



1st PSC Meeting

Promoting Quality Timber Production in Smallholders and Community-based Teak and Other Valuable Species Plantations in the Tropics” (PP-A/54-331A)

17 September 2024, 09.00 -12.00 hrs.
at Best Western Hotel, Bangkok



Item 1 – Opening of the Meeting Welcome Remarks 1



Mr. Stephan Wagner

The Federal Ministry of Food and Agriculture of the Federal Republic of Germany (BMEL)

Welcome Remarks 2



Dr. M. Nurudeen IDDRISU



Director of Trade and Industry
International Tropical Timber
Organization (ITTO)

Welcome Remarks 3



Assist. Prof. Dr. Kobsak Wanthongchai,
Dean of the Faculty of Forestry, Kasetsart University (KUFF)
Director of Trade and Industry, ITTO



Opening Remarks



Mr. Bannaruk Sermthong



Deputy Director-General of
the Royal Forest Department (RFD)
Chair of the Project Steering Committee (PSC)

Item 2: Group Photo

Item 3: Special presentation ITTO Sustainable Wood Use Project



Dr. Tetra YANUARIADI
ITTO Projects Manager



CONSOLIDATED 1ST PROGRESS REPORT ITTO-BMEL PROJECT

Promoting Quality Timber Production in Smallholders and Community-based
Tank and Other Valuable Species Plantations in the Tropics
Project number: PP-A/24-201X



Executing Agency: ITTO

Collaborating Agencies

Cambodia: Forestry Administration
Thailand: Royal Forestry Department, Kasattart University
Vietnam: Vietnamese Academy of Forest Sciences
India: Indian Council of Forestry Research & Education
Indonesia: Ministry of Environment and Forestry
Togo: University of Lomé
Germany: Thünen Institute of Forestry

1 November 2023 – 30 June 2024



Item 4

Prof. Yongyut Trisurat
Regional Project Manager, KU



Review of the project structure and progress

- Project objectives, outputs, financial matters)
- Report on the 6-months of implementation (additional inputs from national coordinators)



Signing Ceremony for Teak Project at ITTC 54 on 6 Nov 2018, Yokohama, Japan



Gerhard Dieterle, Executive Director, ITTO (left), and Matthias Schwoerer, BMEL-Germany (right),



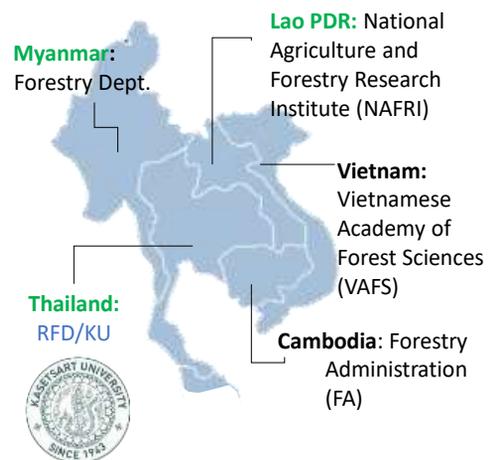
ITTO Project: “Enhancing Conservation and Sustainable Management of Teak Forests and Legal and Sustainable Wood Supply Chains in the Greater Mekong Sub-region” (PP-A/54-331)

ITTO Teak Project in Mekong (Phase I)

Objective

To demonstrate legal and sustainable teak supply chains with the engagement of local communities, smallholders and government actors in the Greater Mekong Sub-region

- Output 1:** The conservation of teak genetic resources, sustainable management and use of natural teak forests and market accesses of teak from legal sources have been shown
- Output 2:** Community-based and smallholders teak forest management and agroforestry systems have been strengthened with improved legal and sustainable supply chains
- Output 3:** Regional and international collaboration, information sharing and knowledge management, networking, policy development and outreach on the sustainable management of teak forests strengthened





Tech. Report, Handbooks, Book



Outputs and Activities

Output 3. Regional and international collaboration, information sharing and knowledge management, networking, policy development and outreach on the teak SFM



