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

**Progress report on the Implementation of ITTO's New Financing
Architecture – Phase II**

Decision 4(LVI) & 8(LVII)

(Item 17 of the Provisional Agenda)



Progress report on the Implementation of ITTO's New Financing Architecture – Phase II Decision 4(LVI) & 8(LVII)

Council Agenda item 17

**Fifty-eighth Session of the ITTC
7 - 11 November 2022**

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
8. Virtual informed feedback loop	The virtual informed feedback loop will continue to be utilized where applicable. Letter to members last sent on 13 Apr 2022.	COMPLETED / ONGOING
9. Implementing Decision 8(LV) - Advisory Board, engaging with funding mechanisms including GEF	Advisory Board has had six meetings - in April & October 2020, April & July 2021, and April & October 2022. Details explained under “Implementation of Decision 8(LV) & Decision 4(LVI)	COMPLETED / ONGOING
10. Formal TORs for Advisory Board	Adopted at ITTC 57 as Decision8(LVII)	COMPLETED
11. Propose structure and approach for review of Decision 5(LIV) in 2022	Review postponed until at least 2023, and a final decision on the timing and terms of reference of the review will be taken at ITTC 58 (Decision 8(LVII))	ONGOING – Details for Review & ToRs TBC – will be discussed under Agenda Item 17 ITTCLVIII.
12. Report on implementation of Decision 4(LVI)	The report given at ITTC57 and ITTC58	COMPLETED
13. Utilization of Working Capital	\$65,000 of \$200,000 authorized utilized to date for the development of online systems and support for fundraising activities	ONGOING

Engagement with other bodies called for by Decisions 8(LV) 4(LVI) and 7(LVII))

Item	Description	Status
1. Engage with secretariat of GEF	ITTO letter sent to Members in May 2021	COMPLETED Follow-up with Producer Countries through 2022 on including ITTO in GEF discussions/projects, in touch with CPF GEF FP on future approach
2. MoUs	CBD MoU agreed in Feb 2021; Draft MoUs sent to UNCCD, AFoCO, JICA	CBD COMPLETED AFoCO, JICA & IGES MoUs completed in 2022. UNCCD - TBC Pursuing MoU renewal with UNFF, ACTO
3. Establish MoU with UNFCCC	Letter sent in April 2021, follow-up e-mails sent, awaiting response	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. Letter sent to ITTO Members in Feb 2022 regarding collaboration post GEF-8 replenishment	ONGOING Secretariat in contact with several Producer countries on GEF8 Secretariat in contact with CPF GEF FP on forthcoming process
5. Formal accreditation to the GCF	The accreditation process with the GCF continues and is work in progress. GCF launched its new online platform – ED letter to GCF CEO to discuss how this process can be accelerated/decided upon	ONGOING. Awaiting feedback from the GCF on status of 1 st Review.

