



# Progress report on the Implementation of ITTO's New Financing Architecture – Phase II Decision 4(LVI)

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Item 17(a) & (b) of the Council Agenda

Fifty-seventh Session of the ITTC  
29 November – 3 December 2021

## Implementation of Decision 4(LVI)

### “Implementing ITTO’s New Finance Architecture – Phase II”

Paragraph	Description	Status
1. Adopt the Programmatic Lines	The goals and objectives of each of the four Programmatic Lines as contained in Annex A have been adopted	COMPLETED
2. Streamlined project cycle	Online Concept Note (CN) form and online CN/project database developed	COMPLETED
3. Funding scenarios	The different funding scenarios under the Programmatic Approach as outlined in Annex B have been acknowledged	COMPLETED
4. First Open call for concept notes	Launched in December 2020, closed in April 2021. Received 12 valid submissions.	COMPLETED
5. New roles and responsibilities in the streamlined project cycle	New, respective roles and responsibilities of each of the participating actors in the streamlined project cycle have been acknowledged.	COMPLETED
6. Activities outside core budget to be CNs	Activities to be funded outside the core budget will be included in the Concept Note Database	ONGOING
7. Indicate how BWP aligns with Programmatic Lines	Alignment with the Programmatic Lines are already indicated in the BWP ‘21-22 document.	COMPLETED / ONGOING

## Implementation of Decision 4(LVI)

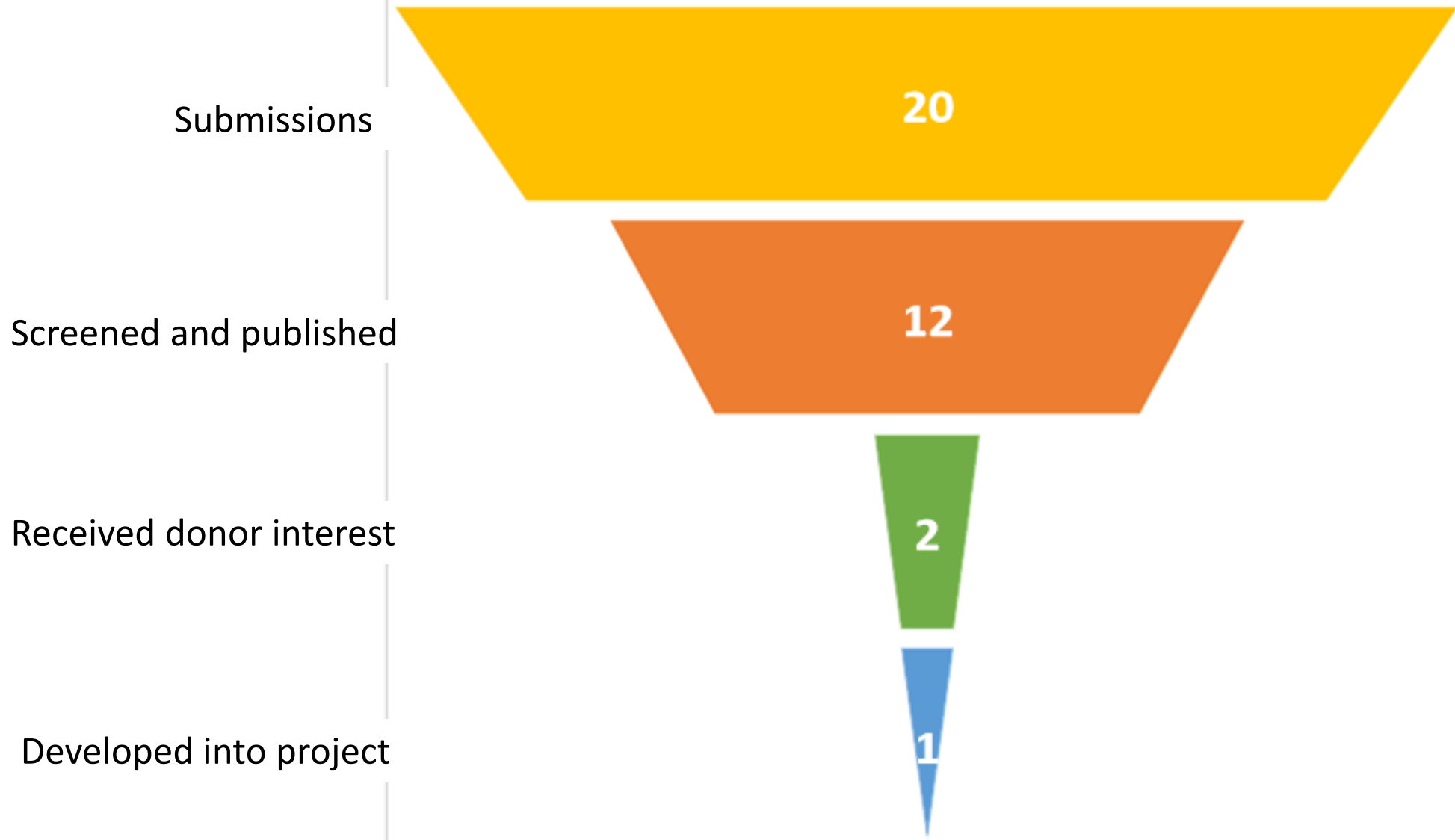
### “Implementing ITTO’s New Finance Architecture – Phase II” - continued