10 webinar meetings during the COVID-19 pandemic



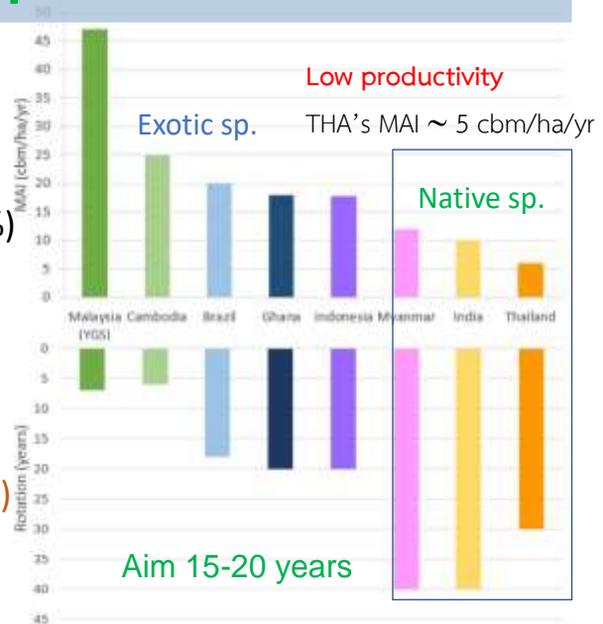
Challenges & Opportunities

Opportunities

- International and national wood demands
- Wood sources from plantations (49%) esp, smallholder plantation
- Source of income and livelihood
- Towards green env. (carbon storage)

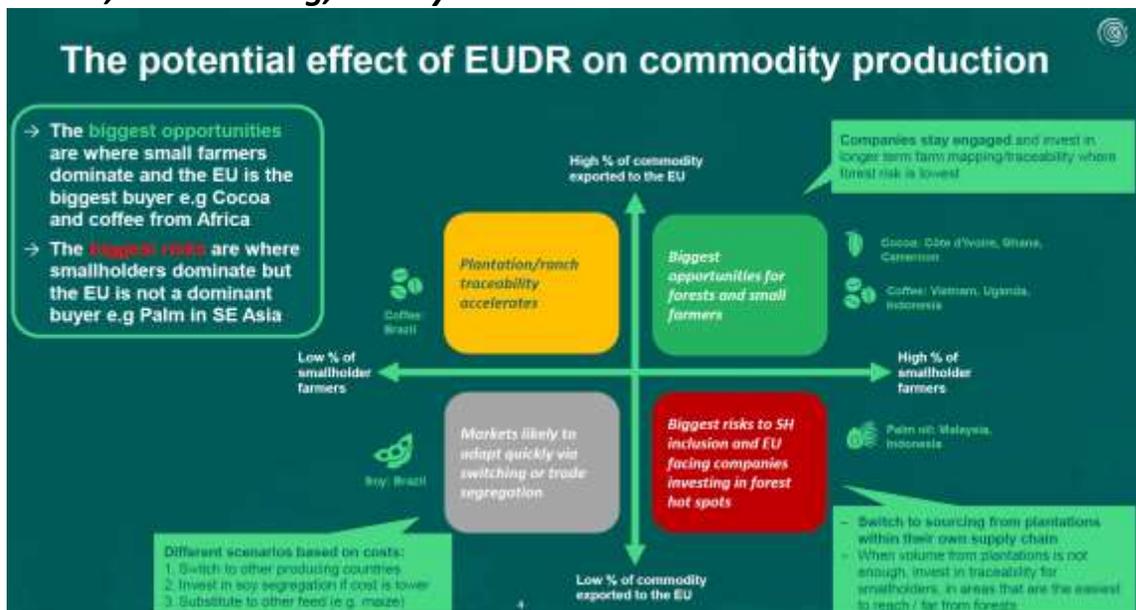
Challenges

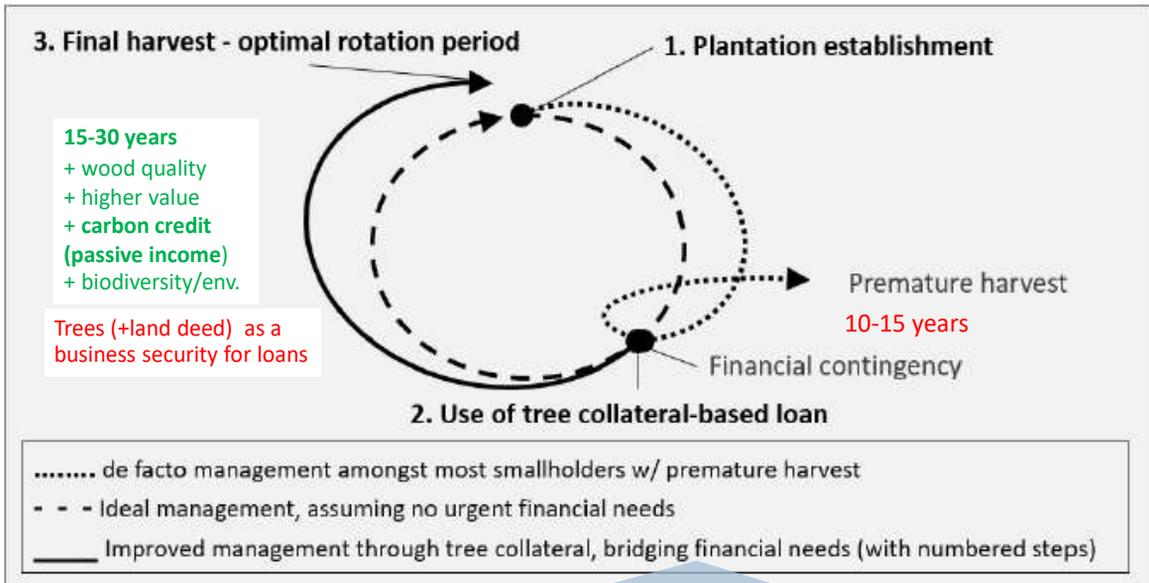
- Planting materials
- Wood productivity and quality (price)
- Certification and legal supply chains
- Knowledge sharing and capacity