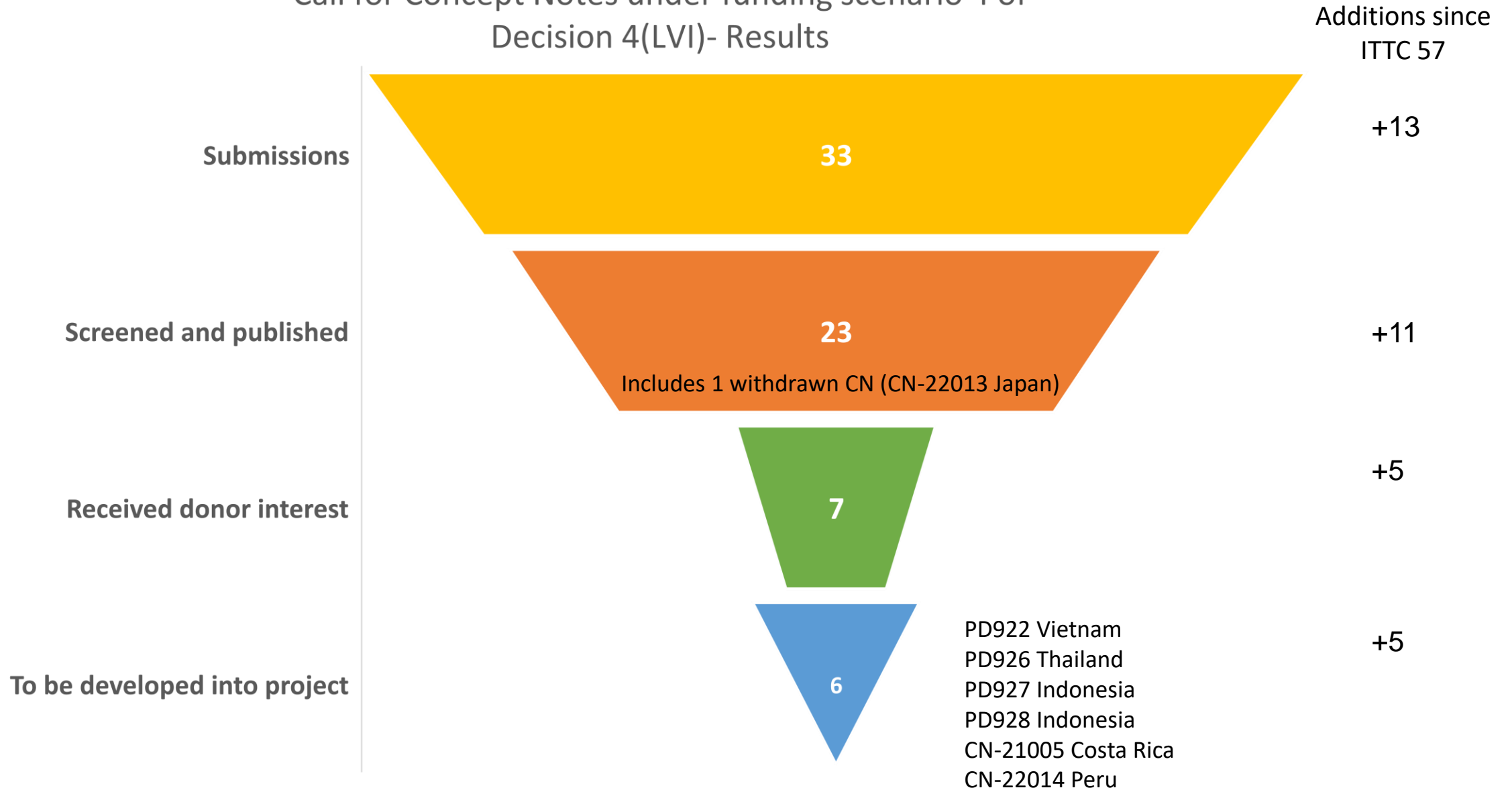
ONGOING Engagement with other bodies called for by Decisions 8(LV) and 4(LVI))

- Council will hear at the ITTC (LVIII) through various Agenda items and Updates, ITTO diligently continues it's close collaboration with ALL partners such as the members of the CPF collectively and individually.
- Examples here are the FAO, the UNFF, CITES, CIFOR-ICRAF, AfoCO, IGES and many others.
- Secretariat is also working on enlarging the TAG participation and the CSAG participation where BOTH need funding contributions to advance their work.
- Something for Council to consider is the establishment of a Youth Advisory Group, which Secretariat encourages considering - optimization of the Fellowship Programme Awardees and incorporating other Youth organizations – custodians of the future!

Implementation of Decisions 8(LVII)

Decision	Description	Status
Decision 8(LVII) Timeline and ToR for Review of PA Second progress report on the implementation of the pilot program at ITTC 58, as well as timing and ToR for future review	Timeline and ToR for review of PA to be deferred to ITTC60 (2024)	ONGOING