Paragraph	Description	Status
<b>8.</b> Virtual informed feedback loop	The virtual informed feedback loop will continue to be utilized where applicable	COMPLETED / ONGOING
<b>9.</b> Implementing Decision 8(LV) - Advisory Board, engaging with funding mechanisms including GEF	Advisory Board has had four meetings - in April & October 2020 and April & July 2021. Details explained under “Implementation of Decision 8(LV) & Decision 4(LVI)	COMPLETED / ONGOING
<b>10.</b> Formal TORs for Advisory Board	Draft developed and agreed by Advisory Board and proposed to ITTC57 for consideration	COMPLETED
<b>11.</b> Propose structure and approach for review of Decision 5(LIV) in 2022	Secretariat proposes to postpone the review until at least 2023, and that the review be undertaken by a 2-person team through member surveys and selected visits; suggest more discussion at ITTC 57 (including future of regular project cycle)	ONGOING
<b>12.</b> Report on implementation of Decision 4(LVI)	The report is made at ITTC57	COMPLETED
<b>13.</b> Utilization of Working Capital	\$25,000 of \$200,000 authorized utilized to date for the development of the online systems	ONGOING

## Engagement with other bodies called for by Decisions 8(LV) and 4(LVI))

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	The accreditation process with the GCF continues and is work in progress (the latest response to GCF's requests for more information was sent in September 2021).	ONGOING

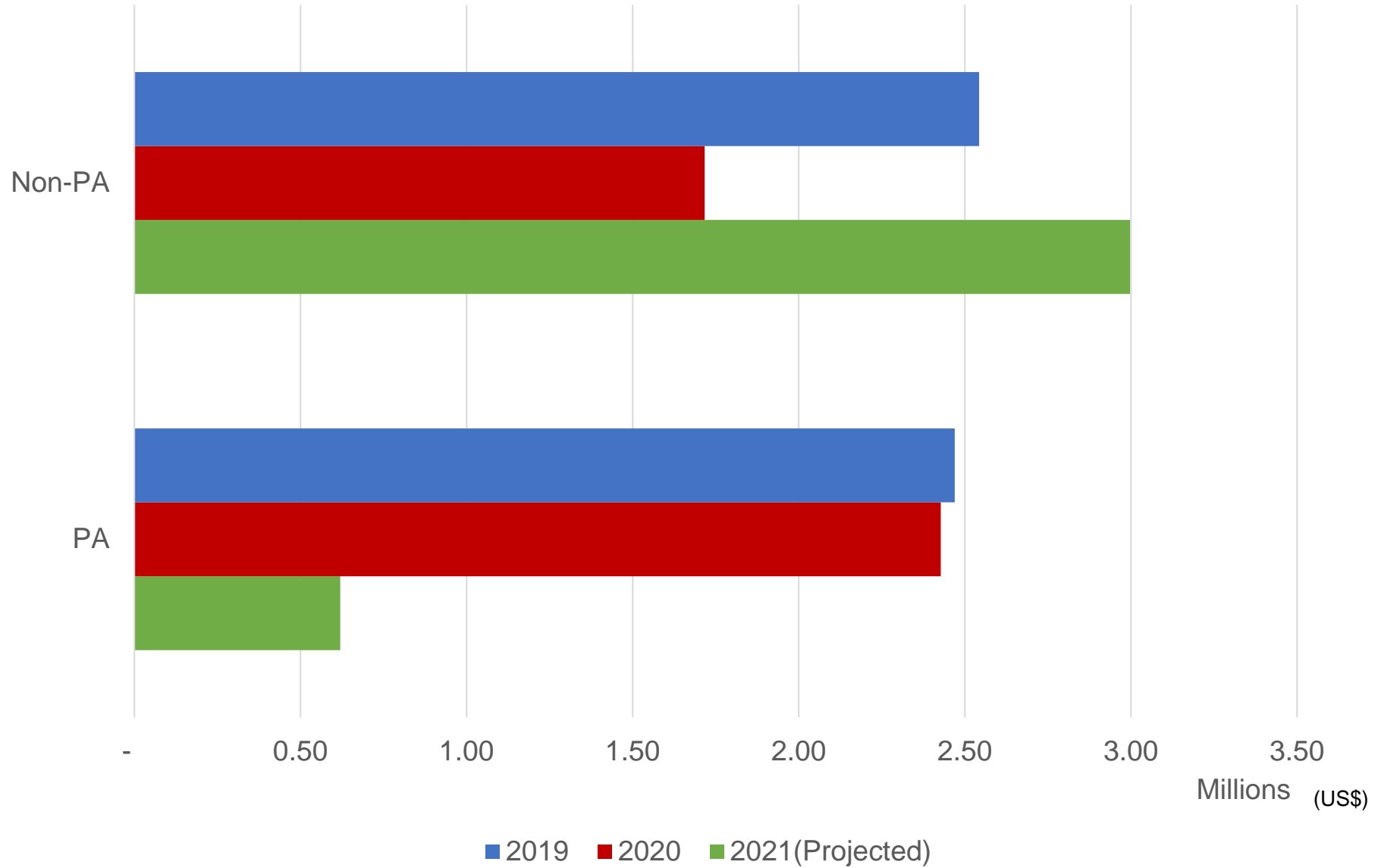
# 2021 Call for Concept Notes under funding scenario 4 of Decision 4 (LVI) - Results



