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**MATTERS RELATED TO ARTICLE 15 OF THE ITTA, 2006
ON COOPERATION AND COORDINATION WITH OTHER
ORGANIZATIONS**

(Item 16 of the Provisional Agenda)

Update from Secretariat on Agenda Item 16 on Matters related to Article 15 of the ITTA, 2006 on cooperation and coordination with other international organizations

A. Introduction

During its deliberations in 2021, the Informal Advisory Group (IAG) requested the Secretariat to provide a report to Council on its collaboration with other international organizations (with a focus on relevance to fundraising activities) as per Article 15 of the ITTA, 2006, which states the following:

1. In pursuing the objectives of the Agreement, the Council shall make arrangements as appropriate for consultations and cooperation with the United Nations and its organs and specialized agencies, including the United Nations Conference on Trade and Development (UNCTAD) and other relevant international and regional organizations and institutions, as well as the private sector, non-governmental organizations and civil society.
2. The Organization shall, to the maximum extent possible, utilize the facilities, services and expertise of intergovernmental, governmental or non-governmental organizations, civil society and the private sector in order to avoid duplication of efforts in achieving the objectives of this Agreement and to enhance the complementarity and the efficiency of their activities.
3. The Organization shall take full advantage of the facilities of the Common Fund for Commodities.

While UNCTAD is the UN forum under which all International Tropical Timber Agreements have been negotiated, it has never provided funding to ITTO's substantive work program. The Common Fund for Commodities previously funded several ITTO projects, but in 2016 it switched to a loan (vs grant) model of assistance to developing countries primarily focused on activities with commercial potential, which is not consistent with the nature of ITTO projects and activities. This document therefore focuses primarily on recent interactions with organizations that were recommended as potential sources of funding for ITTO projects/activities in several recent Council decisions as elaborated below. It also reviews several outstanding matters under Decision 8(LV) on the Implementation of ITTO's New Financing Architecture – Phase I.

Decision 8(LV) on Implementing ITTO's New Financing Architecture - Phase I and Decision 4(LVI) on Implementing ITTO's New Financing Architecture – Phase II built on Decision 5(LIV) on Enhancing the Financing Architecture and Fundraising of the Organisation and Decision 9(LIII) on Improving ITTO's Financing Infrastructure and Fundraising Strategies. All these decisions were based on the foundation for ITTO's fundraising and partnership building activities as established and elaborated within the Committee on Finance and Administration (CFA) Report (XXVIII/8). The ad hoc Working Groups that were established under Decisions 9(LIII) and 5(LIV) and the Advisory Board established under Decisions 8(LV) and 4(LVI) reported to Council annually, recommending measures to be taken by the Executive Director, inter alia, on exploring the possibilities of combining funding streams or building collaboration with other initiatives and mechanisms for forest financing, such as the Green Climate Fund (GCF), the Global Environment Facility (GEF) and other organizations, aimed at mobilising funding and partnerships which contribute to/enhance the ITTO and its Objectives.

The Secretariat has taken consistent and continuing measures as part of its efforts in the implementation of the above decisions, seeking collaboration and cooperation with its international partners which include several UN-based and other international organisations in carrying out its mandate as specified in the ITTA 2006.

The IAG requested this report to facilitate informing members collectively on the latest developments on the status of collaborative and cooperation activities with ITTO's international partners and to seek guidance from Council on how Secretariat could further capitalise on such opportunities in future. As Council is aware, the implementation of Operative Paragraphs under Decision 4(LVI) on the Implementation of ITTO's New Financing Infrastructure – Phase II is reported separately under Council Agenda Item 17 (a) (Document ITTC(LVII/14), and should be considered together with the update contained in this Council document.

B. Implementation of Decision 8(LV) on Implementation of ITTO's New Financing Architecture – Phase II

This section reviews implementation of relevant cooperation/collaboration aspects under Decision 8(LV) on Implementation of ITTO's New Financing Architecture – Phase I. Each respective Operative Paragraph is addressed chronologically as per Decision 8(LV). A summary of actions taken is reflected in Table 1.