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



Funding pledged or sought related to the pilot Programmatic Approach 2019-2020



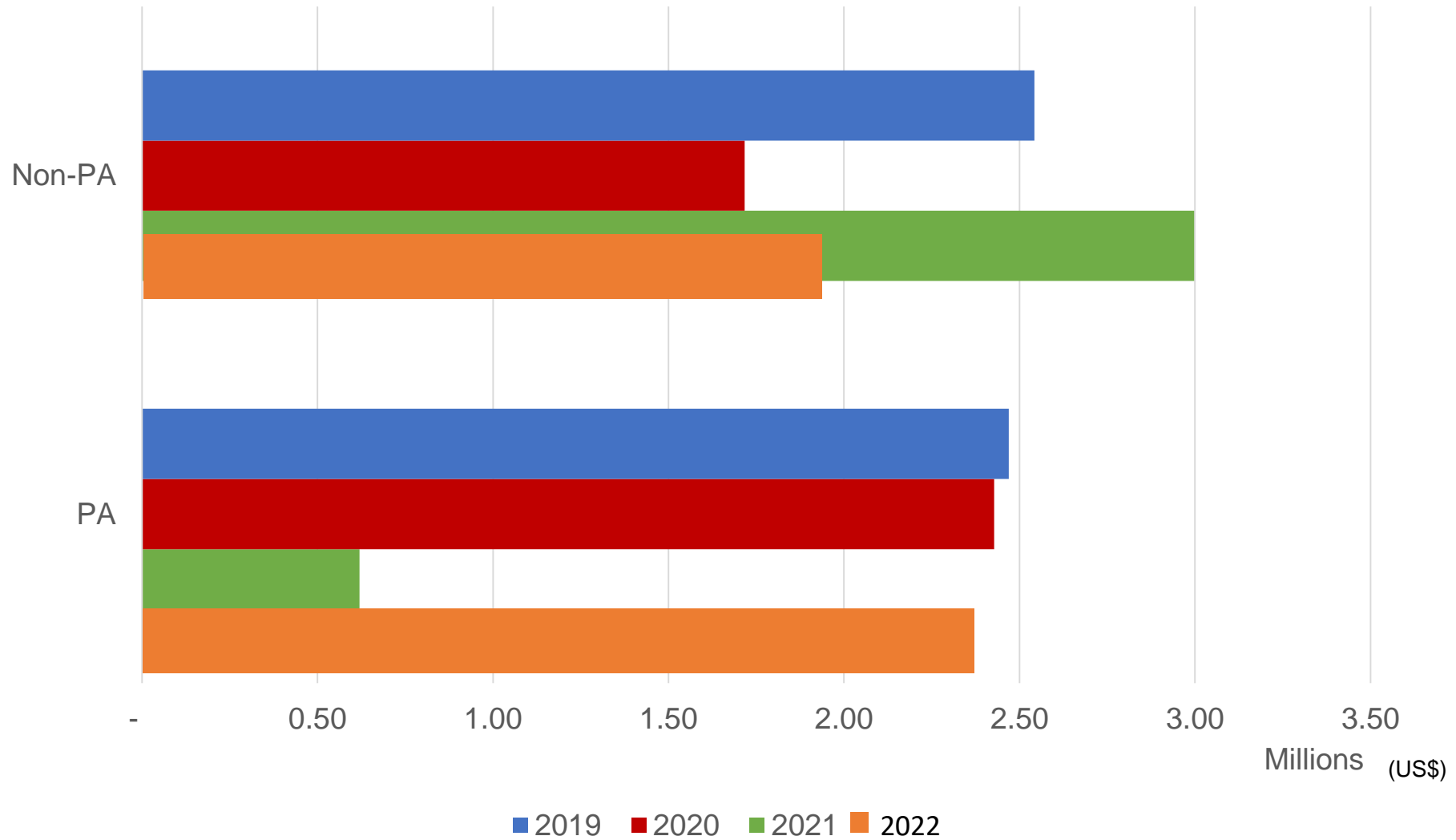
Fundraising efforts	Program Line	Tentative Budget	Status	Actual results to date
2019: Japan Forestry Agency / LSSC-related training modules in Congo Basin countries	PL 1: LSSC	USD 316,000	Operational until end of 2022	USD 316,000
2019: German BMEL – Regional Teak Program – Mekong Region	PL 1: LSSC	USD 1.24 million	Operational until end of 2022	USD 1.24 million
2019: German BMEL - Programme on Legal and Sustainable Supply Chains (LSSC) for Tropical Wood and Forest Products	PL 1: LSSC	USD 2.39 million	Operational until end of June 2022	USD 2.39 million
2020: German BMEL funding agreement for Global Forest Education Survey/Platform; Consortium FAO (lead)-IUFRO-ITTO	PL 4: Emerging	USD 124,000	Completed	USD 124,000
2020: Japan Emergency Forest Fire Project (Peru, Indonesia)	PL 4: Emerging	USD 2.2 million	Operational until end of June 2022	USD 2.2 million
2020: Soka Gakkai/Japan Local community and climate adaptation	PL 2: FLR	USD 90,000	Operational pending final report	USD 90,000
2020: Japan Forestry Agency/LSSC-related activities in China, Myanmar and Viet Nam	PL 1: LSSC	USD 723,000	Operational	USD 723,000
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
Totals: 1. Secured a) 2019 b) 2020		~USD 3.95 mil. ~USD 3.14 mil.		~USD 3.95 million ~USD 3.14 million

