



**INTERNATIONAL TROPICAL
TIMBER COUNCIL**

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SIXTIETH SESSION
2–6 December 2024
Yokohama, Japan

**REPORT OF THE INFORMAL ADVISORY GROUP (IAG)
AT ITS THIRTY-EIGHTH MEETING**

**26 November 2024
Virtual meeting**

**Thirty-eighth Meeting of the Informal Advisory Group (IAG)
Virtual Meeting, 26 November 2024**

Report of the Chairperson

1. The Thirty-eighth Meeting of the IAG was convened virtually on Tuesday 26 November 2024 at 7:00 pm (JST), chaired by Ms Anna Tyler (New Zealand), Chairperson of the Council. The meeting was attended by Dr Catherine Karr-Colque (USA), Chairperson of the Committee on Economics, Statistics and Markets (CEM) and the Committee on Forest Industry (CFI); Dr Muhammad Zahrul Muttaqin (Indonesia), Producer Spokesperson; Ms Aysha Ghadiali (USA), Consumer Spokesperson; Ms Masami Fukata (Japan), Representative of the Host Government of the Headquarters; Ms Sheam Satkuru, Executive Director (ED); other observer colleagues from Japan, Mr Hiroyuku Saito, Mr Keiichi Takahata and Mr. Tomoyuki Honda; and senior members of the Secretariat.
2. The IAG was informed of the absence of Mr. Jorge Mario Rodríguez (Costa Rica) Chairperson of the Committee on Reforestation and Forest Management (CRF); Mr. Pyoabalo Alaba (Togo), Vice-Chairperson of the Committee on Finance and Administration (CFA) and the attendance of Ms. Masami Fukata (Japan) on behalf of Mr. Yoshiaki Fuse (Japan), Representative of the Host Government of the Headquarters.
3. After welcoming attendees to the meeting, the Chairperson invited the ED to introduce the meeting agenda.
4. Following the ED's introduction, The IAG considered and adopted the following agenda for discussion:
 - A. Brief background of the IAG
 - B. Update on preparations for ITTC 60
 - C. Status of Parties to the Agreement
 - D. Status of contributions to the Administrative Account
 - E. Filling positions of Council officers/bodies
 - F. Consideration of draft decisions/elements of decisions submitted pursuant to ITTC Decision 7(XXXIII):
 - Projects, Pre-Projects and Activities [Decision 1(LX)]
 - Matters Related to Article 14 of the ITTA, 2006, Regarding the Extension of the Term of Appointment of the Executive Director [Decision 2(LX)]
 - Programmatic Approach and Programme Lines [Decision 3(LX)]
 - Matters Pertaining to Article 44 of ITTA, 2006 [Decision 4(LX)]
 - United Nations General Assembly Observer Status [Decision 5(LX)]
 - G. Other matters

A. Brief background of the IAG

5. The ED provided a brief overview of the tasks of the IAG, including to recommend draft decisions to the Council session. She referred to Decision 2(LI) and the Report of the Informal Advisory Group (IAG) at its Thirty-seventh Meeting held virtually on 2 November 2023, as contained in document ITTC(LIX)/2 dated 8 November 2023.

B. Update on preparations for ITTC 60

6. The Secretariat informed the IAG that documentation for the session was available on the ITTC website, and the programme for the opening session was still being prepared.
7. The IAG received a briefing on the provisional agenda for the 60th Session of the International Tropical Timber Council (ITTC).
8. *1: Opening of the session.* Most documents were now posted, including the agenda and first draft of the schedule. In recognition of this being the 60th Anniversary of Council, there will be a pre-event on the

Sunday, for which delegates were invited to register. To date, about ten dignitaries were scheduled to speak at the opening session.

