



INTERNATIONAL TROPICAL TIMBER COUNCIL

Distr.
GENERAL

ITTC(LVIII)/5
12 October 2022

Original: ENGLISH

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

Extension of the International Tropical Timber Agreement, 2006

(Item 12 of the Provisional Agenda)

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A. Introduction and Mandate of the Working Group

Background

1. The Secretariat presented an Information Note [Document ITTC(LVI)/11] for Council at its 56th Session (2020) of the International Tropical Timber Council (ITTC), to consider the merits of either extending or renegotiating the International Tropical Timber Agreement (ITTA), 2006 prior to its expiry on 6 December 2021.
2. After deliberations at the Fifty-seventh Session of the Council in 2021, the Council adopted Decision 4(LVII) "Extension of the International Tropical Timber Agreement (ITTA), 2006", which contained the following decisions:
 - Decides in accordance with Article 44(2) of the ITTA 2006, that the Agreement be extended for a period of five years with effect from 7 December 2021 until 6 December 2026;
 - Decides to establish an inclusive virtual intersessional working group with a maximum of 10 representatives each from the producer and consumer causes to assess the need for renegotiation or further extension of the ITTA 2006. The working group is to submit a report, including recommendations, for consideration by the Council at its Fifty-eighth Session;
 - Authorizes the Executive Director to utilize an amount not exceeding US\$50,000 from the Working Capital Reserve to meet the costs of the working group.

Operational mode of the Working Group

3. In accordance with Decision 4(LVII), an inclusive virtual intersessional working group (WG) was convened consisting of the following producer and consumer members nominated by each caucus as follows:
 - Mr. Jorge Rodriguez Romero, Representative of the EU Commission
 - Mr. Eloy Ignacio Sanchez, Representative of the Government of Mexico
 - Mr. Pedro Antonio Plateros Gastelum, Representative of the Government of Mexico
 - Mr. Pubadi Govindasamy, Representative of the Government of Malaysia
 - Ms. Siti Noor Bushra, Representative of the Government of Malaysia
 - Mr. Ulysee Sinagabe Korogone, Representative of the Government of Benin
 - Mr. Arsene Ewossaka, Representative of the Government of the Republic of Congo
 - Mr. Ray Thomas Fernandez Kabigting, Representative of the Government of Philippines
 - Mr. Luke Thompson, Representative of the Government of USA
 - Ms. Yoshiko Motoyama, Representative of the Government of Japan
 - Ms. Marie Tsunoda, Representative of the Government of Japan
 - Ms. Akiko Tabata, Representative of the Government of Japan
 - Mr. Jorge Malleux, Representative of the Government of Peru/Producer Spokesperson
 - Ms. Anna Tyler, Representative of the Government of New Zealand
 - Mr. Keiran Andrusko, Representative of the Government of Australia
 - Ms. Ellie Carmichael, Representative of the Government of Australia
 - Mr. David Fernando Urrego, Representative of the Government of Colombia
 - Ms. Maria Fernandez Velez, Representative of the Government of Colombia
 - Mr. Nurudeen Iddrisu, Representative of the Government of Ghana
 - Mr. Bjoern Merkell, Representative of the Government of Sweden
4. Specific matters considered by the WG under this decision are:
 - i. The most efficient and effective ways in which to assess the need for either further extension, amendment or negotiation of the ITTA, 2006;
 - ii. The most effective and efficient means of seeking members' views on the above, given the timescale and the requirement for this WG to report to the ITTC 58;

- iii. Reference is to be made to the documentation produced and methods used during the last renegotiation process (in the build-up to the ITTA, 2006) during the work of this WG; in this respect, Secretariat suggested and the WG agreed that relevant information from the previous renegotiation process on the ITTA, 2006 be disseminated to the WG to enable this WG, in its exploratory discussions, to better identify the advantages and disadvantages of extension/amendments to/renegotiations of the ITTA 2006, an assessment of which was felt to be crucial in order for the WG to make sound recommendations for Council's consideration at the ITTC 58;
 - iv. Following from the above, the WG requested that a brief survey be conducted among ITTO members to seek their preliminary views on extension of, amendments to and/or renegotiation of the ITTA 2006;
 - v. A survey was conducted amongst the entire membership, out of which only eleven responses were received. The outcome of this members' survey is attached as Annex 3 to this report;
 - vi. Some amendments to the Background Document prepared were incorporated to facilitate the work of the WG. The content of this Background Document will further facilitate discussion between members at the ITTC 58.
5. The WG convened twice virtually on 8 June 2022 and 14 July 2022. The background document (Annex 1) was provided beforehand for the WG's deliberation prior to the first meeting.
6. Mr. Nurudeen Iddrisu and Mr. Keiran Andrusko were elected by the WG as Co-chairs of the WG. The outcome and recommendations resulting from the deliberations of the WG are captured in this report. The detailed minutes of the two meetings are also included in this report in Annex 2.

