



INTERNATIONAL TROPICAL TIMBER COUNCIL

COMMITTEE ON ECONOMICS,
STATISTICS AND MARKETS

COMMITTEE ON FOREST INDUSTRY

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FIFTY-SIXTH SESSION
7-11 November 2022
Yokohama, Japan (Hybrid Session)

PROVISIONAL AGENDA

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ANNOTATIONS TO THE PROVISIONAL AGENDA

Item 1 - Opening of the Session

The Fifty-sixth session of the Committees will be conducted jointly and chaired by Ms. Anna Tyler (New Zealand), Chairperson of the Committee on Economics, Statistics and Markets (CEM) and the Committee on Forest Industry (CFI). The Vice-chairperson(s) of the Committees will be nominated by the Producer Caucus prior to or during the session.

Item 2 - Adoption of Agenda and Organization of Work

[Document CEM-CFI(LVI)/1]

The Committees may consider the Provisional Agenda and adopt the Agenda for their session. On the organization of work, it is to be noted that the schedule of meetings for the work of the Committees will be determined after usual consultations. The Committees may also constitute the usual informal open-ended working group(s) to assist in the consideration of specific matters related to the Agenda. Items 4, 5 and 9(A) of the Agenda will be considered at a joint session of all Committees.

Depending on ongoing consultations with the Informal Advisory Group regarding logistics of convening the Fifty-eighth ITTC session as a hybrid meeting, additional communications regarding how/whether items on the Committees' agenda will be handled will be communicated to members as relevant decisions are taken and/or at the start of the session.

Item 3 - Admission of Observers

The Committees may admit those observers as approved by the Council to attend the session as observers.

Item 4 - ITTO Annual Market Discussion - 2022

The theme of the virtual ITTO Annual Market Discussion - 2022 as proposed by the Trade Advisory Group (TAG) is "Carbon markets and the timber industry: an opportunity for a paradigm shift?". The Market Discussion will be convened under a joint session of all Committees. An information note detailing the schedule and speakers for the ITTO Annual Market Discussion - 2022 will be circulated prior to the session.

Item 5 - Report of the Expert Panel for Technical Appraisal of Project Proposals

[Document ITTC/EP-57]

The report of the Fifty-seventh Expert Panel, which was convened virtually due to COVID-19, is contained in document ITTC/EP-57. Pursuant to Annex B of ITTC Decision 4(XXV), the general observations of the report produced by the Expert Panel shall be considered under this item in a joint session of all Committees.

Item 6 - New Projects and Pre-projects

[Document ITTC/EP-57]

The Committees may note the following projects which have been approved under the time-bound electronic no objection procedure to accept Expert Panel ratings and circulated to member countries pursuant to ITTC Decision 6(XLIII), following the recommendations of the 57th Expert Panel for the Technical Appraisal of Project Proposals from its virtual consideration of projects in June-July 2022, as contained in document ITTC/EP-57.

Fifty-seventh Expert Panel

Category 1:

| Committee on Forest Industry | | |
|-------------------------------------|--|---------------------------|
| PD/PPD NUMBER | TITLE | SUBMITTING COUNTRY |
| PD 926/22 Rev.1 (I) | Promotion of Sustainable Domestic Consumption of Wood Products in Thailand | Thailand |

| | | |
|---------------------|--|-----------|
| PD 928/22 Rev.1 (I) | Development of Sustainable Domestic Market for Wood Products | Indonesia |
|---------------------|--|-----------|

The Committees may wish to note that both projects arose from concept notes submitted under the call for proposals process mandated by Decision 4(LVI).

Rating schedule for proposals

Category 1: The Panel concluded that the proposal could be commended to the Committee with incorporation of amendments.

Item 7 - Review of Projects and Pre-projects in Progress

[Document CEM-CFI(LVI)/2]

In order to further streamline their work, the Committees, in accordance with ITTC Decision 4(XXV), Annex A, Section VI, requested that reporting and discussion during the session be limited to projects and pre-projects that are:

- having implementation problems;
- requiring additional funding;
- requesting extension in time of more than six months beyond the original duration of the project; or
- requesting essential major modifications of the work plan and budget.