Matthew Spencer, IDH, Presenting on “EUDR Key Opportunities & Risks”, ADP meeting, 10 May 2023

Source: Rupert Oliver, ITTO Expert





Conceptualization of the tree collateral Schemes

Starfinger (2022)

Opportunities: Contribute to wood demand



ITTO Executive Director
Sheam Satkuru

Over time carbon stocks are built up in parallel: absorbed in the trees and soils of the regenerating landscapes and stored in the structures of the expanding cities.

“...harvesting timber sustainably is **not deforestation...**”.

29th session of the Asia-Pacific Forestry Com. 2022



Ursula Von Der Leyen
President of the EU Com.
State of the Union Address, September 16, 2020

“We know that the construction sector can even be **turned from a carbon source into a sink**, if organic building materials like **wood** and smart technologies like **AI** are applies”

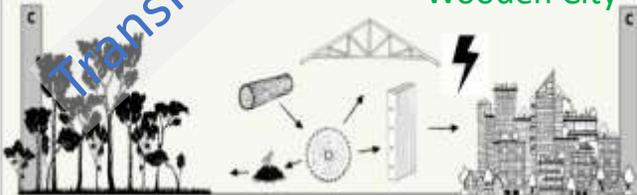
2022: Current state/business as usual
- Degraded forests and landscapes, concrete cities and a lack of adequate industry to make the transition

Old perception



2100: Future state after 80 years of growth of The Wood Solution
- Restored forests and landscapes, wooden cities and a thriving forest industry

Wooden City



contact: suwanRFD@gmail.com, RFD

Devl. Objective (goal) & objective



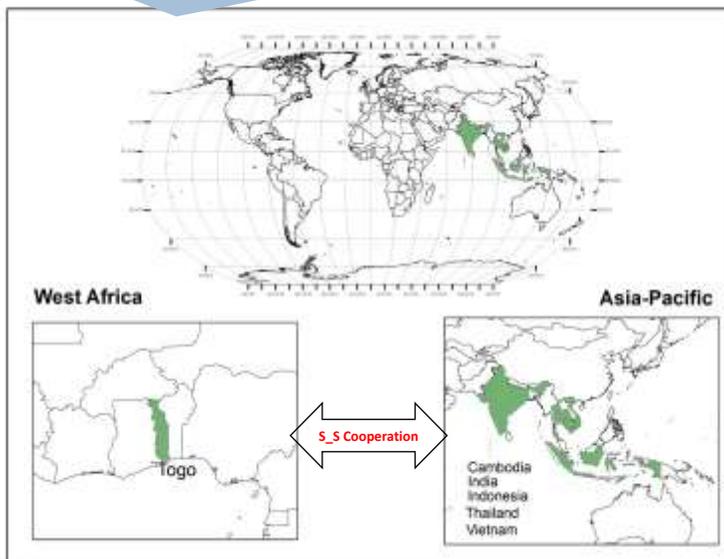
Development objective

To contribute to increasing the economic and social contributions of smallholder teak and other valuable species plantations in the tropics to facilitate the achievement of the SDGs for a sustainable future

Specific Objectives

- To improve the production of high-quality timber from teak and other valuable species plantations established by smallholders and communities;
- To improve livelihoods and social and environmental outcomes through better silviculture practices, efficient wood transport and small-scale processing, financial schemes (long rotations) and access to voluntary carbon markets, as well as regional and international collaboration

Participating countries



Budget: Ministry of Food and Agr. (BMEL), Germany USD 1,413,449

Duration: Nov 2023 – Oct 2026 (original)

Asia- Pacific

Cambodia: Forestry Administration

Thailand: Royal Forestry Department/Kasetsart University

Vietnam: Vietnamese Academy of Forest Sciences

India: Indian Council of Forestry Research & Education

Indonesia: Research Centre for Plant Conservation Botanic Garden and Forestry /National Research and Innovation Agency (BRIN)

West Africa

Togo: University of Lomé

Teak and other econ spp.