Table 1 – Engagement with other bodies called for by Decisions 8(LV)

Item	Description	Status
1. Engage with secretariat of GEF	ITTO letter sent in May 2021	COMPLETED
2. Extend the MoU with CBD and UNCCD	CBD MoU agreed in Feb 2021; UNCCD discussions commenced	COMPLETED/ ONGOING
3. Establish MoU with UNFCCC	Letter sent in April 2021, no response yet	ONGOING
4. Convey ITTO priorities for GEF-7, engage in the GEF Steering Committees	ITTO letter sent in May 2021 to all GEF and CBD focal points in member countries plus CBD Secretariat conveying priorities and informing of relevant projects requiring funds	COMPLETED
5. Formal accreditation to the GCF	Accreditation application addressing all GCF queries submitted to GCF in April 2021, no response yet	ONGOING

Operative Paragraph 3 – Engage with Secretariat of GEF

Letters to the Secretariat of the GEF and ITTO focal points were sent in May 2021, urging that ITTO’s priorities and objectives be borne in mind in the GEF’s eighth replenishment cycle, and urging ITTO focal points, especially in producer member countries, to liaise with the ITTO Secretariat and include their ITTO priority projects in possible proposals to GEF for funding. The GEF responded, stating that ITTO will be kept in mind and supported member liaison on this matter. This has been done and the details are reported under Operative Paragraph 7 below.

Operative Paragraph 4 – Extending MOUs with CBD and UNCCD

CBD - The renewed MOU with the CBD was finalized in February 2021 and is in the process of being operationalized. The Secretariat is currently exploring ways in which to work jointly with the CBD Secretariat to hopefully raise funds towards operationalising activities under that MOU to render them functional.

UNCCD - The Secretariat contacted the UNCCD Secretariat in April 2021, requesting UNCCD’s consideration on renewing the (now expired) MoU with the UNCCD. An exploratory meeting was held between both Secretariats in July 2021, on matters of mutual interest that could potentially be included in the renewed MOU with UNCCD, bearing in mind that such matters for collaboration will be in line with ITTO’s mandate under the ITTA 2006. At the time of drafting this update report, a second exploratory meeting is scheduled to be held in November 2021, with the hope of a MoU being finalised in 2022.

Operative Paragraph 5 - Establish MOU with UNFCCC

A letter was sent to the Executive Secretary of UNFCCC in April 2021 but there has been no reply to date. At the time of drafting this paper, the Secretariat was preparing to participate at the Glasgow COP26 even though the application for a side event was rejected due to fierce competition of over 1,400 side-event applications received by the UNFCCC. Based on contact with colleagues from inside the UNFCCC Secretariat, UNFCCC would like to see clear financial and/or political benefits in signing MOUs with any other organizations. The Secretariat will continue to pursue a reply to the letter sent in April and if there is no reply by the time of the COP26 in November, the Secretariat will endeavour to undertake in person consultations at the COP26 if feasible. In addition, ITTO was represented in the UNFCCC FACT Dialogues co-hosted by the UK and Indonesia as a member of the Trade & Markets Group, highlighting ITTO efforts in the field of tropical SFM and international trade.

Operative Paragraph 6 – Convey ITTO’s Priorities for GEF 7

The letter sent by the Officer-in-Charge (OIC) to the GEF Secretariat included an enquiry on ITTO participation in its Steering Committees, which GEF informed are reserved for members and secretariats of the Rio conventions. ITTO’s priorities, its mandate and relevant projects requiring funds which Producer member countries could consider in their approaches to GEF for funding packages have been conveyed in this letter sent to the GEF/CBD Secretariats and the letter sent to all GEF focal points and CBD focal points in member countries. There are many projects pending funding related to conserving and sustainably managing biodiversity in tropical forests. Encouragingly, there were quite a few responses from various member countries, both on the consumer and producer members in response to the letter sent. Several of the consumer members’ responses noted that although they are the GEF or CBD focal point, they are not the decision makers as to where the GEF funds are allocated, and the recipient countries need to apply through their own channels. From the producer members, responses were mainly encouraging as many of them were not so

familiar with what projects were submitted to ITTO and they said they would consult with their respective ITTO focal points, whose details were provided, with a view to hopefully considering whether their requests to GEF for assistance could incorporate at least some of the elements of the matters for which they are seeking support from ITTO.

