAG and recommends deferring this matter to the IAG. In anticipation of a recommendation to pursue only consensus-based decisions at the ITTC57, Secretariat had indicated some proposed agenda items covering regular work, to which the proposed ITTO budget 2022-23 for CFA/Council approval needs to be added. Secretariat recommends convening an IAG meeting in H2 of August 2021 to finalise the ITTC57 agenda to ensure that members are informed by the end of August/early September 2021.

Matters relating to ascertaining quorum and the legitimacy of a virtual Council session in relation to the ITTA 2006 were cleared and approved prior to the ITTC56 in 2020.

In accordance with Decision 9 (XXXI), the OIC will disseminate the report of this Decision 9 (XXXI) AHAG to all members and the IAG. He will also append it to the full IAG meeting report for circulation to members at ITTC 57.

### **2.5 Discussion Points:**

The Chairperson noted all the information presented by the OIC on timing, modalities and budget implications relating to the ITTC57. Based on the available information and on current circumstances, he proffered his personal view on the non-viability of holding a physical ITTC57 in November 2021. He proceeded to open the floor for discussion.

The Consumer Spokesperson stated that having consulted the consumer caucus, he agrees that a physical session is not safe, feasible, equitable or viable. Hence, a virtual session should be held in November 2021.

The Producer Spokesperson stated that he had also been in contact with some Producer members and the Consumer Spokesperson, and concluded that there is no alternative to holding a virtual session in November 2021. He further opined that if so, the modalities should be the same as for the ITTC56 where only routine, administrative and non-controversial matters are dealt with. The only possible controversial item is the election of the next Executive Director, which depends on the results of the work to be conducted by the Selection Panel. The matter should not be a controversial matter if there is clear consensus between members and all previous Council decisions and rules are fully respected. However, this remains uncertain and very much depends on how the process develops. He further added that while on this point, the Producer Caucus position is the need for an in-person face-to-face meeting of the ED Selection Panel, if possible, which will very much facilitate the final stages of the Selection Panel's work. If the Selection Panel is able to complete its work according to the stipulated timelines, the Producer Caucus would prefer a physical meeting to be held in June 2022. The OIC

reported that options for a physical/hybrid meeting were being investigated and reminded the Producer Spokesperson that the Secretariat is still waiting for some producer member nominations to the ED Selection Panel.

The Consumer Spokesperson responded by stating that the Consumers are aligned with the notion of a virtual session in November 2021. However, the Consumers may diverge in the specific agenda to be discussed where the level of comfort should be higher following the successful conclusion of the ITTC56. Knowing this AHAG is not to go too deep into discussions on the agenda, he wanted to highlight that there are several important agenda items that need to be considered at the upcoming ITTC57. The Consumer Caucus had some discussions indicating a desire for the annual market discussion being held this year, recognising that it may have implications on time. Hence, there have been discussions on time allocation for a fuller agenda at the ITTC57, for example an additional hour or two each day or additional days to the normal 5-day session.

The Consumer Caucus have a strong preference for the ITCC58 in 2022 to be held physically in November 2022 rather than June based on the hope that the COVID-19 situation would have settled by then, the several international meetings already scheduled to be held during the May-June window (e.g. UNFF, World Forestry Congress, UNCCD COP, CITES COP, GEF Assembly/ Council/ final Replenishment meetings, FAO-related councils, etc) and ITTO's financial reports possibly not being ready for review by June 2021. November 2021 is preferred to enable conducting as much regular business as possible and to keep to the regular cycle of Council sessions. This will ensure the avoidance of a large gap of 1.5 years before the next Council session and potentially endangering another USD 80,000, which ITTO would incur through further cancellation costs.

Although the ED Selection Panel is not within the purview of this group, the Consumer Spokesperson, in response to the Producer caucus position on the need for a physical meeting for the ED Selection Panel, stated that some Consumers are under strict no-travel orders, which means they will not be able to attend any physical meeting. The Consumers fully understand the difficulty and the highly sensitive nature of the ED Panel and it may come up as controversial on the agenda. However, having looked at how these activities have been accomplished in several other related fora, the Consumers strongly recommend looking into optimal ways to accommodate all viewpoints.

The Chairperson thanked the Consumer Spokesperson for the additional points made, acknowledging that it is not opportune for some decisions to be made by this AHAG. He reiterated the time limitations of a virtual session and it remains to be determined what agenda items are seen as controversial or non-controversial, hence the Council agenda should be discussed at the next IAG meeting. Nevertheless, the time/dates and mode of ITTC57 needs to be decided by this AHAG. The Chairperson invited the views of the host government.