B. Recommendations of the Working Group (WG)

Following extensive, constructive and exploratory discussions through both the meetings of this WG on matters within its purview under the Decision 4(LVII) mandate on this complex topic, some members of the WG expressed a preference for a further extension of the ITTA 2006 until 2029 for several reasons (as outlined in the Minutes of both meetings contained in Annex 2 of this document). The WG identified the need for further input from ITTO members. Taking all the WG's deliberations into consideration and based on the less than satisfactory response to the members' survey, the WG agreed on the following recommendations:

1. A more in-depth survey is to be undertaken amongst membership post-ITTC 58 into 2023 with the hope that more members will be inclined to be responsive on whether members would support a Council decision on a final extension of the ITTA 2006 due to the WG concluding that the brief survey sent to all ITTO members to seek their preliminary views on whether to further extend the ITTA 2006 for a final 3-year period from 7 December 2026 – 6 December 2029 cannot be deemed as conclusive at this point due to the majority of members not responding.
2. Due to the complexity of deliberations which need to involve all ITTO members, the WG considers its work on this topic is best to be planned over the mid-term where time is required in order to obtain the necessary information from the ITTO membership. Hence, the WG recommends to Council to extend its mandate for one year until the Fifty-ninth Session of the Council.
3. This report summarizes the discussions and recommendations of the WG for consideration by the ITTC 58.
4. A draft Decision will be proposed to the WG reflecting the recommendations of the WG, to be discussed at the ITTC 58.



Annex 1

INTERNATIONAL TROPICAL TIMBER ORGANIZATION

**Background Paper for the Decision 4(LVII) Working Group on
Extension of the International Tropical Timber Agreement (ITTA) 2006**

INTRODUCTION

Pursuant to Decision 4(LVII) adopted by the International Tropical Timber Council (ITTC) at the 57th Session in December 2021, the International Tropical Timber Agreement (ITTA) 2006 was extended for a period of five years with effect from 7 December 2021 until 6 December 2026. Additionally, **an intersessional working group (WG) was established to assess the need for renegotiation or further extension of the ITTA 2006.** This working group has met twice, on 8th June 2022 and 14th July 2022.

The WG held extensive discussions on several matters and reviewed the process undertaken during the previous renegotiations of the ITTA 2006, emanating from Decision 6(XXXIV) 2003.

Following the second meeting of this working group on 14th July 2022, the following points were agreed upon by the working group for members' consideration:

- The WG is currently not in a position to make a recommendation on either the further extension of the ITTA 2006 until 7 December 2029 or to commence renegotiation of the ITTA 2006.
- The WG may have to continue working intersessionally for the remainder of 2022 and if necessary, will propose, for the ITTC's consideration and agreement, an extension of this WG into 2023 to enable the WG to make recommendations, enabling the ITTC to take a decision at the ITTC59.
- In order to facilitate the work of the WG, a practical short survey is to be sent to members, consisting of three questions to facilitate seeking the general view and preferences of members on which way to proceed.
- The WG instructed that a background document consisting of key information for members' consideration together with the three questions decided by the WG be sent to members for their inputs by the deadline stipulated in the survey. This will enable the WG to analyze feedback from members in the process of submitting their report for members consideration at the ITTC58.

This document is to be taken as the background document referred to above with the three questions appearing at the end of this document. The relevant subheadings for members' information are as follows:

Procedures for Extending/Renegotiating the International Tropical Timber Agreement (ITTA), 2006

Article 44 of the ITTA 2006 defines the duration of the agreement and procedures for extension and renegotiation.

Article 12 of the ITTA 2006 Decisions & the Recommendations of Council states:

1. *The Council shall endeavour to take all decisions and to make all recommendations by consensus.*
2. *If consensus cannot be reached, the Council shall take all decisions and make all recommendations by a simple distributed majority vote, unless this Agreement provides for a special vote.*

Duration of the ITTA 2006

ITTA 2006 Article 44, Paragraph 1 states that the “Agreement shall remain in force for a period of 10 years after its entry into force unless the Council, by special vote in accordance with Article 12, decides to extend, renegotiate or terminate it in accordance with the provisions of this article.” If there is full consensus, there is no need for a special vote.

- The ITTA 2006 came into force on 7 December 2011 and expired on 6 December 2021 (after 10 years).
- A Council Decision on the extension of the ITTA 2006 was accordingly adopted at the ITTC57 in December 2022, extending the Agreement until 6 December 2026.

Extension/s of the ITTA 2006

The ITTA 2006 Article 44 Paragraph 2 states that the “Council may, by special vote in accordance with Article 12, decide to extend this Agreement for two periods, an initial period of five years and an additional one of three years.

Furthermore, ITTA 2006 Article 44, Paragraph 3 states that if, before the expiry of the Agreement, “the new Agreement to replace this Agreement has been negotiated but has not yet entered into force either definitively or provisionally, the Council may, by special vote in accordance with article 12, extend this Agreement until the provisional or definitive entry into force of the new Agreement.” Paragraph 4 states that if “the new Agreement is negotiated and enters into force during any period of extension of this Agreement under paragraph 2 or paragraph 3 of this article, this Agreement, as extended, shall terminate upon the entry into force of the new Agreement.”

- **Council may decide, by consensus or by special vote, to extend the ITTA, 2006 three times:**
 1. From 7 December 2021 to 6 December 2026, already approved by the ITTC under Decision 4(LVII) ;
 2. From 7 December 2026 to 6 December 2029; and
 3. Until the provisional or definitive entry into force of the new Agreement.

ADDITIONAL INFORMATION:

1. From the extensions of previous ITTAs, there is no notification period requirement as such.
2. The 1st party to be notified of any proposed extension is the UN ‘depositary’ – the UN Treaties Office in New York.
3. Any renegotiation of the ITTA, being a commodity agreement, will be under the auspices of the UNCTAD, who will need to be notified when this decision is taken by Council. Upon consultation of the UNCTAD Legal Office by Secretariat, the UNCTAD Legal Office advised that their office will be highly pre-occupied in the years 2024 and 2025 with UNCTAD Council matters, hence advising to avoid this period for renegotiations.
4. The ITTA 1994 was extended three times:
 - a. Decision 4 (XXVIII) – from 1 January 2001 until 31 December 2003;
 - b. Decision 9 (XXXIII) - from 1 January 2004 until 31 December 2006; and
 - c. Decision 3 (XLI) – until the provisional or definitive entry into force of the successor Agreement (7 December 2011).