The Committees may consider the report prepared by the Secretariat as contained in document CEM-CFI(LVI)/2 on the progress or status of projects, pre-projects and activities approved for financing and implementation by the Council. The report covers the following (those meeting one or more of the above criteria are denoted by an asterisk after the project number):

(A) Projects under implementation

Committee on Economics, Statistics and Markets

1. PD 732/14 Rev.2 (M) Improve Forest Governance in Mozambique
2. PD 832/16 Rev.2 (M) Implementing Mechanisms to Improve Traceability in the Forest Production Chain in Guatemala
3. PD 845/17 Rev.3 (M) Enhancing the Capacity of Forest Communities in Forest Governance, Monitoring and Community Development Projects in Mankraso Forest District Ghana

Committee on Forest Industry

1. 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
2. PD 922/21 Rev.1 (I) Promotion of Sustainable Domestic Wood Consumption in Vietnam

(B) Project pending agreement

Committee on Economic Information and Market Intelligence

1. PD 913/20 Rev.3 (M) * Strengthening Forest Monitoring and Extending the Coverage of the Traceability System in Panama

(C) Projects and Pre-project pending financing

Those projects with asterisk * (approved but not funded within 20 months) will be sunset by the next Session in 2023.

Committee on Economics, Statistics and Markets

1. PD 879/18 Rev.2 (M) * Building the Capacity of the National Forest Information and Statistics System (Benin)

Committee on Forest Industry

1. PD 900/19 Rev.2 (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
2. PD 912/20 Rev.2 (I) Strengthening Technical and Business Management in the Timber Forest Industry of Peru
3. PD 926/22 Rev.1 (I) Promotion of Sustainable Domestic Consumption of Wood Products in Thailand
4. PD 928/22 Rev.1 (I) Development of Sustainable Domestic Market for Wood Products (Indonesia)
5. PPD 200/21 Rev.1 (I) * Capacity-Building of Woodworking Artisans in Southern Benin

Item 8 - Report on Completed Projects and Pre-projects

[Document CEM-CFI(LVI)/3]

The Committees may consider the report prepared by the Secretariat as contained in document CEM-CFI(LVI)/3 on the following project that may be declared complete:

Committee on Forest Industry

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

Item 9 - Ex-post Evaluation**(A) Ex-post Evaluation Reports**

[Document CRF(LVI)/4]

The Committees may recall that the Secretariat reported at the last session on a proposal from the Government of Japan to fund an ex-post evaluation of ITTO projects recently implemented and completed in Africa under the ITTO Strategic Action Plan 2013-2018 (extended to 2021), as a contribution for the Eighth Tokyo International Conference for African Development (TICAD-8), to be held in Tunisia on 27-28 August 2022. A regional group ex-post evaluation was carried out by two consultants to assess achievements of completed ITTO projects in Africa with the aim to synthesize main relevant findings and outcomes for future forestry-related interventions by Japan and other donor countries in Africa. The following projects under the oversight of CEM-CFI were included in the regional ex-post evaluation:

| Submitted by | Project ID | Title | ITTO Funding | Reported complete |
|---------------|--|---|--------------|-------------------|
| Côte d'Ivoire | PD 692/13 Rev.1 (M) | Implementation and Operationalization of a National Information System for the Sustainable Management of Forest Resources | \$290,541 | 2019 |
| ITTO | PD 124/01 Rev.4 (M) Phase III Stages 1 and 2 | Promotion of Sustainable Management of African Forests (ITTO/ATO) | \$1,100,000 | 2016 |

| | | | | |
|---------|--|---|-------------|------|
| Germany | PD 620/11 Rev.1 (M) | Development and Implementation of a Species Identification and Timber Tracking System in Africa with DNA Fingerprints and Stable Isotopes | \$2,046,092 | 2016 |
| Benin | PD 678/12 Rev.1 (M) | Establishment of a National Forest Statistics Information Management System in Benin | \$398,704 | 2016 |
| ITTO | PD 700/13 Rev.2 (M) Phase I Stage 1 | Development of Intra-African Trade and Further Processing in Tropical Timber and Timber Products – Phase I Stage 1 (ITTO) | \$1,399,989 | 2016 |

The Committees may consider the results of the regional group ex-post evaluation carried out for TICAD-8, as contained in document CRF(LVI)/4.