The representative of the Government of Japan (GoJ) stated that a number of travel restrictions remain in place for a very large number of countries. There will be a no-audience Olympics and November 2021 will be during the full flu season in this part of the world. There is also uncertainty surrounding the potential virus impacts of hosting the Olympics with the number of visitors coming into Japan. It is simply impossible to pre-judge what the situation in Japan will be in 4 months, hence it is prudent to plan for a virtual session in November 2021. The GoJ would like to support a full virtual session, the big difference from last year being we have a number of good examples of successful sessions and related meetings/processes being held virtually. It would be useful for the ITTO to be a leader and not to be set back by the pandemic. The GoJ would support such an outcome. The GoJ would be interested in hearing the Producer Caucus' views on a possible change from dealing with only non-controversial items as was done last year. The GoJ representative stated that Producer member countries' delegations have been seen to be active in similar comparable fora, including fully participating in virtual election-related matters, and wondered how these official government positions on modalities for international processes were being consistently applied/reflected in ITTO delegates' opinions.

The Chairperson thanked the GoJ representative for her positive inputs and noted while there are lessons learnt from the ITTC56 virtual session, there is room for improvement on what can be done during the forthcoming virtual session. The Chairperson requested the Secretariat to look into how to deal with some controversial matters and whether voting can be conducted at the coming virtual session. The Chairperson acknowledged the request from the Consumer Spokesperson for additional hours/days, noting there will be a cost implication attached. The Chairperson invited the OIC for his views.

The OIC stated there is consensus on holding a virtual meeting in November 2021 although the length of the session is yet to be decided upon, having heard requests for more time. Secretariat will look into this and be ready with the cost implications. The OIC proposed:

Adding an hour onto each side of the previous sessions (ie an hour before and an hour after the previous 3-hour sessions), noting that either one or both will pose disadvantages for some delegates owing to global time difference;

Looking into additional days going into the weekend, noting that general services staff will need to be paid overtime;

Looking into additional costs for the Kudo system and interpreters, noting that all matters can be overcome if funds are available.

### **3.0 Other Matters**

More substantively, the OIC agreed with the Producer spokesperson on the possible controversial issue of the election of the next ED, based on the history of how this matter has previously been dealt with in ITTO. If members can agree on a consensus candidate, then there is likely to be no problem appointing a new ED by consensus at ITTC 57. The problem arises when there is no consensus. Secretariat looked into election processes in other fora in 2020/21, particularly the GEF and the WTO where consensus was achieved prior to meetings of governing bodies with no evidence of any actual voting in the available records. This information has already been shared with the Consumer spokesperson.

The possibility of voting has not yet been discussed but if it is desired, Secretariat will look into the matter in order to ensure we have the appropriate facilities ie verification procedures for incoming votes, etc. As much as we hope for consensus going into the Council session, this can never be assured, looking at ITTO's history. All is to be determined depending on the work of the Selection Panel and when the agenda of ITTC 57 is finalised by the IAG. The OIC posed the following 2 questions to the AHAG, seeking its guidance:

On whether there will be voting during the virtual session, seeing that the AHAG will be recommending a virtual session for the ITTC57;

Noting the divergence of opinion in the AHAG, whether the ITTC58 in 2022 is to be held in June or November 2022. Secretariat will be able to take the necessary action only if clear instructions are issued.

Having asked for the floor, the Chairperson invited the GoJ representative to present her views. She mentioned that the IUCN is holding its once in 4 years World Conservation Congress session this September and she heard that developing countries were the ones who insisted on holding selection procedures and elections virtually. She also understood that the KUDO voting platform has a voting app and asked whether the cost estimations included the use of this feature. In terms of June or November 2022 dates for the ITTC58, the GoJ is in favour of keeping the normal cycle of November 2022. She emphasised how challenging June will be from the perspective of the international calendar then, predicated on physical meetings and also due to travel logistics and related budgets at that time, even if travel is allowed.

The Chairperson invited the Consumer Spokesperson for his views. He stated that in discussions at the Consumer caucus meeting held recently, they were informed of several fora that had attempted elections or selection of leadership successfully recently, as mentioned by the GoJ representative earlier. He flagged that the FAO attempted a virtual election process recently and it did not go quite so well. He recommended that Secretariat looks into the FAO process to be aware of what they did not do right, resulting in problems of confidence in the process employed.

He further elaborated on the preference to have as full a session as possible. If there is to be a contentious issue, it is likely to be the ED selection. If there is no consensus, the minimum expectation would be to hear from the finalist candidates shortlisted by the Selection Panel at the ITTC57, which would require some time. It would not be realistic to gloss over or not to discuss this major issue of importance to all ITTO's membership. If there is no consensus, members would like to hear from the finalist candidates and it remains to be seen whether a decision will be taken on voting. Further discussion can be deferred to the IAG but the Secretariat should be aware of the need for at least presentations by shortlisted candidates when considering time required for ITTC 57.

The Chairperson thanked the Consumer spokesperson and stated that on the ED selection, much depends on the outcome of the Selection Panel, which will determine whether and how the ED selection will be on the agenda of this forthcoming session. He then gave the floor to the OIC.