Background Information on the Renegotiation of the ITTA 1994

Steps taken during the renegotiation of the ITTA 1994 are as follows:

- Decision 4(XXXII) – Appointed two consultants to produce a report looking into work and mechanisms of other relevant Organizations and treaties, and identifying emerging issues and developments in international trade;
- Decision 8(XXXIII) – Adopted the schedule for the Preparatory Committee (see below), requested Members feedback, formed a working group including the legal advisor from UNCTAD.
- Budget allocations need to be made accordingly, including in the Biennial Work Programme (Decision 3(XXXIII))
- The total budget for the renegotiation of the ITTA, 1994, was approximately \$1 million for travel, translation, and administrative costs related to convening the meetings indicated below. The budget was provided thorough voluntary contributions by Japan, U.S.A., Switzerland, and Korea, and through the Working Capital Reserve.

➤ ***Note: The costs indicated above does not include the expenditure incurred by several Member delegations who attended all the sessions, so the actual costs are in excess of the approximate figure of \$ 1 million stated in the above bullet. The \$1 million reflects costs to the organization.***

THE ITTA 1994 RENEGOTIATION CALENDAR

May 2003	34 th Council Session (6 days) + Producer/Consumer Coordination Meeting (1 day) + PrepCom I (2 days) Venue: Panama, 12-21 May 2003
November 2003	35 th Council Session (6 days) + PrepCom II (3 days) Venue: Yokohama, 3-12 November 2003
July 2004	UNCTAD Renegotiation I (5 days) Venue: Geneva, 26-30 July 2004
February 2005	UNCTAD Renegotiation II (5 days) Venue: Geneva, 14-18 February 2005
June 2005	UNCTAD Renegotiation III (5 days) Venue: Geneva, 27 June - 1 July 2005
January 2006	UNCTAD Renegotiation IV (12 days) Venue: Geneva, 16-27 January 2006

POSSIBILITY OF AMENDING PROVISIONS OF THE ITTA 2006 WITHOUT UNDERGOING THE PROCESS OF RENEGOTIATION

Having taken into consideration the desire of all members to extend the ITTA 2006, expressed through Decision 4(LVII), this topic was discussed extensively by the WG at both meetings, in the eventuality some members feel that select provisions of the ITTA 2006 be revisited without having to undergo a full renegotiation of the ITTA 2006.

The WG reminds all members that any amendments to the ITTA 2006, whether operational or not, would be tantamount to renegotiating the Agreement.

Members are further cautioned that the procedure for amendments to the agreement is very complex as spelt out in Article 40 of the ITTA 2006. Firstly, it **requires a special vote to agree to the proposal for an amendment**. The amendment then must be sent to the UN Treaty Office along with a date agreed by Council for members to officially notify the UN Treaty Office of their acceptance of the amendment. The amendment enters into force 90 days **AFTER two-thirds of both caucuses holding at least 75% of the votes of that caucus sent official “notifications of acceptance” to the UN Treaty Office**. These require the same kind of government approval process in member countries as accession to/ratification of the Agreement in the first place, with the required majorities even bigger than special vote majorities. Any member which has **not notified its acceptance of an amendment by the date on which such amendment enters into force shall cease to be a party to this (amended) Agreement as from that date**, unless such member has satisfied the Council that its acceptance could not be obtained in time owing to difficulties in completing its constitutional or institutional procedures and the Council decides to extend for that member the period for acceptance of the amendment. Such member/s shall not be bound by the amendment before it has notified its acceptance thereof. **If the requirements for entry into force of the amendment have not been met by the date set by Council and informed to the UN Treaty Office, then the amendment will be considered as withdrawn.**

Additionally, the ITTC being the highest decision-making authority, has the prerogative to take decisions through Council decisions to facilitate/improve the implementation of the ITTA 2006, as has been done since the ITTO was established.

Members are further reminded that a very extensive discussion was held during the process of formulating the ITTO Strategic Action Plan (SAP) 2022-2026 adopted at the ITTC57 where all relevant new and emerging issues already form the content of the new ITTO SAP.

Having carefully considered all the above, the WG would like to obtain initial feedback from members, without prejudice to the formal position that members will take at the ITTC, through a simple survey to gauge members' sentiments and preferences on whether to further extend the ITTA 2006 as detailed above or whether to commence renegotiations, which must begin in 2024 IF the ITTC does not wish to further extend the ITTA 2006 until December 2029.