Aim: 4.2 M ha
25 economic species;
Tree collateral (financing)





Shorea robusta (Sal),
Melia dubia, Neem,
Poplars, Jackwood,
Gmelina arborea

Import teak log of 1 M cbm/yr
(94% of global prod.)

Manilkara kauki timber,
softwood species like *Alstonia scholaris*, Mahagoni (*Swietenia macrophylla*)




First introduced by Dutch in 16th century
1.5 HH grow teak in Java



Fertigation system



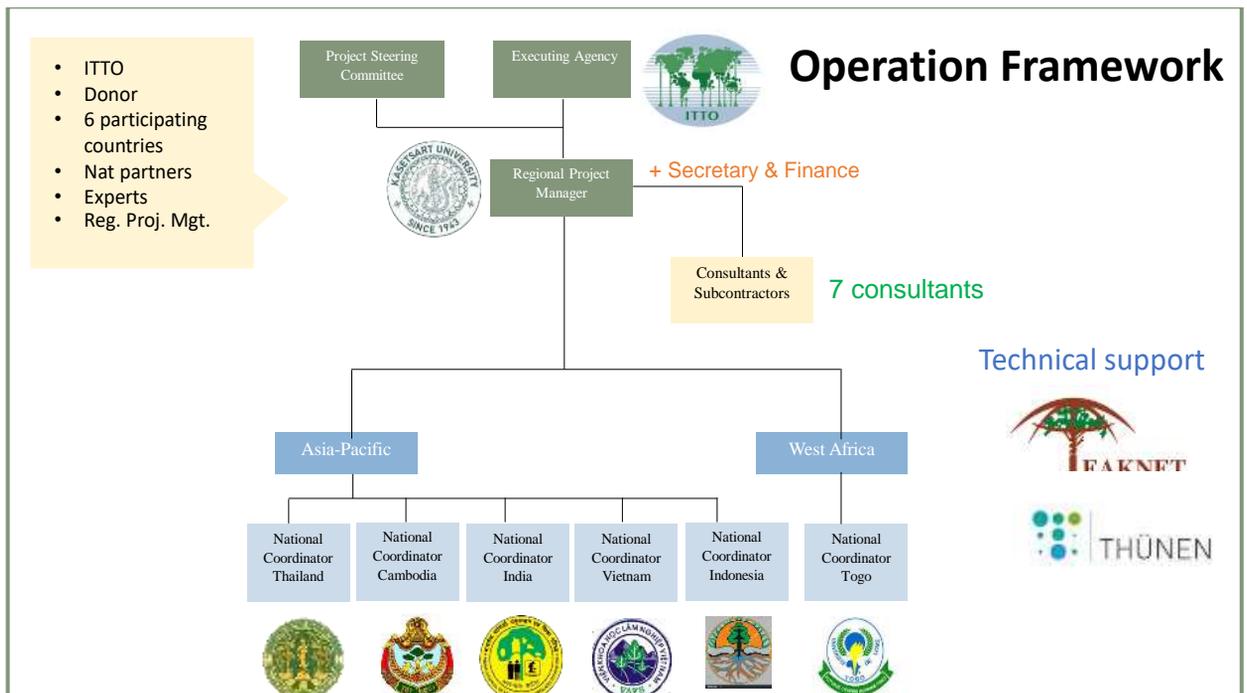
Aim: 300,000 ha for PPP-based tree plantation (15 spp. *Sindora cochinchinensis*; *Azelia xylocarpa*; *Dalbergia cochinchinensis*; *Tectona grandis*)




Replace Acacia and Eucalypts
Community certification




Pterocarpus erinaceus, African mahogani) for dry zones and Opepe/Bilinga for forest areas.
Aim: 300,000 ha (100,000 ha of teak plantations)



Outputs and Activities

Output 1 (3 activities)	Supply chains of smallholders and community-based teak and other valuable species plantation and management systems strengthened with easy availability of high-quality planting stock and implementation of improved practices in silviculture, and timber processing and legality.
	Conserve teak and other valuable species genetic variation, demonstration plots and field training, national timber legality
Output 2 (4 activities)	Financing schemes for quality timber production in smallholders and community-based teak and other species plantations analyzed and improved
	Feasibility on contract farming remunerative prices, micro-financing, access to voluntary carbon markets to increase revenues from longer rotation
Output 3 (4 activities)	Regional and international collaboration, information sharing and knowledge management, networking strengthened.
	Produce and disseminate outreach and training materials, teak networking, sharing lesson learns (regional workshops, IUFRO World Congress 2024 (Sweden) and in the 5th World Teak Conference 2025 (India)



Federal Ministry
of Food
and Agriculture



ITTO-BMEL Highlights of the Project Implementation

**November 2023-June 2024
(8 months)**



Hybrid Launching Workshop



11 Oct 2023, Rama Garden Hotel, Bangkok

Field Visit Activities

Hybrid Launching Workshop

- 11-13 October 2024, Bangkok
- Excursion @ FIO Reforestation Station and Smallholder Plantation, Thong Phaphum District, Kanchanaburi Prov.