(B) Selection of Projects for Ex-post Evaluation

According to ITTC Decision 3(XXVIII) on “Ex-post Evaluation of Projects” (see extract below), the Committees are requested to consider for ex-post evaluation all completed individual projects or group(s) of projects based on the criteria contained in Annex 1 of the Decision. The consideration by the Committees is normally to be taken at the session at which the projects are declared complete. The Committees may recall that at their 2021 sessions, they reviewed a table of recently completed projects contained in CEM-CFI(LV)/1 and decided to defer making recommendation(s) for ex-post evaluation(s) until their next meeting when it might be easier to recruit consultants able to travel to project locations to undertake evaluations. A list showing projects declared complete by both Committees from 2017-22 but not yet evaluated (indicating in bold those meeting the criteria of Decision 3(XXVIII) of ITTO budget over US\$400,000) is included below. The table also includes relevant thematic program projects declared complete by Council during the same period. When considering projects for possible ex-post evaluation, the Committees should note that funds in the pooled ex-post evaluation fund established under Decision 3(XXVIII) currently total US\$57,930.26 /US\$15,000 for CEM/CFI. The Committees should also note that travel to many project locations remains difficult or impossible.

| Submitted by | Project ID | Title | ITTO Funding | Reported complete |
|--------------|---------------------------------|---|------------------|-------------------|
| Indonesia | 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 | \$589,863 | 2022 |
| Vietnam | PD 815/16 Rev.2 (I) | Increasing Efficiency of Acacia Plantation and Timber Processing Industry in Vietnam | \$116,480 | 2021 |
| Philippines | PD 599/11 Rev.1 (M) | Development and Testing of National Forest Stock Monitoring System (FSMS) with Improved Governance Capabilities at all Levels of the Forest Administration | \$497,930 | 2020 |
| Panama | TFL-PD 044/13 Rev.2 (M) | Strengthening of ANAM’s management capacity to reduce illegal logging and trade in the eastern region of Panama (Bayano and Darien) through monitoring and control mechanisms | \$412,556 | 2020 |
| Ecuador | PD 751/14 Rev.3 (M) | Sustainable Forest Management in the Chimbo River Basin, Ecuador: Conserving Forest Resources and Agroforestry Systems as a Mechanism to Strengthen the Economic Inclusion of Community Families, Particularly Rural Women, Settled in the Area | \$130,000 | 2019 |
| Australia | TFL-PD 037/13 Rev.2 (M) | Implementing a DNA timber tracking system in Indonesia | \$518,833 | 2019 |
| Indonesia | PD 600/11 Rev.1 (I) | Model Capacity Building for Efficient and Sustainable Utilization of Bamboo Resources in Indonesia | \$537,095 | 2018 |
| Indonesia | TFL-PD 032/13 Rev. 2 (M) | Strengthening the Capacity of Local Institutions to Sustainably Manage Community Forestry in Sanggau for Improving Livelihood | \$456,680 | 2018 |
| Guatemala | PD 756/14 Rev.1 (M) | Development of a Business Management Services Program of Forest MSMEs (Micro, Small and Medium Enterprises) in Guatemala | \$149,341 | 2018 |
| Peru | PD 621/11 Rev.3 (M) | Traceability of Timber Produced by Forest Concessions and Native Communities in Madre de Dios and Ucayali | \$349,032 | 2017 |

| | | | | |
|-----------|------------------------------|--|-----------|------|
| Malaysia | PD 722/13 Rev.1 (I) | Capacity Building on Reduced Impact Logging (RIL) in Dry Inland Forest in the Permanent Forest of Peninsular Malaysia | \$226,041 | 2017 |
| Mexico | RED-PD 045/ 11 Rev.2 (M) | Environmental assessment and economic valuation of ecosystem services provided by coastal forests (mangrove forests, flood forests, rain forests and scrub forests on dunes) and their agricultural replacement systems on the central coastal plain of Veracruz, Mexico | \$470,682 | 2017 |
| Indonesia | TFL-PD 033 /13 Rev. 2 (M) | Strengthening the governance of community forest through improved capacity to adequately perform timber administration in Java and Nusa Tenggara region in Indonesia | \$495,880 | 2017 |
| Guatemala | TMT-PD 004/ 11 Rev.2 (M) | Strengthening of the forest information system of Guatemala to improve market and trade transparency and decision-making in the forest sector. | \$359,716 | 2017 |