Annex 2

DECISION 4 (LVII) Kick-off Meeting TELECONFERENCE OUTCOME HELD ON WEDNESDAY 8 JUNE 2022

Members:

1. Mr. Keiran Andrusko (Australia)
2. Mr. Jorge Rodriguez Romero (EU Commission)
3. Ms. Yoshiko Motoyama (Japan)
4. Ms. Anna Tyler (New Zealand) - absent
5. Mr. Bjorn Merkell (Sweden)
6. Mr. Luke Thompson (USA)
7. Mr. Ulysse Singabe O. Korogone (Benin) – joined later
8. Ms. Maria Fernandez Velez (Colombia) - absent
9. Mr. Arsene Ewossaka (Congo) - absent
10. Mr. Nurudeen Iddrisu (Ghana)
11. Mr. Pubadi Govindasamy (Malaysia)
12. Mr. Pedro Antonio Plateros Gastelum (Mexico) - absent
13. Mr. Ray Thomas Fernandez Kabigting (Philippines)
14. Mr. Jorge Malleux (Peru)

Secretariat:

15. Ms. Sheam Satkuru (ITTO)
16. Mr. Steven Johnson (ITTO)
17. Mr. Gerhard Breulmann (ITTO)
18. Mr. Simon Kawaguchi (ITTO)
19. Mr. Takumi Akama (ITTO)

The Draft Agenda was presented by the Executive Director and adopted as follows:

1. Opening Remarks by the Executive Director
2. Tour de table
3. Election of (Vice-)Chairpersons
4. Short briefing on expected timeline (prior to ITTC 58), work modalities, key considerations and output to be presented to the ITTC 58 (Executive Director)
5. Exploratory discussion on scope of work & key items (moderated by (Vice-) Chairpersons)
6. Next steps (e.g., agenda, dates, times)

1. Opening Remarks by the Executive Director

The kick-off meeting under Decision 4(LVII) was convened on 8th June 2022 and chaired by the ITTC Chairperson. All the invited participants are listed above. The Chairperson thanked all the participants, and all the participants introduced themselves briefly.

2. Tour de table

The participants highlighted in the above list took part in the meeting and introduced themselves.

3. Election of (Vice-)Chairpersons

The nominations have been made as follows:

Producer: Mr. Nurudeen Iddrisu (Ghana)

Consumer: Mr. Luke Thompson (USA) temporarily until and upon confirmation of the Consumer Caucus representatives in the WG

4. Short briefing on expected timeline (prior to ITTC 58), work modalities, key considerations and output to be presented to the ITTC 58 (Executive Director)

The ED suggested that the final draft of the report should be ready by the middle of September so it can be finalized by the end of September. Additional meetings will be arranged as necessary in consultation with the WG.

5. Exploratory discussion on scope of work & key items (moderated by Vice-Chairpersons)

The ED reminded that the WG needed to make a recommendation to Council to commence renegotiations of the ITTA, 2006 so a new agreement could enter into force before the current expiry date of December 2026, or to endorse a further extension of the agreement until December 2029. In the former case, the renegotiations would have to commence latest by early 2024. Council needs to decide on this matter during its session in 2022 or 2023 at the latest. UNCTAD's legal office advised that they will be busy during the years of 2024 and 2025 with UNCTAD Council meetings.

Mr. Malleux mentioned that in case there were some urgent and simple modifications to the agreement, the council as the superior authority has the power to do it, this matter was consulted on with the Legal Advisor of the UNCTAD on previous occasions.

The Secretariat cautioned that the procedure for amendments to the agreement was very complex as spelled out in Article 40 of the ITTA, 2006. Firstly, it requires a special vote to agree to the proposal for an amendment. Then the amendment needs to be sent to the UN Treaty Office along with a date agreed by Council for members to officially notify the UN Treaty Office of their acceptance of the amendment. The amendment enters into force 90 days after two-thirds of both caucuses holding at least 75% of the votes of that caucus sent official "notifications of acceptance" to the UN Treaty Office. These require the same kind of government approval process in member countries as accession to/ratification of the agreement in the first place, with the required majorities even bigger than special vote majorities. Any member which has not notified its acceptance of an amendment by the date on which such amendment enters into force shall cease to be a party to this (amended) Agreement as from that date, unless such member has satisfied the Council that its acceptance could not be obtained in time owing to difficulties in completing its constitutional or institutional procedures and the Council decides to extend for that member the period for acceptance of the amendment. Such member shall not be bound by the amendment before it has notified its acceptance thereof. If the requirements for entry into force of the amendment have not been met by the date set by Council and informed to the UN Treaty Office, then the amendment will be considered as withdrawn.

6. Next steps (e.g., agenda, dates, times)

Mr. Luke Thompson said USA was careful to not prejudice a decision during the council meetings, and that this working group can provide us the opportunity to discuss more in a multi-year effort. Ms. Yoshiko Motoyama cited the importance of conducting a review of the Agreement, as done in the past ahead of renegotiation. She also pointed out that conducting a simple survey by members may not be enough, and we should develop the terms of reference for what the next review should consist of. It may, for example, be useful to include stakeholder surveys and to have some sort of objective statistical measure as a guide. Mr. Nurudeen Iddrisu suggested to have discussions at caucus level to put together their input.

The ED thanked the three participants and highlighted that we should also look at the other side of opportunities and this should also be included in the review process. To carry out an evaluation on the current situation of ITTO in the global international context, what is the role we are playing? What are objectives that we have in front of us? We have a series of initiatives of institutions and international agendas that have developed recently. What causes the lack of execution of work in the field for the ITTO is the lack of project funding, where other competitors have raced in because they have a different view of what sustainable forest management is, and they have the money to support the work that they're doing.

Secretariat indicated that it would circulate all documentation produced in the lead up to the renegotiation of the ITTA 1994, including consultant reports and the member survey undertaken to assess members' thoughts on the priorities for the previous renegotiation.

The next meeting will be decided in consultation with the WG after the above materials and these minutes have been distributed, with options identified including the 29th of June, or the 11th of July.