Online Inception Workshop on 25 January 2024

- Item 1: Welcome and opening
- Item 2: Introduction of all delegates and group photo (online photo caption)
- Item 3: Adoption of draft agenda
- Item 4: Progress of signing MoU and KU, Appointment of PSC and PTC
- Item 5: Approval of Consolidated Inception Report and 1st YPO
- Item 7. Other businesses (e.g., IUFRO 2024, 1st PSC meeting)
- Item 8: Closing





Announcement of Kasetsart University
No. 1 / 2024

Subject: Appointment of Project Steering Committee members for ITTO-BMEL Project "Promoting Quality Timber Production in Smallholders and Community-based Teak and Other Valuable Species Plantations in the Tropics (PP-A/54-331A)"

The International Tropical Timber Organization (ITTO) and five countries in the Asia-Pacific, namely Cambodia, India, Indonesia, Thailand, and Vietnam and Togo in West Africa are implementing the project entitled "Promoting Quality Timber Production in Smallholders and Community-based Teak and Other Valuable Species Plantations in the Tropics (PP-A/54-331A)" or ITTO-BMEL Project in the Tropics. This project is financed by the Government of Germany through the Federal Ministry of Food and Agriculture. The project duration is 3 years from November 1, 2023 to October 31, 2026. The ITTO-BMEL Project in the Tropics aims to significantly improve the production of high-quality timber from teak and other valuable species plantations established by smallholders and communities in the Asia-Pacific and West Africa.

According to the Memorandum of Understanding duly signed between ITTO and Kasetsart University on the implementation of the ITTO-BMEL Project in the Tropics, the Faculty of Forestry has assigned Regional Activity Manager with the support of the Royal Forest Department (RFD) in Thailand to coordinate with the six participating countries and the ITTO. To effectively implement various project activities and to scale-up regional cooperation for the sustainable development of the project, Kasetsart University would like to cordially appoint the Project Steering Committee members as follows:

- | | |
|--|-----------------|
| 1. Director General of Royal Forest Department | Chairman |
| 2. Dean, Kasetsart University Faculty of Forestry | Deputy-chairman |
| 3. Managing Director of Forest Industry Organization | Member |
| 4. Representative of Forest Administration, Cambodia | Member |
| 5. Representative of the Indian Council of Forestry Research & Education | Member |
| 6. Representative of Vietnamese Academy of Forest Sciences (VAFS) | Member |
| 7. Representative of Ministry of Environment and Forestry, Indonesia | Member |



Chair of PSC

- 2 -
- | | |
|--|--------------------------------|
| 8. Representative of University of Lomé, Togo | Member |
| 9. Representative of ITTO | Member |
| 10. Representative of the Ministry of Food and Agriculture (BMEL), Germany | Member |
| 11. President of Forestry Alumni Society, Thailand | Member |
| 12. Mr. Suchat Kalyawongsa, Forestry Expert | Member |
| 13. Mr. Sapol Boonsersmak, Forestry Expert | Member |
| 14. Director of Research and Forest Development Office, RFD | Member |
| 15. Director of Forest Economics Office, RFD | Member |
| 16. Director of Forestry Foreign Affairs Office, RFD | Member |
| 17. Regional Project Manager | Member and Secretary |
| 18. Director of International Cooperation and Organization Division, RFD | Member and Assistant Secretary |

According to the Project Document, the Project Steering Committee will have the following responsibilities:

1. overseeing the implementation of project activities;
2. adopting work plans and budgets;
3. reviewing project progress and providing guidance;
4. reviewing and proposing changes in budgets and activities; and
5. securing international collaboration of participating countries.

The Project Steering Committee will meet at least once a year in consultation with the six implementing agencies. Expenses for organizing the meeting will be secured from the Thailand Component (budget item C11). Representatives of the donor and ITTO are encouraged to secure their own expenses to attend PSC meetings.

The appointment is effective from January 11, 2024 and ends on October 31, 2026.