**Extract from Decision 3(XXVIII) Annex I, Paragraph 1(iii):
Procedures to Identify Projects/Groups of Projects for Ex-Post Evaluation**

To assess if a project requires ex-post evaluation, the Committee(s) should take into account the nature of the project (ex-post evaluation is particularly important for human resources and institutional/infrastructure development projects). A short-list of projects whose ex-post evaluations would be beneficial should be prepared by selecting those meeting the following requirements:

- (a) ITTO budget of individual projects or groups of projects above an appropriate level (e.g. US\$400,000);
- (b) Clear benefits to be derived from learning more about facts, achievements and difficulties during project implementation and completion, including information and data on:
 - whether the expected outputs were achieved;
 - whether the project achieved its specific objective(s);
 - whether there were unexpected results and impacts, either harmful or beneficial;
 - who benefited from the project;
 - what were the key lessons learned from the project;
 - what direct recommendations have arisen for future projects; and
 - whether the project activities are sustainable.
- (c) The potential for wider application of lessons learned;
- (d) Other factors as considered appropriate by the Committees.

Item 10 - Policy Work

ITTC policy work instructions to Committees, pursuant to ITTC Decision 4(XXV) include:

- Restructure the agendas of the Committees to include a separate agenda item for policy work.
- Use the current ITTO Strategic Action Plan, the policy-relevant aspects of the ITTO Biennial Work Programmes, the findings of completed projects and Council Decisions as the primary basis for identifying items for policy development.
- Decide during each session of each Committee those subjects which will be discussed under the agenda item Policy Work during its next session and agree upon the way to prepare for such a discussion in the Committee.

Committee on Economics, Statistics and Markets

The Committees at their Fifty-fifth session held discussions and agreed to continue to work in the Fifty-sixth session on the following policy-related matters under the Committee on Economics, Statistics and Markets:

- Market Access;
- Forest and Timber Certification;
- APEC EGILAT and ITTO collaboration; and
- IMM Progress Report.

Committee on Forest Industry

The Committees at their Fifty-fifth session held discussions and agreed to include the following policy-related matter in the Fifty-sixth session under the Committee on Forest Industry:

- Enhancing conservation and sustainable management of teak forests in Greater Mekong sub-region.

Item 11 - Biennial Work Programme of the Committees for 2023-2024

In order to align the BWP with the biennial administrative budget approval process, the Secretariat will propose a one-year extension of the 2021-22 BWP. If this proposal is approved by Council, a new BWP for 2024-25 (coinciding with the 2024-25 administrative budget) will be presented for the consideration and approval of Council at its next Session in 2023.

Item 12 - Election of Chairpersons and Vice-Chairpersons for 2023

The election of Chairpersons and Vice-Chairpersons for 2023 will be the subject of consultations within the Council and the Committees.

Item 13 - Dates and Venues of the Fifty-seventh and Fifty-eighth Sessions of the Committees

The dates and venues of the Fifty-seventh and Fifty-eighth sessions of the Committees are determined in relation to the dates and venues fixed by the Council for its Fifty-ninth and Sixtieth sessions.

Item 14 - Other Business

The Committees may consider any matters raised for discussion under this item.

Item 15 - Recommendations to the International Tropical Timber Council

The Committees may consider recommendations to the Council on projects, pre-projects, policy work and any other matters concerning economics, statistics, markets and forest industry.

Item 16 - Report of the Session

The Committees may consider and adopt a report containing recommendations to the Council. The Committees may request the Chairperson to present the report during the Fifty-eighth session of the Council for consideration and adoption.

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