The OIC said he had taken note of everything that had been discussed and agrees with the Consumer Spokesperson that members will expect to hear from the shortlisted candidates. It is also noted that Secretariat is still awaiting some nominations to the Selection Panel from the Producer caucus and the Selection Panel work will commence as soon as all nominees are confirmed. Secretariat is also still looking at options for convening the Selection Panel, including a hybrid meeting, if at all possible, for those who are able to travel. The AHAG/IAG will be kept informed of developments on this matter.

Upon invitation by the Chairperson, the Producer spokesperson stated that the Producer caucus agree on a virtual session being held in November 2021 and a physical session in either June or November 2022 but have no wish to endanger the potential loss of another USD 80,000 as we will already be incurring in 2021. Hence, it would be best to wait and see what happens and instruct Secretariat to cancel the June 2022 slot at Pacifico by the deadline to avoid incurring another non-refundable deposit fee. He requested Secretariat to look into other venue options for mid-2022, even outside Yokohama, taking into consideration the budget provisions of Yokohama City. If the virtual meeting in November 2021 is agreed upon, the Producer spokesperson requests Secretariat to organise virtual regional consultation meetings for the Producers, as done prior to the ITTC56, which was very helpful.

The OIC confirmed this will be done to accommodate Producers' request and Secretariat will be in close consultation to enable logistical arrangements with KUDO. Additionally, the OIC confirmed that Secretariat is doing its utmost to ensure the availability of a venue for the ITTC58 in 2022 as it is expected that meeting spaces will be filled quickly moving into next year and will prepare the details for the consideration of Council at the ITTC57.

The GoJ representative highlighted the clash of a virtual ITTC57 (if held in the first week of Nov) with the dates of the UNFCCC CoP26. The OIC responded by stating that the IAG had earlier expressed a preference to stick to the confirmed dates already communicated for 2021 regardless of the format of the meeting. However, there was no reason that a virtual meeting could not be held on different dates that don't conflict with the UNFCCC CoP (eg third week of November). The IAG should finalize dates for the virtual ITTC57 when it finalizes the draft Council agenda at its next meeting before the end of August. Referring to a comment by the Chairperson relating to ITTC58 possibly being hosted by a willing Producer country, the OIC stated that the budget from Yokohama City is contingent on ITTC58 being held in Yokohama, not anywhere else.

The Producer spokesperson stated that the agenda items to be discussed at the ITTC57 will very much depend on the outcome of the ED Selection Panel's work. We will have to rely on the goodwill and collaborative spirit between the Consumers and Producers to accept previous decisions that the next ED is to be from a Producer country. If this is honoured, there should be no difficulty.

#### **4.0 Closing and the summary of the AHAG meeting outcomes:**

- There is consensus that the ITTC57 will be held as a virtual session in the week of 1-5 November 2021 (exact dates to be determined by IAG) with the possibility of more than a maximum period of 3 hours per day (in order to accommodate a full agenda as discussed, bearing in mind the regional time differences for membership and cost implications);
- The ITTC58 session will be held either virtually or physically, depending on the circumstances closer to the time and if held physically, will be in Yokohama, Japan, in either June (or other date in first half of year) or November 2022 (this issue can be discussed by the IAG and decided by Council at ITTC57);
- Secretariat confirmed subsequent to the meeting that there is no possibility of transferring the USD 80,000 deposit fee owing for cancelling the 2021 physical session to a possible June 2022 date. The June 2022 date tentatively booked at Pacifico Yokohama will therefore be cancelled by the July 31 2021 deadline to avoid incurring another non-refundable deposit. Secretariat will investigate other location options in case Council decides it wants to convene earlier in 2022;
- In terms of planning the ITTC 57 agenda, due consideration will be given to the time required for presentations from the 4 finalist ED candidates as well as a Market Discussion and all other agenda items;
- The next IAG meeting is to be convened in the second half of August 2021, anticipating preliminary feedback from the ED Selection Panel by then to facilitate IAG discussions on the possible ITTC57 agenda item on the ED selection. Based on previous experience, the inclusion of this item will likely dominate the ITTC57 session. The exact date of the next IAG meeting will be proposed to members in early August (once the ED Selection Panel has been convened);
- The report of this AHAG meeting, once approved, will be circulated to all members and appended to the IAG meeting report to be presented to Council at the ITTC57 in November 2021;

- The initial dates for the ITTC57 to be presented to members when this report is circulated will be 1-5 November (Monday to Friday). Prior to the IAG meeting in second half of August, the Secretariat will look into implications of deferring the virtual meeting until the 3rd week of November, as well as cost implications of extending the daily hours and number of days of the session with KUDO and the interpreters.

The Chair thanked members for their participation and declared the meeting of the Ad Hoc Advisory Group under Decision 9(XXXI) closed at 21:15 JST.

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