9. *2: Ascertainment of the quorum.* Twenty producer member countries had submitted attendance forms for the session, and 14 consumer members had registered, including the European Union. The Secretariat had sent several reminders to members to register and attend and had also invited all ambassadors of ITTO members in Japan to attend. The Secretariat indicated that, if all registered members attended the session with proper credentials, quorum would likely be achieved. As always, members who are unable to attend may delegate their votes to attending members.
10. *3: Adoption of agenda and organization of work.* This item is usually a formality. The Secretariat outlined the agenda of the Trade and Markets Day, with further information pending from the Civil Society Advisory Group on its presentations. In response to a query, the Secretariat clarified that the Biennial Review and Assessment of the World Timber Situation would be presented to the Council under agenda item 17.
11. *4: Report on membership of the Council.* The ED informed the meeting that Canada had rejoined the Organization in November 2023 after the 59th ITTC, bringing the membership total to 76, including 37 producer members and 39 consumer members.
12. *5: Distribution of votes for the 2024–2025 biennium.* The Secretariat informed that due to Canada having rejoined the organization, the consumer votes have been adjusted accordingly as reflected in the Annex of Document ITTC(LX)/1 Rev.1.
13. *6. Admission of observers.* The information is listed in Documents ITTC(LX)/Info.3 and ITTC(LX)/Info.4. The ED has reviewed the applications and the Council would decide whether to admit these observers.
14. *7. Statement by the Executive Director.* The ED will address Council at the first session of the Council, as per usual practice.
15. *8. Report of the Informal Advisory Group (IAG).* The report of the IAG will be tabled at the first session of Council, as per usual practice. The Council document of the IAG report will be posted on the ITTO website prior the start of the session.
16. *9: Report of the Credentials Committee.* The Credentials Committee will most likely meet several times during the session to review the credentials received prior to and during Council and the delegation of votes.
17. *10: Matters related to Article 19 of the ITTA, 2006 on the Administrative Account.* The update under this item will be presented by the ED.
18. *11: Matters pertaining to Article 44 of the ITTA, 2006.* The report of the Preparatory Working Group (PWG) is supposed to be presented by the Co-Chairs of the PWG. If no Co-Chair nominations are received by the time this report is to be presented to the Council and with the Chairperson's consent, the ED and one of the PWG consultants may present the report.
19. *12: Matters related to the Appointment of the Executive Director:* The IAG discussed this matter under its agenda item F.
20. *13: ITTO Biennial Work Programme.* Under Item 13, a general overview will be provided by the Secretariat to Council on the implementation of the 2024-25 Biennial Work Programme (BWP), and additional presentations will be made to the Council and Committees on selected activities under other agenda items, such as on the ITTO Fellowship Programme.
21. *14: Matters related to Article 15 of the ITTA, 2006 on cooperation and coordination with other organizations.* The ED will present an update to the Council on this item (Council document ITTC (LX)/8).
22. *15: Special Account and Bali Partnership Fund.* The Bali Partnership Fund (BPF) currently has a balance of USD 108,000 and the Panel on Sub-account B is expected to convene during the session.
23. *16: Implementation of ITTO's new financing architecture, Phase II.* The ED will present to the Council on developments in the implementation of the new financial architecture and the consultant Mr.

Alexander Knapp will present to Council the review of the effectiveness of the operation of ITTO's financing architecture (Council documents ITTC(LX)/10 and ITTC (LX)/11).

24. *17: Biennial Review and assessment of the World timber Situation 2023-2024.* The Biennial Review will be presented to Council by the consultant Ms. Frances Maplesden.
25. *18: Reports of the Committees.* The reports will be presented by the respective Chairs on the final day of the session (Friday).
26. *17: Election of Chairperson and Vice-Chairperson of the Council for 2025.* The Vice-Chairperson for ITTC 60 (nomination pending by the producer caucus) will be nominated, by convention, by the Consumer Spokesperson as the incoming Chair. The consumer caucus is to propose a new Vice-Chair, who, by convention, will be nominated by the Producer Spokesperson.
27. The Secretariat noted that several Council officer positions are still vacant. These are Council Vice-Chairperson, to be proposed by the producer caucus; Chairperson of the CFA, with a nomination expected from the consumer caucus; and Vice-Chairperson of the Committee on Economics, Markets and Statistics and Committee on Forest Industry, which is expected from the producer caucus. By convention, the Vice-Chairperson of the Council chairs the joint session of the committees scheduled on Tuesday, 3 December 2024 and the Fellowship Selection Panel. The ED reiterated the urgency for the Producer Spokesperson liaising with the producer caucus to propose a Vice-Chairperson to the Council.
28. *20: Dates and venues of the Sixty-first and Sixty-second Sessions of the Council and the Associated Sessions of the Committees.* There was no discussion on this item.
29. *21: Decisions and report of the session.* The draft decisions are discussed below (under agenda item F).
30. *22: Closing of the session.* The expectation is that the session will close formally by 2 p.m. on Friday.