**2nd Meeting WG ITTO Decision 4 (LVII) TELECONFERENCE OUTCOME
THURSDAY 14 JULY 2022.**

Members:

1. Mr. Keiran Andrusko (Australia)
2. Mr. Jorge Rodriguez Romero (EU Commission)
3. Ms. Marie Tsunoda (Japan)
4. Ms. Akiko Tabata (Japan)
5. Ms. Anna Tyler (New Zealand)
6. Mr. Bjorn Merkell (Sweden) – absent with apologies
7. Mr. Luke Thompson (USA)
8. Mr. Ulysse Singabe O. Korogone (Benin)
9. Ms. Maria Fernandez Velez (Colombia)
10. Mr. David Fernando Urrego (Colombia)
11. Mr. Arsene Ewossaka (Congo) - absent
12. Mr. Nurudeen Iddrisu (Ghana)
13. Mr. Pubadi Govindasamy (Malaysia)
14. Mr. Pedro Antonio Plateros Gastelum (Mexico)
15. Mr. Ray Thomas Fernandez Kabigting (Philippines) - absent
16. Mr. Jorge Malleux (Peru)

Secretariat:

17. Ms. Sheam Satkuru (ITTO) Executive Director
18. Mr. Gerhard Breulmann (ITTO) Planning, Monitoring & Evaluation Officer, ITTO
19. Mr. Simon Kawaguchi (ITTO) Finance / Administrative Officer
20. Mr. Tomiji Shudo (ITTO) IT Assistant
21. Mr. Takumi Akama (ITTO) Office of the Executive Director

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

- 1) Opening remarks by the Executive Director (ED)
- 2) Report of the Kick-off Meeting (Executive Director)
- 3) Continued discussion on work modalities, scope of work & key items - moderated by Co-Chairpersons
- 4) Next steps (e.g., agenda, dates, times) - moderated by Co-Chairpersons

1. Opening Remarks by the Executive Director (ED)

The 2nd meeting WG ITTO Decision 4(LVII) was convened on 14 July 2022 and chaired by Mr. Iddrisu and Mr. Andrusko. All participants are listed above. The ED thanked all the participants for attending this 2nd meeting of the Working Group (WG).

2. Report of the Kick-off Meeting (Executive Director)

The revised report of the kick-off meeting (1st Report of this WG) was circulated to members of the WG on 8 July 2022 and adopted by the WG at this meeting on the 14 July 2022. This document is the draft report of the 2nd WG meeting held on 14th July 2022. The first draft of the final WG report should be ready preferably by mid/late September to allow sufficient time for final comments from the WG prior to being posted on the ITTO website.

3. Continued discussion on work modalities, scope of work & key items - moderated by Co-Chairpersons

- ✓ The possibilities and challenges on making amendments to the ITTA 2006 were recirculated for the WG's consideration, and the ED took the WG through the details. This topic was not initially included for this 2nd meeting and was added after being suggested by Mr. Malleux (Peru). Several WG members also thanked the Secretariat for the excellent background document provided for the WG's reference and consideration.
 - Mr. Iddrisu (Ghana) suggested to be open minded and see whether we are considering renegotiation at this stage, given that we have ample time until the

end of the stage two of extension which ends in 2026 and stage three which ends in 2029.

- Mr. Thompson (USA) mentioned they a consumer caucus call was held on 4th July 2022 and there was a suggestion that other commodity organizations that have recently undergone renegotiations should be looked into. Additionally, there is the opportunity to make a determination in the next intercessional period in 2023 if it is felt that time is short between now and the ITTC58 for the WG to make a recommendation to Council.
- Mr. Malleux (Peru) mentioned that producer members said they were not able to decide whether they need a renegotiation or whether we need an extension with a few amendments, acknowledging that the renegotiation is lengthy, time consuming, and costly. He suggested conducting a survey amongst members so that all possible options can be considered. Secretariat was requested to prepare a survey for the WG's consideration, incorporating a question for both producers and consumers about what changes and modifications should be introduced in the new agreement.
- The ED reminded the WG on the challenges in making amendments to the ITTA 2006 and reminded the WG that in past years since the entry into force of the ITTA 1983, any improvements to facilitate the implementation of the ITTA 2006 has always been achieved by consensus through Council decisions without making any amendments to the ITTA 2006.
- Mr. Andrusko (Australia) enquired whether the survey could be an open survey in the context of the ITTO being in international space and whether this is do-able before the ITTC58.
- The ED explained that this would depend on what additional questions are being asked and wide the survey catchment will be – something that the WG has to decide. Looking at the timelines between now and the ITTC58, a members' brief survey can be completed in time for the ITTC58 if the survey results are to be appended to the WG report to be presented at the ITTC58.
- Ms. Tyler (New Zealand) stated that the most important matter is to seek members views on whether to extend or re-negotiate and advised to seek views from members only for now.
- Mr. Pubadi (Malaysia) stated that Malaysia would prefer not to enter renegotiation. Malaysia's preference is to extend the existing agreement until 2029 and for renegotiations not to take place during this extension period and to take place preferably after 2026. He also concurred with Malaysia's concerns of having a lengthy survey, recommending that any survey to be conducted should be short and concise.
- The ED stated that the basic question here would be whether members are happy to endorse a further extension of the agreement until 2029 or to commence renegotiations by 2024 or 2025. She also reminded that an enormous volume of information would not help in what the WG needs to report to the ITTC58 and importantly, no firm decision needs to be taken by the WG for the ITTC58.
- Mr. Sinagabe (Benin) is in favour of a survey to seek members' opinions on whether to extend or move to a renegotiation. The survey should not be too detailed but sufficient to seek the necessary opinions.
- Mr. Malleux (Peru) suggested that a short quick survey should seek what new and emerging matters could have repercussions for a new agreement and identify major areas of concern to be highlighted at the ITTC58. A decision could be taken at the ITTC58 to conduct a more detailed survey prior to the ITTC59 to determine whether to extend or renegotiate.
- The ED reminded the WG that the new areas of work have already been identified and modifications to areas of work have already been discussed in the Strategic Action Plan (SAP) WG prior to council adopting the Strategic Action Plan at the ITTC57. Additionally, the Secretariat had voluntary contributions to hire consultants for that process. The ED recommended that a brief survey be conducted seeking views on the most pertinent points to facilitate the work of this WG. Several WG members agreed to this recommendation.