Operative Paragraph 7 – Accreditation to the GCF

The Secretariat has gone through several rounds of the accreditation process with the GCF Secretariat in Korea, providing detailed comments and additional information as requested. This long process started in 2014 but was interrupted by the impairment of funds in ITTO and the application process had to begin again in 2017-18. The most recent version of ITTO's application was submitted in April 2021; feedback from the GCF Secretariat was received and responded to in September 2021, with no reaction or follow up requests received at the time of preparing this document in late October.

C. Other Recent Collaborative Activities

Collaborative Partnership on Forests (CPF)

Being a founding member of the CPF, ITTO continues to be actively engaged with CPF partners through attending all CPF meetings and collaborating with select partners on CPF Joint Initiatives such as:

- the Sustainable Wood for a Sustainable World (SW4SW) initiative in close collaboration with FAO, CIFOR and the World Bank;
- the Forest Landscape Restoration Joint Initiative in close collaboration with GEF, IUFRO and IUCN; and
- the FAO Global Forest Education Joint Initiative in close collaboration with FAO and IUFRO.

More details on these activities are reported under Council Agenda Item 17 (a) on the implementation of Decision 4(LVI) (document ITTC(LVII)/14) and Council Agenda Item 15 on Progress Report on the Implementation of the ITTO Biennial Work Programme 2021-2022 (document ITTC(LVII)/11). Secretariat will continue to be actively involved in CPF coordination and cooperation with all members of the CPF and will pursue both membership and organizational priorities in doing so, to ensure that ITTA 2006 objectives are met and the ITTC's interests are served.

All cooperation and consultation with CPF members and select individual CPF members in 2021 have been conducted virtually because of the ongoing COVID-19 exigencies in place. ITTO has participated at and contributed to all the CPF meetings, events and activities in 2021, including supporting several activities conducted by the UNFF and FAO individually while contributing to the work of the CPF. Some examples include:

- Participation at a UNFF Expert Group meeting on the Assessment of the Impacts of COVID-19 Pandemic on sustainable forest management
- Contributed inputs on ITTO's activities to the CPF Workplan 2021-2024
- Inputs on the CPF Report presented at the UNFF16
- Panelist at the UNFF16 Session 27 April 2021 on Thematic Priorities for the UNFF16 – Progress towards achievements of the Global Forest Goals (GFGs)
- Panelist at the CPF side event held during the UN High Level Political Segment (HLPF) on 'The role of forests in a time of crisis: sustainable production and consumption patterns to turn the tide on deforestation'
- Contributed as joint partner (in collaboration with the FAO & IUFRO) on the formulation of the CPF Joint Initiative on Forest Education
- Participated at the UNFF Expert Group Meeting on the Mid-term Review of the International Arrangement on Forests (IAG) 17-18 November 2021
- Participated at the UNFCCC COP26 FACT Dialogues as a member of the Trade & Markets Group, highlighting ITTO activities on the SFM and trade in tropical wood and non-wood products, expected to feed into the G2G meetings and Ministerial Dialogues prior to and at COP26 in Glasgow
- Participated in the CPF consultation group meetings for the XV World Forestry Congress in March, June and September 2021
- Under the CPF FLR initiative (Tier II), which was funded by GEF, ITTO secured US\$38,867 (in 2019) to promote guidelines for tropical FLR. ITTO and IUFRO have jointly produced four FLR learning modules

FAO

ITTO is also closely involved in several joint projects with the FAO, as detailed in the Council Agenda Item 15 on Progress Report on the Implementation of the ITTO Biennial Work Programme (BWP) 2021-2022 (document ITTC(LVII)/11). Some examples include:

- ITTO collaboration with the FAO in 2021 on a global study of supply-demand gaps for tropical timber extended to all timber, to be published as part of FAO's State of the World's Forests (SOFO) report, scheduled for release at the World Forestry Congress in March 2022 (BWP ITTC(LVII)/11 Activity 1)
- ITTO collaboration with the FAO on the Global Forest Education Project and the International Conference on Forest Education completed in September 2021, as reported within the BWP ITTC (LVII)/11 Activity 2.7
- ITTO collaboration with the FAO on the Development of Three Country Profiles to Populate the TimberLex Online Legal Database as reported in the BWP ITTC(LVII)/11 Activity 2.8
- ITTO collaboration with the FAO on Review of Sustainable Forest Trade in the Lower Mekong Region as reported in the BWP ITTC (LVII)/11 Activity 2.9