Announced on January 11, B.E. 2567 (2024)


(Chongrak Wachirarat, Ph.D.)
President, Kasetsart University



Announcement of Kasetsart University
No. 2 / 2024

Subject: Appointment of Project Technical Committee members for ITTO-BMEL Project "Promoting Quality Timber Production in Smallholders and Community-based Teak and Other Valuable Species Plantations in the Tropics (PP-A/54-331A)"

The International Tropical Timber Organization (ITTO) and five countries in the Asia-Pacific, namely Cambodia, India, Indonesia, Thailand, and Vietnam and Togo in West Africa are implementing the project entitled "Promoting Quality Timber Production in Smallholders and Community-based Teak and Other Valuable Species Plantations in the Tropics (PP-A/54-331A)" or ITTO-BMEL Project in the Tropics. This project is financed by the Government of Germany through the Federal Ministry of Food and Agriculture. The project duration is 3 years from November 1, 2023 to October 31, 2026. The ITTO-BMEL Project in the Tropics aims to significantly improve the production of high-quality timber from teak and other valuable species plantations established by smallholders and communities in the Asia-Pacific and West Africa.

According to the Memorandum of Understanding duly signed between ITTO and Kasetsart University on the implementation of the ITTO-BMEL Project in the Tropics, the Faculty of Forestry has assigned Regional Activity Manager with the support of the Royal Forest Department (RFD) in Thailand to coordinate with the six participating countries and the ITTO. To effectively implement various project activities and to scale-up South-South cooperation for the sustainable development of the teak sector in the region, Kasetsart University would like to cordially appoint the Project Technical Committee members as follows:

- | | |
|--|----------|
| 1. Director of Research and Forest Development Office, RFD | Chairman |
| 2. Cambodia National Project Coordinator | Member |
| 3. India National Project Coordinator | Member |
| 4. Indonesia National Project Coordinator | Member |
| 5. Thailand National Project Coordinator | Member |
| 6. Vietnam National Project Coordinator | Member |
| 7. Director of Forest Economics Office, RFD | Member |



Chair of PTC

- 2 -
- | | |
|---|----------------------|
| 9. Representative of Forest Industry Organization | Member |
| 10. Dr. Saroj Wattanasuksakul, Senior Expert | Member |
| 11. Mr. Suchat Kalyawongsa, Forestry Expert | Member |
| 12. Mr. Sapol Boonsersmak, Forestry Expert | Member |
| 13. Regional Activity Manager | Member and Secretary |

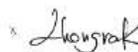
According to the Project Document, the Project Technical Committee will have the following responsibilities:

1. facilitating project implementation;
2. monitoring activities conducted by five implementing agencies;
3. providing information to project teams to facilitate project implementation;
4. coordinating with national and international consultants to effectively implement the assigned tasks; and
5. supervising the Regional Project Manager in preparing progress reports and work plans as required by the ITTO.

The Project Technical Committee meeting will be conducted at least once a year in consultation with the Country Coordinators of the six participating countries. Expenses for organizing the meeting will be deducted from the Thailand Component (budget item C11).

The appointment is effective from January 11, 2024 and ends on October 31, 2026.

Announced on January 11, B.E. 2567 (2024)


(Chongrak Wachirarat, Ph.D.)
President, Kasetsart University

Status of MOU Signing

Country/recipient	Amount (USD)	%	MOU
ITTO	714,849	50.57%	Sep 2023
(Thunen Institute of Forestry, Germany)	(353,954)	(25.04%)	Jan 2024
Cambodia	51,000	3.61%	Jan 2024
India	71,000	5.03%	Pending MOU
Indonesia	110,500	7.82%	Pending MOU
Thailand	358,100	25.33%	Sep 2023
Vietnam	54,000	3.82%	Nov 2023
Togo	54,000	3.82%	Nov 2023
Total	1,413,449	(100.00%)*	

Recruitment of Project Staff and Consultants

Regional Project Manager: Prof. Yongyut Trisurat, KU

Technical field	Scope	Ref. to Activity framework	Duration	Potential institution/individual	Host country
Consultant 1: Quality Planting Material	International	Activities 1.1, 1.2	4 months	Mr. Cheat Vichet	Cambodia,
				TBD	Indonesia
				Dr Phan Minh Quang,, VAFS	Vietnam,
				Dr Esse AYIGA	Togo
Consultant 2: Field training in seed production/ nursery mgt/ silvicultural practices	National	Activities 1.1, 1.2	3 months	Mr. Phoung Sophea	Cambodia
				Dr. Vu Dinh Huong, VAFS	Vietnam,
				Mr. ASSI Hèmou	Togo
Consultant 3: Legality	International	Activities 1.2, 1.3	4 months	Taiji Fujisaki, IGES	ITTO

Consultant # 4: Efficient teakwood transportation and processing	National	Activity 1.2	2 months	Assoc. Prof. Dr. Nopparat KAAKKURIVAARA, KU	Thailand
				TBD	India
Consultant 5: Information management	International	Activities 3.1, 3.2	Package	Dr. P.K. Thulasidas	ITTO/KU
Consultant # 6: Value chains	International	Activity 1.2	3 months	TBD	India
				TBD	Indonesia
				Mr. Kitipong Tangkit, KU	Thailand
Consultant # 7: Teak strategy development	International	Activities 2.1-2.4, 3.1-3.4	6 months	TBD	TBD