- Mr. Romero (EU) stated that a quick survey from members would be more useful for the ITTC58, taking into account the mandate of the WG and existing timelines. An additional survey for non-members and other organizations could be undertaken later on, which will help reflect how others see the organization and its role, strengths, and weaknesses.
- Mr. Gastelum (Mexico) suggested that advantages and disadvantages of extension/renegotiation be made clear to members to facilitate a practical decision to be made.
- Mr. Thompson (US), in response to Mr. Malleux, cautioned the WG that any amendments to the ITTA 2006, whether consisting of operational matters or not, would be tantamount to renegotiating the ITTA 2006. This may cause confusion amongst members, which must be avoided.
- The ED suggested that the WG agrees on 2 or 3 most important questions for the survey and reminded that the WG report must be finalized by the end of September 2022. Counting backwards from there, the survey would need to be sent to members by the 1st week of August, taking summer holidays into account.
- Ms. Tyler (New Zealand) agreed to what's been discussed and supports the idea of a quick survey of 2-3 questions which enable members to respond quickly.

Having discussed a few tentative questions with the WG in line with discussions above, the most important elements to be captured by the questions are:

- To seek members' views on further extension of the ITTA 2006 until December 2029 OR enter renegotiation of the ITTA 2006
- Whether members feel improvements need to be made to the existing ITTA 2006. If so, to clearly communicate what improvements are to be introduced and how will this be achieved.
- Seek members' views on whether the current project cycle is to be retained or changed and how it should be changed.

The ED will circulate the background document and 2-3 survey questions to the WG by Thursday 21 July 2022.

4. Next steps (e.g., agenda, dates, times) - moderated by Co-Chairpersons

The next WG meeting will be convened soon after the members' survey responses are received by Secretariat.

Annex 3 – Combined Members' Responses to Brief Survey

Survey Questions

1. Please state if you agree to a further extension of the ITTA 2006 from December 2026 until December 2029

YES

NO – Please state why, including whether:

- a) You support a full renegotiation under the auspices of UNCTAD **OR**
- b) You support Amendment of the ITTA 2006 by the ITTC in accordance with the procedures outlined under Article 40 of the ITTA 2006

2. Are any **fundamental amendments** needed under the current ITTA 2006?

YES – please state clearly what changes are needed and how these changes should be made (renegotiation, amendment or Council decision)

NO

3. Should current project submission procedures stay the same?

YES

NO – please state why it needs to change and if so, what needs to be changed

Survey Results

Country	Question 1				Question 2				Question 3			
	Yes	No		Comments	Yes	No	Comments	Yes	No	Comments	Yes	No
		a	b									
Australia	x			We believe given the fundamental nature of the issues we raise at 2, that it would be better to work towards a 2029 horizon for renegotiation. We also feel extending will afford the new project development architecture more time to demonstrate its value.	x		Fundamental amendments may be needed for the successor to ITTA 2006. It would be worthwhile canvassing views on broadening the focus from tropical timbers. Many production and associated trade issues span latitudinal zones, and the tropical timber focus can lead to missed opportunities for ITTO to add value on emerging issues. We also suggest examining options for bridging the consumer-producer divide, as both interessionally and in-session the current structure can limit constructive exchange and collaboration between nations with similar challenges. Each of these elements would require renegotiation, as they are fundamental aspects. We stress that we would not intend these changes, if interest exists, to dilute the focus on assisting producer nations, rather we see opportunity for improvement in this regard. Further areas requiring eventual examination include voting and amendment processes, hosting arrangements (to help with burden sharing), the Partnership Fund, and mechanisms supporting compliance and timely contributions.	x		We feel the new project development processes put in place, needs to be granted more time to prove its value, given COVID-19 disruptions. We suggest that adding a focus on leveraging other funding sources into the project design process would be useful to trial in future. Donor countries are increasingly focused on the leveraging potential of their contributions.		
Colombia	x				x			x		The current procedures could be improved in terms of the duration of the project cycle by considering the possibility of shortening timeframes so that it does not become a costly process. In addition, ITTO should seek mechanisms to ensure that technically viable projects have immediate access to financing and do not have to wait many years for funding. It is also suggested that the sunset clause be reviewed, since a project proposal that has entailed a great deal of effort in its formulation and is technically viable may remain awaiting financing for a long time, and in the worst-case scenario, many projects lose their validity and fall under the sunset clause. Similarly, it is recommended to consider including an equity criterion for financing among producer members to ensure equitable access to resources for projects that are technically viable.		
DRC	x			After reviewing the background explanations, including the unavailability of the UNCTAD during this period for starting the renegotiation, I believe that the ITTO Council should opt for an extension of the ITTA, 2006. I also find that the current ITTA is following the same pattern as the ITTA, 1994 did. By some aspects, there is a precedent allowing for the current ITTA to benefit from the same circumstances as the ITTA, 1994.	x		I think that amendments are needed. Amendments should be made by the Council.	x		Projects should remain in line with the spirit that prevailed at the time of ITTO establishment, i.e., the forest areas from which timber and other forest products are harvested should be used sustainably for the benefit of present and future generations. Currently the countries that contribute more benefit more from projects and the countries that contribute less benefit less. This is the case for my country (DRC), which has a large [forest] area but is lacking resources for managing it appropriately. Inappropriate management would affect all of humanity. I believe that solidarity is essential for the conservation of the Congo Basin forests regardless of the financial contribution of these countries.		