Convention for the International Trade on Endangered Species (CITES) – BWP ITTC(LVII)/11 Activity 5

ITTO's active engagement with CITES has benefitted from its ability to help CITES implement its COP resolutions regarding tree species. To this end, ITTO finalized a contract with the CITES Secretariat in 2021 for US\$ 375,538, to provide assistance to the CITES Tree Species Programme (CTSP) to: i) carry out a study on agarwood producing species and organize a validation workshop to review the study; ii) co-organize an international training workshop on timber identification; iii) assist, advise and provide input to the mid-term and final review of the CTSP; and iv) participate in the meetings of the CTSP Advisory Committee. ITTO will also fund a project on sustainable management of mahogany in Ecuador under this activity as a contribution to the CTSP.

ITTO also continues to assist member countries in implementing CITES listings of tropical tree species outside of the CTSP with support from other donors. This work includes:

- A project in Madagascar to support implementation of the use plan and monitoring/tracking of rosewood stockpiles (agreement signed, project team in place; tracking systems being evaluated);
- A project in Cameroon in collaboration with University of Adelaide (Australia) to implement DNA tracking and verification tests in supply chains of *Prunus africana* and *Pericopsis elata* (agreements signed with University of Adelaide and government of Cameroon; first workshop in Cameroon convened in August 2021; sample collection being planned);
- The project in Ecuador referred to above that will be considered as a contribution to the CTSP (agreement being negotiated).

APEC-EGILAT

ITTO continues to contribute to and be actively engaged with the APEC-EGILAT work programme by presenting updates on work of mutual interest to ITTO and APEC-EGILAT members, highlighting ITTO's efforts and projects which are focused on minimizing illegal logging and deforestation. ITTO support in 2021 included attendance at the APEC-EGILAT 19 meeting in February as well as contributing to an APEC EGILAT Workshop in May and September 2021.

UNFCCC COP26 Forest, Agriculture and Commodity Trade (FACT) Dialogues - ITTO participated in a series of multi-stakeholder FACT dialogues between consumer and producer countries under auspices of COP26, co-hosted by the UK as UNFCCC COP26 President and Indonesia respectively, by highlighting ITTO's work in relevant fields of interest, advocating the benefits of socio-economic and environmental development and its link to legal and sustainable trade in forest products. The outputs of these dialogues will feed into the government-to-government discussions at the COP26.

Global Green Supply Chains (GGSC) – Collaboration between the ITTO and GGSC continues through several joint activities being conducted, as itemized under ITTO's Legal and Sustainable Supply Chain (LSSC) Programme under the 2021-22 BWP (document ITTC (LVII)/11 Activity 2.1(a) and (b)).

The Institute for Global Environment Studies (IGES) Japan – Joint collaborative activities between ITTO and IGES are well established and continue under the 2021-22 BWP (document ITTC (LVII)/11 Activity 2.6), focusing on the systematic analysis of existing legality assurance/equivalence systems and best practices in select tropical countries relating to legal and sustainable trade.

Forestry and Forest Products Research Institute (FFPRI) Japan – ITTO collaboration with FFPRI is well established and continues with a jointly organised event on combating tropical forest fires being held at the Indonesian Pavilion during UNFCCC Cop26 in November.

D. Catalytic role of ITTO projects

This section provides examples of recent ITTO projects that have contributed to the development of larger funded projects/programmes by making the results of well implemented ITTO projects visible to larger funding bodies. While these funds have been channelled to countries by other organizations, the role of the initial ITTO projects in catalysing additional funding should be recognized as an important contribution and as a strong argument for ITTO continuing to fund relatively small, well-implemented projects that have historically made up the bulk of its assistance to countries. The contribution of ITTO projects to larger initiatives should be an important part of the Organization's collaboration and engagement with other funding bodies, even if those bodies are not providing funds directly to (or through) ITTO. All members should continue to highlight the important work carried out through ITTO projects when proposals for larger initiatives are being developed, and to ensure that the contributions of ITTO projects are appropriately recognized when such larger initiatives are successful in attracting funds.