Funding pledged or sought related to the pilot Programmatic Approach 2021-2022



Fundraising efforts	Program Line	Tentative Budget	Status	Actual results to date
2021: Japan Forestry Agency/PD922/21 Rev.1(I) “Promotion of Sustainable Domestic Wood Consumption in Vietnam”	PL 1: LSSC	USD 339,500	Operational	USD 339,500
2021: Soka Gakkai/Japan Local community and climate adaptation – phase 2	PL 2: FLR	USD 90,000	Operational	USD 90,000
2021: CN-1523: Development of an Information System on the Potential for Wood and Carbon to support Sustainable Forest Management in South Kalimantan (Indonesia)	PL 1: LSSC	USD233,300	Partially funded by the USA during ITTC(LVII)	USD150,000
2022: IPIM (Macao)/Supporting the Establishment and Operation of the Global Timber Index Platform for Building Legal and Sustainable Forest Products Supply Chains	PL 1: LSSC	USD986,720	Operational	USD986,720
2022: IPIM(Macao)/Supporting Pilot Collaborative Operation of the Blockchain-based Timber Traceability System (BTTS) for Building Legal and Sustainable Forest Products Supply Chains	PI 1: LSSC	USD347,200	Operational	USD 347,200
2022: Japan Forestry Agency “Promotion of sustainable domestic consumption of Wood Products in Thailand”	PL 1: LSSC	USD 320,000	Projects developed and being reviewed by the Expert Panel 2022	USD 320,000
2022: Japan Forestry Agency “Development of sustainable domestic market for Wood Products” (Indonesia)	PL 1: LSSC	USD 261,811		USD 261,811
2022: Australia/ “Develop an information system on the potential for wood and carbon to support sustainable forest management in South Kalimantan, Indonesia” (Indonesia)	PL 1: LSSC	USD233,300	Fully funded	USD 83,300
2022: Australia/Strengthening the management and conservation for endangered rosewood (Dalbergia) (Vietnam)	PL 2: CBES	USD 149,000	Partially Funded	USD 100,000
2022: Korea/ Assessment of Planting Caoba Experiences (Swietenia Macrophilia) in the Coastal Region of Peru in Contribution to the Climate Change Adaptation (Peru)	PL 1 : LSSC	USD 85,000	Fully Funded	USD 85,000
2022: Korea/ Repositioning of forest management as competitive land use in the agroforestry landscape of the North Huetar Region of Costa Rica (Costa Rica)	PL 3: FLR	USD 138,370	Fully Funded	USD 138,370
Totals:				
a) 2021				USD 579,500
b) 2022				USD 2,322,401

Funding Received - Voluntary Contributions (2019-2022)



Projects/activities/CNs pending finance

Pending finance	Total budget	No.
Projects	\$7,138,816	17
BWP activities	\$3,170,460	15
Concept Notes	\$3,729,678	16
Total	\$14,038,954	48
<i>Projects and CNs Sunset by the end of 2023</i>	<i>\$4,288,975</i>	<i>16</i>
<i>Projects and CNs Sunset after 2023</i>	<i>\$6,579,519</i>	<i>13</i>

Note: 7 projects were sunset in 2022 with a total budget of \$3,853,740.



<http://www.youtube.com/user/itto>



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Thank you very much

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