EU			<p>We would like to thank the Secretariat for the useful background document accompanying this survey. The information provided shows that a full renegotiation of the ITTA agreement would require a very significant investment of resources and time by both the Secretariat and the members. The option to amend the agreement through a Council decision is also procedurally demanding and may also take a long time as it would probably require ratification by members. Therefore, any of these two options would only be justified if there is a need to introduce significant changes to the agreement.</p> <p>Otherwise, it would seem more sensible to invest the limited resources of the secretariat and the members in improving and strengthening the functioning of the organization, using the powers that the existing agreement gives to the Council.</p> <p>We note that the objectives of the ITTA 2006 are broadly formulated and address many of topical key issues related to sustainable management of tropical forest and trade in timber and wood products. On the other hand, other provisions, some of them coming from the previous agreements signed in the 80s and 90s, seem to be outdated and would benefit from simplification and update. This is the case for some of the provisions regarding administrative, financial and membership structures. Given that the decision on extension, amendment or renegotiation does not need to be taken until 2023, the European Union and its Member States are of the view that a more in-depth review of the functioning of the organization may be useful to take an informed decision. This could be driven by a more detailed survey addressed to members, but could also be enriched by the views of other international organisations and relevant actors active in the global forest policy context. Such</p>	X		<p>We have not identified at this stage major amendments that are required to ITTA 2006.</p>		X		<p>Subject to the assessment of the pilot process, the EU and its Member States support the new approach towards project submission as piloted under the new financial architecture.</p>
Ghana	X				X			X		
Japan			<p>Noting the Secretariat's report on the Possibility of Amending Provisions of the ITTA 2006 without Undergoing the Process of Renegotiation (p.5), we can support the extension of the current ITTA 2006 as a baseline. However, if there is a consensus toward undergoing the administrations of an amendment/renegotiation process, we think that incorporating any element that could enhance ITTO's relevance in the global forestry policy agenda would make sense.</p> <p>We anticipate that careful discussions among member states will be required to incorporate such elements by consensus. If more time is required to make such deliberations, we could support an extension of the Agreement through 2029.</p>	X RESERVE - pending response to #2	X RESERVE - pending review results of the ITTA 2006, but can see a case for an amendment in some areas	<p>We believe that it is necessary to first receive the results of the review of the current ITTA (as done in previous renegotiation cycles), in order to determine the need / nature of fundamental amendments. However, some areas do appear to warrant some revisions, including clarifications on member categorizations (i.e. what to do with hybrid consumer-producer member states?) and special accounts (Article 20, 21), which are not functioning to date. Furthermore, it may be desirable to address issues such as climate change and biodiversity loss, as part of the objectives, in order to increase ITTO's relevance in the global forestry policy agenda. These are just few of the elements that can potentially be considered, without prejudice to whether the process should require a "renegotiation" or an "amendment".</p> <p>We would also like to suggest that the article on Objectives address the notion of sustainable use of timber, in addition to promoting the expansion and diversification of international trade in tropical timber, in order to contribute to the 2030 Agenda for Sustainable Development, including decarbonization.</p>		X	<p>As a donor, we appreciate the recent introduction of the concept note proposal method. To consider any need for changes to processes related to regular projects, we would appreciate hearing proposals from the producer countries, in due respect of the principle of "local ownership of projects", as per ITTO's Manual for Project Formulation.</p>	