- The ITTO project "Strengthening capacities for the sustainable forest management of the tropical dry forest of the North Coast of Peru" PD741 / 14 Rev.3 (F) financed by ITTO was executed by the Partnership for Integrated Research and Development (AIDER) in collaboration with the Regional Governments of Piura, Tumbes, Lambayeque and actors from the public and private sectors, with a view to exploring new financing opportunities for this area of the country. The project strengthened the capacities of local professionals for the design of conservation and sustainable development proposals related to forests, water, and climate. AIDER and the project collaborators were successful in formulating a project proposal, focusing on the conservation of dry forests in Peru, for submission to the Seventh Replenishment of the Global Environment Facility (GEF-7), entitled "Sustainable management and restoration of the Dry Forest of the Northern Coast of Peru". The project is now approved and funding finalized (GEF ID 10541) with GEF financing of US\$7.6 million and Government of Peru co-financing of US\$53.5 million.

The project also contributed to establishing a strategic alliance between AIDER and the nature-based solutions division of a French energy company. Piura and Tumbes. This resulted in a large project with the objective of promoting REDD+ investments in protected areas of the biosphere reserve of Peru's northwest and establishing forest plantations with native species such as carob. Following approval of the concept note in 2020, AIDER is in the process of conducting a feasibility study for the plantations and designing the REDD+ initiative in coordination with the regional governments and the National Service of Protected Natural Areas (SERNANP). The design and implementation of the project involves other key actors such as Peru's National Forest & Wild Fauna Service (SERFOR) and local community organization CECOBOSQUE. The financing of the project (expected to start in 2022) is US\$50 million over 20 years.

- The ITTO project "Rehabilitation of Degraded Forest Land in the Ahua Forest Reserve by the Women Members of Association MALEBI in Compensation for the Forest Resources Removed to Meet the Need for Fuel Wood (Charcoal and Firewood)", PD 725/13 Rev.2 (F), was a small project in Cote d'Ivoire with an ITTO budget of US\$149,408. Based on the positive results from this small ITTO project, the World Bank Forest Investment Programme is currently funding an expanded project (budget of nearly \$400,000) to allow women members of MALEBI to extend forest landscape restoration activities in a larger area of the Ahua Forest Reserve.
- Project PD 449/07 Rev.2 (M) "Enhancing Forest Law Enforcement in Papua New Guinea" (ITTO budget US\$739,040) assisted PNG to improve forest governance and developed the first draft of the PNG Timber Legality Standard (TLS). Following completion of the ITTO project in 2016, PNG received significant financial assistance to continue development and implementation of the TLS from the Australian Government under the Responsible Asia Forestry and Trade 3 Program (RAFT3), the European Union (EU) and FAO (through the FAO-EU FLEGT Program). In 2021, the PNG Forest Authority submitted the final version of the TLS to PNG's National Institute of Standards and Industrial Technology which is the final step prior to the TLS being gazetted by the government to enter into force.
- Project RED-PD 029/09 Rev.1 (F) "Monitoring deforestation, logging and land use change in the Pan Amazonian Forest - PANAMAZON II" funded by ITTO under the REDDES Thematic Programme (ITTO budget US\$1,124,784) was implemented by the Amazon Cooperation Treaty Organizations, ACTO, involving Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela. In May 2013, the Board of Brazil's National Bank for Economic and Social Development, BNDES, through its Amazon Fund approved an amount of Brazilian reais R\$23 million (almost US\$12 million) to ACTO for a follow-up 5-year project on 'Monitoring of forest cover in the Amazon Region' continuing and expanding the activities initialized under the ITTO project and utilizing the infrastructure established under the ITTO project.

There are many more such examples of the catalytic effect of ITTO projects leading to the funding of larger initiatives by other bodies. Such efforts need to be highlighted more effectively and communicated more clearly to a wider audience through ITTO's own outreach, but also by members and the other funding bodies. Members can be of great assistance in publicising ITTO projects that have been successful at attracting other larger sources of funding, which could lead to a positive feedback loop by encouraging donors to reconsider ITTO's large and growing pool of unfunded projects. In this regard, members may also wish to consider how to help ITTO and/or member countries access funding sources (such as GEF8 replenishment funds) through country driven programmes designed to help realize ITTO priorities through funding some of the smaller pilot projects approved by ITTO which could be upscaled later with funding from the GEF or others.

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