C. Status of Parties to the Agreement

31. The IAG took note of the report on membership provided in paragraph 10 reporting on agenda item 4 of the Council.

D. Status of contributions to the Administrative Account

32. The Secretariat reported on the status of contributions to the Administrative Account to the Advisory Board at its most recent meeting. The CFA will also review the status of contributions. The Secretariat reported that information on contributions to the Administrative Account was on the ITTO website and was updated whenever a contribution was received. To date, 17 of the 37 producer members paid their contributions for 2024, with an outstanding balance of USD 1.25 million (out of USD 3.28 million), and 36 of 38 consumer members paid, with an outstanding balance of USD 486 000 (out of USD 3.88 million). In total, 53 of 75 members paid their 2024 contributions, amounting to USD 5.43 million out of USD 7.16 million. This was a collection rate of 75.7%, compared with 2023 at 71.3%.

E. Filling of positions of Council officers/bodies

33. The IAG took note of the urgent vacancies for ITTC 60 (Vice-Chairperson of the Council, CFA Chairperson from consumers, and Vice-Chairperson of CEM/CFI from producers). Three nominations for the Credentials Committee were received from the consumers (one more was required), and four nominations were required from the producers, although the Secretariat noted that it would be possible to convene the Credentials Committee with three members each from consumers and producers. All vacancies on the Fellowship Panel were filled. Three nominations from the Producer caucus (one from each region) were pending for the Panel on Sub-account B and the Bali Partnership Fund. It usually comprises Japan, the USA, Switzerland and one representative from each of the producer regions. If that panel is not convened, no nominations will be needed.

34. Nominations would also be needed for new Vice-Chairpersons for the Council and Committees in 2025.
35. In response to a query from the Consumer Spokesperson, the Secretariat clarified that, should the CFA have no Chairperson and the Vice-chairperson was unable to attend, a volunteer to Chair the CFA during the session would be needed from the Consumers. The Consumer Spokesperson indicated that a fourth nomination had been made for the Credentials Committee from among consumer members; if confirmed, the name would be forthcoming. The Producer Spokesperson said that a nomination for Vice-chairperson of the Council had been received from among the Asia-Pacific region but that, by convention, it should be from Latin America and the Caribbean. This would be discussed during the producer caucus meeting on 27 November 2024. One nomination had been received from a producer member for the Credentials Committee, and the Producer Spokesperson was hopeful that more nominations would be forthcoming during the caucus meeting, as well as for the Bali Partnership Fund Sub-account B.

F. Consideration of draft decisions/elements of decisions submitted pursuant to ITTC Decision 7(XXXIII)

36. The IAG considered the draft decisions/elements of decisions prepared by the Secretariat pursuant to ITTC Decision 7(XXXIII) as follows:
 - i. Projects, Pre-Projects and Activities [Decision 1(LX)];
 - ii. Matters Related to Article 14 of the ITTA, 2006, Regarding the Extension of the Term of Appointment of the Executive Director [Decision 2(LX)]
 - iii. Programmatic Approach and Programme Lines [Decision 3(LX)];
 - iv. Matters Pertaining to Article 44 of ITTA, 2006 [Decision 4(LX)]; and
 - v. United Nations General Assembly Observer Status [Decision 5(LX)].

Projects, Pre-Projects and Activities [Decision 1(LX)]

37. The ED stated that, as per usual practice, this decision would detail activities and projects approved and funded by the Council and would be ready before the end of the session. Donor consultations were ongoing, and it was hoped that some projects would likely be funded at the session.

Matters Related to Article 14 of the ITTA, 2006, Regarding the Extension of the Term of Appointment of the Executive Director [Decision 2(LX)]