Country	Response	Comments	X	X	X	X	X	X	X	
1	2	3	4	5	6	7	8	9	10	
Malaysia	X	<p>Malaysia's continued involvement in ITTO is important to ensure the sustainability and market accessibility of the country's tropical forest resources. Malaysia took note that the International Tropical Timber Agreement (ITTA) 2006 has been extended for 5 years from December 7, 2021 to December 6, 2026. Learning from the previous renegotiation process of ITTA 1994, Malaysia has no objection to a further extension of the ITTA 2006 from December 2026 until December 2029, taking into consideration that the renegotiation process or amendment to the Agreement is very complex, incurred substantive costs to the organization/members and would require extensive and lengthy discussion. Malaysia believes that further extension of the ITTA 2006 after December 2026 will allow ample time and give an advantage to members in identifying, deliberating, and addressing emerging issues and new developments in international trade for tropical timbers.</p> <p>However, we look to further discussion and negotiation on a new agreement to replace the ITTA, 2006 within the extension period.</p>	X	<p>Under Article 15, para 3 "The Organization shall take full advantage of the facilities of the Common Fund for Commodities", Common Fund for Commodities (CFC) has the vision to strengthen and diversify the commodity sector in developing countries and transform it to be a major contributor to poverty alleviation and sustained economic growth and development.</p> <p>Therefore, Malaysia seeks clarification on to what extent ITTO's cooperation and involvement with CFC and whether tropical timber is being classified as one of the commodities.</p>	X				Overall, Malaysia has no objection to the current project submission procedures. Malaysia believes that a well-structured procedure can assist the members in preparing comprehensive proposal paper that transforms the tropical forest sector not only for Malaysia as a tropical timber-producing country, but the tropical timber trade industry as a whole.	
Mexico	X	<p>The answer is YES, because ITTO has a new Strategic Action Plan (SAP 2022-2026) as well as its upcoming Biennial Work Programmes whose objectives and results are focused on the current international forest policy needs.</p> <p>Furthermore, due to the international problems associated with the financial crisis, armed conflicts, climate change, etc., and the Organization's lack of resources, we believe that this is not a good time to initiate a process of partial or total renegotiation of the ITTA.</p>	X	<p>As it has already been mentioned, even if a minor amendment were to be made, a similar management process would have to be followed as if the entire ITTA were to be renegotiated. In the case of Mexico, a proposed amendment to the Agreement would have to go through a series of high-level procedures that would take a long time for a timely response to be provided to the Organization.</p>		<p>The current project submission procedures are not adequate, since for several years now, two annual calls for proposals have been issued without any success in the funding of projects. It could be said that out of the total number of projects submitted, only a few are funded and the rest remain with the status of "approved/pending financing" until they are sunset (after approximately 18 months) and then they are removed from the list.</p> <p>It is therefore urgent for the Organization to give priority to this situation, as it has caused a lack of motivation among member countries to submit project proposals, as well as to comply with the timely payment of their contributions.</p> <p>In view of the above, the following is proposed:</p>	X	<p>Proposal 1. Creation of a department to monitor the financing of projects Create a department within ITTO to ensure timely monitoring of project procedures from the issuance of the call for proposals, through support in lobbying, to the conclusion of financed projects. This would facilitate the implementation of activities and processes within the Organization.</p> <p>Proposal 2. Meeting with the community of donors and prospective donors during the Council session An agenda item could be proposed at the Council session to raise funds for projects and activities. During the meeting, prospective donors that could allocate resources to projects/activities proposed by ITTO member countries could be invited. The supply/demand of the donor community for project/activity funding could also be identified at this point. By doing this, ITTO could save</p>		

New Zealand	X (conditional)	Rationale At this point NZ supports a further extension, although our position is subject to hearing the specific concerns and ideas of other members. Also, we have concerns about the huge effort and resources required for renegotiation, and do not consider this should be entered into without very clear problem definition, and vision, objectives, outcomes for changes. Amendment to ITTA 2006 We take this opportunity to note that any amendment to the text of the ITTA 2006 would trigger our full treaty examination processes by government, and that we do not consider that a viable and distinct pathway or option for consideration. As has been noted, Council can and has made amendments to the operating rules and procedures of the Organisation via its decisions, and we support this approach on an "as required basis" until such time renegotiation is commenced.	X	We consider that the ITTA 2006 plays an important and unique role in the multilateral forestry ecosystem, and overall the ITTA 2006 continues to serve the organization satisfactorily. A key objective for NZ for any amendments would be to: •Break down the structural division between the caucuses which can contribute to significant inefficiencies at times and/or on some issues; •Reflect significant and material changes to multilateral forestry, trade and climate change priorities, structure and landscape. We are flexible as to how these are achieved. To date changes to reflect changes in the operating environment have been successfully incorporated in the Strategic Plan.	X	NZ does not consider that project submission procedures should change. We observe that there may be opportunity for wider socialization of proposed concept notes with the target audience or donors prior to conducting detailed work on new proposals within the current framework.
Switzerland	X	X Switzerland is open for option a) and b).		No position on this for the time being.		No position on this for the time being.
USA	X	Our preference is for another three-year extension to December 2029. Before renegotiating the ITTA, we suggest an extensive consultative review of the current Agreement. We should also consider that ITTO members will need to conduct their own internal review prior to beginning the member-based consultative review. From the experience of the prior renegotiation, such as the ITTA 1994 which was tended three times, this study can take more than two years to undertake appropriately. However, if Council agrees to a renegotiation, we prefer option a) a full renegotiation under the auspices of UNCTAD. We understand that any renegotiation of the ITTA, being a commodity agreement, should be under UNCTAD.	X	1. An extensive consultative review should cover all aspects of the ITTA, including but not limited to: • Caucus formulation, • Annual dues assessments, • Voting distribution, • Expanding on trade outside of the tropics The United States does not support ad hoc or piecemeal changes to the ITTA. Similarly, we do not support discussing certain amendments, even if those amendments are considered fundamental or minor by some members. The ITTA Working Group also cautions that the procedure for amendments to the agreement is very complex as spelt out in Article 40 of the ITTA 2006.	X	We should transition away from the full project proposals submission process and into the new pilot phase Concept Note procedure as assessed and laid out by the financial architecture working group in 2020 and, where applicable, the outcomes of the ITTO Strategic Action Plan (SAP) 2022-2026 adopted at the ITTC57. However, the concept note submission procedures may require refinements with input from those involved in the process, including proposal and Concept Note proponents, members of the Expert Panel for technical appraisal of ITTO project proposals, and key Secretariat staff.

Agree with Extension	10
Producers:	5
Consumers:	5
Disagree with Extension	1
Total Responses:	11

Annex 4

Proposed Draft Decision

The draft decision is pending finalization due to substantive changes being suggested in the WG at very short notice. Therefore, the draft decision will be discussed at the Informal Advisory Group (IAG) prior to being discussed by Council at the ITTC 58.