No cost extension to Dec 2026 (BR-A Sep 2024)

Outputs and Activities	Responsible party	Calendar year 1	Calendar year 2 ('24)				Calendar year 3 (25)				Calendar year 4 ('26)				Note
		Nov	Quarter				Quarter				Quarter				
		Dec	1	2	3	4	1	2	3	4	1	2	3	4	
Output 1: Supply chains of smallholders and community-based teak and other valuable species plantation and management systems have been strengthened with easy availability of high-quality planting stock and implementation of improved practices in silviculture, timber processing and legality															
1.1 Conserve teak and other valuable species genetic variation through improved management of existing seed production areas, seed orchards, and provenance/progeny trials/clonal plantations (India, Indonesia, Thailand)	Reg. Proj. Manager Nat. coordinators Consultant # 1 & 2														
1.2 Support smallholders and local communities for improved management of existing demonstration plots for teak and other valuable species and field training on the following subjects: (1) seed production/nursery techniques; (2) silvicultural practices and improved stand management, including coppicing as a regeneration method; (3) minimizing harvesting loss, efficient transport and processing of teak roundwood and product designs and innovation; (4) teak value chains and other valuable species and NTFP (5) timber legality and sustainability (all participating countries)	Reg. Proj. Manager Nat. coordinators Consultants # 1,2,3,4 & 5														
1.3 Promote timber legal compliance in smallholder/community plantations, aligning with national and local laws governing forest plantations, management, timber harvesting and legality (global)	ITTO, Reg. Proj. Manager Consultant #3.														Hosted by ITTO

Output 2: Financing schemes for quality timber production in smallholders and community-based teak and other species plantations have been analyzed and improvements have been suggested to increase economic outcomes.

Outputs and Activities	Responsible party	Calendar year 1	Calendar year 2 ('24)				Calendar year 3 (25)				Calendar year 4 ('26)				Note
		Nov	Quarter				Quarter				Quarter				
		Dec	1	2	3	4	1	2	3	4	1	2	3	4	
2.1 Carry out a feasibility study for direct contracts/out-grower schemes with sourcing companies to ensure that smallholders' products will be purchased at remunerative prices (all participating countries)	ITTO, Reg. Proj. Manager Nat. coordinators TIF-Germany Consultant #7														Hosted by TTO
2.2 Carry out a study to promote micro-lending schemes to address the credit constraints of smallholders to explore different options to overcome the problem with collaterals that smallholders often face trees as guarantees, and group-lending to a number of forest growers who can ensure loan repayments from each other (all participating countries)	ITTO, Reg. Proj. Manager Nat. coordinators TIF-Germany Consultant #7														Hosted by TTO
2.3 Carry out a study to promote the formation of effective forest grower associations to reduce transaction costs and help improve access to micro-credits (all participating countries)	ITTO, Reg. Proj. Manager Nat. coordinator TIF-Germany Consultant #7														Hosted by TTO
2.4 Carry out a study to access to voluntary carbon markets to increase revenues from longer rotation of smallholder and community-based teak and other valuable species plantations to increase financial security of farmers, address the issue of cash flows, and support their access to micro-lending schemes (global scope)	ITTO Reg. Proj. Manager Nat. coordinators TIF-Germany Consultant #7														Hosted by TTO
Sub-contract with the Thünen Institute of Forestry to carry out feasibility studies for financing schemes for smallholder teak plantations	TIF-Germany/ITTO														Jan 2024

Output 3: Regional and international collaboration, information sharing and knowledge management, networking, policy development and outreach for sustainable smallholder teak and other species plantations have been strengthened