38. The ED absented herself for this item. The Secretariat said that pursuant to Dec 8(LII), the ED had to ensure that this item was placed on the agenda of the Council at least one year before the end of the ED's initial term. The current ED took office on 1 February 2022 and her term is for four years, which therefore ends on 31 January 2026. For this reason, this item needed to be placed on the agenda for this Council session. Under Decision 6(LVII), the ED's term may be extended for up to two years if approved by the Council. Under Decision 5(LVI), Annex III, if the ED sought an extension, she must inform members in writing in advance of the upcoming Council session. This she had done on 29 October 2024 indicating her continued commitment and keen interest in serving the ITTO as its ED, seeking members support to extend her term to 31 January 2028.
39. A discussion ensued on whether it would be appropriate to invite the ED to give a brief presentation to the Council on her interest in and rationale for the extension. There is no procedural requirement for this, but the IAG agreed the Chairperson would offer the ED an opportunity to present her rationale at Council for her extension.
40. In accordance with Decision 5(LVI), Annex III, paragraph 2, the Council would need to make a decision on the extension at this session, and the Chairperson requested that the spokespersons make this clear to members so they come to the session ready to make a decision on the ED's extension.
41. When the ED returned to the room, the Chairperson informed her that she would be invited to make a 5–10 minute presentation to the Council should she wish, under agenda item 12, to support her request for an extension. The ED indicated that she would be prepared to make such a presentation if Council so desires.

Programmatic Approach and Programme Lines [Decision 3(LX)]

42. The ED outlined the main elements of this draft decision, and the IAG had a brief discussion on the operative paragraphs.

Matters Pertaining to Article 44 of ITTA, 2006 [Decision 4(LX)]

43. The ED informed the IAG that the operative paragraphs in the draft decision were based on discussions in the second meeting of the Preparatory Working Group (PWG). More detail would to be added to operative paragraph 2 on the basis of discussions to be held during the Council session.

United Nations General Assembly Observer Status [Decision 5(LX)]

44. The ED noted that this decision was necessary to enable the Government of Japan to undertake the necessary procedures for submitted a request for the inclusion of an item in the United Nations General Assembly agenda to grant observer status to ITTO. This topic would be discussed in the Council session under agenda item 14.

45. The IAG recommended the following list of decisions to be considered for adoption by the Council at its Sixtieth Session:

- i. Projects, Pre-Projects and Activities [Decision 1(LX)]
- ii. Matters Related to Article 14 of the ITTA, 2006, Regarding the Extension of the Term of Appointment of the Executive Director [Decision 2(LX)]
- iii. Programmatic Approach and Programme Lines [Decision 3(LX)]
- iv. Matters Pertaining to Article 44 of ITTA, 2006 [Decision 4(LX)]
- v. United Nations General Assembly Observer Status [Decision 5(LX)].

46. Draft proposals for these decisions (except the first) are included in Annex A to this report.

G. Other matters

47. There were no other matters.

H. Adjournment

48. The Thirty-eighth meeting of the IAG was adjourned at 21:19 pm Japan time with a vote of thanks to the Chairperson and participants of the meeting.

ANNEX A

Draft Decisions

Only text of draft Decisions is appended to this Report.



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Draft DECISION 2 (LX)

MATTERS RELATED TO ARTICLE 14 OF THE ITTA, 2006, REGARDING THE EXTENSION OF THE TERM OF APPOINTMENT OF THE EXECUTIVE DIRECTOR

The International Tropical Timber Council,

Recalling Article 14 of the International Tropical Timber Agreement (ITTA), 2006;

Recalling Decision 6(LIV), operative paragraph 3, that the term of future Executive Directors is 4 years, with the option to extend up to another 2 years, upon approval by Council;

Also recalling Decision 5(LVI) Annex III, which stipulates the process for the extension of the term of the Executive Director of ITTO, including that the Council shall decide on the extension of the Executive Director at the latest one year prior to the end of the Executive Director's term.

Further recalling Decision 6(LVII), operative paragraph 1 by which the Council appointed Ms. Sheamala Satkuru as Executive Director of the International Tropical Timber Organization from 1 February 2022 for a period of four (4) years until 31 January 2026. The term of the appointment may be extended for up to 2 years if approved by Council;

Welcoming the letter from the Executive Director to Members, dated 29 October 2024, consistent with Decision 5(LVI) Annex III, informing Members of her intention to seek an extension of her term for two years until 31 January 2028;

Underscoring the strategic role of the Executive Director as the Head of the Organization;

Noting, with appreciation, her utmost dedication and untiring leadership and management of the Organization;

Decides:

1. To renew the mandate of Ms. Sheamala Satkuru with effect from 1 February 2026 until 31 January 2028, as the second term of her appointment.