# Funding pledged or sought related to the pilot Programmatic Approach

Fundraising efforts	Program Line	Tentative Budget	Status	Actual results to date
<b>2019:</b> Japan Forestry Agency / LSSC-related training modules in Congo Basin countries	PL 1: LSSC	USD 316,000	Operational	USD 316,000
<b>2019:</b> German BMEL – Regional Teak Program – Mekong Region	PL 1: LSSC	USD 1.24 million	Operational	USD 1.24 million
<b>2019:</b> German BMEL - Programme on Legal and Sustainable Supply Chains (LSSC) for Tropical Wood and Forest Products	PL 1: LSSC	USD 2.39 million	Operational	USD 2.39 million
<b>2020:</b> German BMEL funding agreement for Global Forest Education Survey/Platform; Consortium FAO (lead)-IUFRO-ITTO	PL 4: Emerging	USD 124,000	Operational	USD 124,000
<b>2020:</b> Japan Emergency Forest Fire Project (Peru, Indonesia)	PL 4: Emerging	USD 2.2 million	Operational	USD 2.2 million
<b>2020:</b> Soko Gakkai/Japan Local community and climate adaptation	PL 2: FLR	USD 90,000	Operational	USD 90,000
<b>2020:</b> Japan Forestry Agency/LSSC-related activities in China, Myanmar and Viet Nam	PL 1: LSSC	USD 723,000	Operational	USD 723,000
<b>2021:</b> Japan Forestry Agency/PD922/21 Rev.1(l) “Promotion of Sustainable Domestic Wood Consumption in Vietnam”	PL 1: LSSC	USD 339,500	Pledged	USD 339,500
Request from German BMEL to submit proposal for transfer of the Global Timber Tracking Network from EFI to ITTO	PL 1: LSSC	TBC	Discussions with BMEL ongoing	USD 0
Building LSSC capacities for tropical enterprises; trade associations, governments; MoU with SAR Macau under discussion	PI 1: LSSC	TBC	Dialogue started but stalled due to COVID 19	USD 0
EU Draft Proposal under the EU Action Plan to Protect and Restore the World’s Forests – submitted January 2020	PL 1: LSSC	EUR 10 million	Submitted: January 31, 2020 - unsuccessful	USD 0
German BMU-IKI Call for Proposals - Thematic Program – West Africa: Forest landscape restoration by local communities/women; DL 06 April 2020	PL 3: FLR	EUR 16 million	Submitted: April 6, 2020 - unsuccessful	USD 0
German BMU-IKI Call for Proposals - Indonesia Social Forestry: Development of Bamboo Economy; DL 30 April 2020	PL1: LSSC	EUR 15 million	Submitted: April 29, 2020 - unsuccessful	USD 0
<b>Totals: 1. Secured</b>				
<b>a) 2019</b>		~USD 3.95 mil.		~USD 3.95 million
<b>b) 2020</b>		~USD 3.14 mil.		~USD 3.14 million
<b>c) 2021</b>		USD 339,500		USD 339,500

### Funding Received - Voluntary Contributions (2019-2021)



## Projects/activities/CNs pending finance

Pending finance	Total budget	No.
Projects	\$10,242,521	23
BWP activities	\$3,497,216	18
Concept Notes	\$1,936,356	12
<b>Total</b>	<b>\$15,676,093</b>	<b>53</b>
<i>Projects Sunset by the end of 2022</i>	<i>\$6,018,966</i>	<i>11</i>
<i>Projects and CNs Sunset after 2022</i>	<i>\$4,223,556</i>	<i>12</i>

Note: 8 projects were sunset in 2021 with a total budget of \$2,274,655.



Adoption of the ToR for Decision 4(LVI) Advisory Board and the timeline and ToR for the review under Decision 5(LIV) on the pilot programmatic approach

- ToR of Advisory Board
  - Composition
  - Mode of Operation
  - Role and Responsibilities
- ED/OiC to prepare a second progress report on the implementation of the pilot approach for ITTC58
- Postpone review of implementation of Decision 5(LIV) until at least 2023, take final decision of timing and ToR of the review at ITTC58



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Thank you very much

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