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Draft DECISION 3 (LX)

PROGRAMMATIC APPROACH AND PROGRAMME LINES

The International Tropical Timber Council,

Recalling Decision 5(LIV) which requested the Executive Director to undertake a review of the implementation of a pilot fundraising approach, which was later postponed to 2024 by Council;

Further recalling Decision 8(LV) and Decision 4(LVI) which established the pilot Programmatic Approach and four Programme Lines;

Taking into consideration the work and recommendations of the Advisory Board established under Decision 8(LV) with terms of reference adopted under Decision 8(LVII), as well as the progress report and review of the implementation of ITTO's New Financing Architecture - Phase II as contained in documents ITTC(LX)/10 and ITTC(LX)/11;

Noting that to date thirteen concept notes have been developed into an approved project and funded under the pilot programmatic approach following the initial open call for proposals that was undertaken in December 2020;

Decides to:

1. Terminate the pilot phase and continue with the Programmatic Approach and four Programme Lines, with another review to be conducted in 3 years' time (at ITTC64 in 2027);
2. Continue to maintain the Regular Project Cycle (RPC) and run the RPC and the Concept Note approach in parallel; and
3. [Maintain 2 cycles per year for the RPC] / [Reduce the RPC to 1 cycle per year].

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Draft DECISION 4 (LX)

MATTERS PERTAINING TO ARTICLE 44 OF ITTA, 2006

The International Tropical Timber Council,

Recalling Article 44 of the International Tropical Timber Agreement (ITTA) 2006;

Noting that the ITTA, 2006 entered into force on 7 December 2011, with an initial duration of ten years and was extended for a period of five years with effect from 7 December 2021 until 6 December 2026, in accordance with Decision 4(LVII);

Noting Decision 1(LIX.1) on the further extension of the Agreement in accordance with Article 44(2) of the ITTA, 2006, for a period of three years with effect from 7 December 2026 until 6 December 2029;

Noting the work and recommendations of the intersessional working group established under Decision 4(LVII) and extended for one year under Decision 4(LVIII) to assess the need for renegotiation and/or further extension of the ITTA 2006, as contained in Document ITTC(LIX)/5;

Also noting Decision 5(LIX), operative paragraph 3, deciding to use the indicative Roadmap Scenario 1 on pages 7 and 8 of Document ITTC(LIX)/5 as the basis to guide consultations in the ITTA, 2006 review process;

Further noting Decision 5(LIX), operative paragraph 4, extending the virtual intersessional working group for a further period of one year until the 60th Session of the Council in 2024, making it open-ended and renaming it as Preparatory Working Group (PWG);

Recognizing the need to plan for the expiry of the ITTA, 2006 by allowing adequate time and resources for preparing any subsequent agreement;

Further recognizing the work and recommendations of the PWG presented at the 60th Session of the Council;

Decides to:

1. Extend the mandate of the Preparatory Working Group (PWG) for one additional year until the 61st Session of the Council in 2025;
2. *Details on the PWG's mandate is to be determined based on discussions held at the ITTC60*
3. Request that the PWG submits a report to the Council at its 61st Session, with additional recommendations from the PWG on the modalities for the ITTA, 2006 review process;

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Draft DECISION 5 (LX)

UNITED NATIONS GENERAL ASSEMBLY OBSERVER STATUS

The International Tropical Timber Council,

Recalling Decision 8(LV), Decision 4(LVI) and Decision 7(LVII) which requested the Executive Director to engage with external bodies and funding mechanisms, as well as have effective International Tropical Timber Organization (ITTO) involvement in international and regional organizations and fora;

Recognizing the Secretariat's efforts to date in implementing the aforementioned Decisions as contained in the progress report and review of the implementation of ITTO's New Financing Architecture - Phase II in documents ITTC(LX)/10 and ITTC(LX)/11;

Further recognizing the importance for ITTO to receive United Nations General Assembly observer status in order to gain access to high-level international meetings and effectively fulfill its mandate and enhance the implementation of the above Decisions;

Taking into consideration that a formal request for the inclusion of an item in the United Nations General Assembly agenda by a United Nations Member State is necessary in order for the formal adoption of a resolution to grant United Nations General Assembly observer status;

Decides to:

1. Support the process for ITTO to obtain United Nations General Assembly observer status;
2. Request the Japanese government as host government to take the lead in observing the necessary procedures and submitting a request for the inclusion of an item at the United Nations General Assembly to grant ITTO observer status; and
3. Encourage other Members to support the Japanese government's efforts mentioned in paragraph 2 as appropriate.

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