3.1 Produce and disseminate outreach and training materials on the conservation and sustainable management of teak and other valuable species plantations and legal and sustainable supply chains in line with outcomes of Activities 1.2 and 2.1-2.4 to support forest policy development (regional scope).	Reg. Proj. Manager Nat. coordinators Consultant #5 #7														Jointly managed by ITTO and KU
Outputs and Activities	Responsible party	Calendar year 1	Calendar year 2 ('24)				Calendar year 3 (25)				Calendar year 4 ('26)				Note
		Nov	Quarter				Quarter				Quarter				
		Dec	1	2	3	4	1	2	3	4	1	2	3	4	
3.2 Support and facilitate teak networking in ITTO's member countries in Africa, Asia-Pacific and Latin America in collaboration with TEAKNET and other partners through the organization of a quarterly-based Webinar (4 every year) to promote the conservation and sustainable management of teak forest resources and legal and sustainable supply chains (global scope).	Reg. Proj. Manager Nat. Coordinators ITTO/TEAKNET														Hosted by TTO
3.3 Plan and organize a regional workshops in Thailand for timber legality and another regional workshop in Java, Indonesia with investors and financial institutions to discuss financing schemes promoting quality timber production in smallholder teak plantations (regional scope)	Reg. Proj. Manager Nat. Coordinators ITTO														Jointly managed by ITTO and KU; 1 st Reg workshop Aug-Sep 2024
3.4 Support sharing lessons in promoting the quality teak production and legal and sustainable supply chains at the IUFRO World Congress 2024 (Sweden) and in the 5th World Teak Conference 2025 (Kerala, India) for improved global teak collaboration (global scope).	Reg. Proj. Manager ITTO/TEAKNET														Jointly managed by ITTO and KU; IUFRO – Jun 2024

Reporting and monitoring																		
Submission of inception report (before start of Project)	Reg. Act. Manager Nat. Coordinators ITTO																	Jan 2024
Submission of Yearly Plan of Operation for the first year (before start of Project)	Reg. Act. Manager Nat. Coordinators ITTO																	Jan 2024
Submission of progress report (bi-annual) with training, workshop, technical report	Reg. Act. Manager Nat. Coordinators ITTO																	1 st Prog Report May 2024
Submission of Yearly Plan of Operation for the second and third year (before start of Project for the second year and third year)	Reg. Act. Manager Nat. Coordinators ITTO	Lauching	Incept.	1 st PSC					2 nd PSC				3 rd PSC					1 st PSC – Aug-Oct 2024
Submission of financial report (bi-annual) and audited financial report (every twelve months)	Reg. Act. Manager Nat. Coordinators ITTO																	Apr 2024
Submission of Project Completion Report	Reg. Act. Manager Nat. Coordinators ITTO																	Nov 2026
Technical and Steering Committee Meetings (back-to back) and monitoring	Reg. Act. Manager Nat. Coordinators ITTO																	1 st PSC – Aug-Oct 2024

Inputs Applied (overall)

Installments	Amount (USD)				
#1 The 1st installment that ITTO received from BMEL in December 2023 after signing the agreement	142,293.00			1. 1st installment from BMEL	142,293.00
#2				2. Expenditures (Nov 2023-Jun 2024) by the participating countries, Thunen and ITTO Secretariat	261,889.00
#3				3. Balance	- 119,596.00
Total				4. Bank interest earn 1/	160.00 (Thailand component)
				5. Balance + Bank interest	- 119,436.00
				6. Total planned budget Jul-Dec 2024 2/	304,927.00
				7. 2nd call for funds (from BMEL) 3/	424,363.00

“BMEL agrees to budget revision (BR) A and the cost-neutral extension of the project term until December 2026”.

- 1/ Bank interest US\$ 160 (Thai component Nov 2023-Jun 2024)
2/ 2nd installment for participating countries and Thunen
3/ planned expenditures during Jul-Dec 2024 (i71) + (Balance + Bank Interest) <d70>

Stephan Wagner (9 Sep 2024)

Inputs Applied (participating countries)

Recipient	Fund of 1 st installment (USD)*	Expenditure (USD)	Fund in Project Bank Account (USD)	Remark
Cambodia	20,000 (39%)	965(5%)	19,035	
India ^{1/}				Pending MOU
Indonesia ^{1/}				Pending MOU
Thailand	100,000(28%)	47,942(48%)	52,095	Propose budget modification
Vietnam	20,000(37%)	3,972(20%)	16,028	Propose budget modification
Togo	20,000(37%)	10,906(54%)	9,094	Propose budget modification
Total	189,000(36%) ^{2/}	63,785(34%) ^{3/}	96,252(64)	

As of
30 Jun 2024

Proposed modifications

Vietnam

- Increase operation cost
- Increase costs for demonstration plots (+USD 11,444)
- Slightly increase fund for IUFRO 2024
- Substantial decrease training costs (-USD 17,141)

Thailand

- Extend budgets for project staff from Sep 2023 – Aug 2026 to Nov 2023 – Sep 2026
- Request additional budget of USD 6,000 to support Dr. Ma and Dr. Thulasidas

Togo

- Reduce cost from traing to be used for demonstration plots and data collection (approx. USD 4,000)
- Slightly increase fund for IUFRO 2024



ITTO-BMEL Progress of the Project Implementation

**November 2023-June 2024
(8 months)**



Outputs and Activities

Output 1	Supply chains of smallholders and community-based teak and other valuable species plantation and management systems strengthened with easy availability of high-quality planting stock and implementation of improved practices in silviculture, and timber processing and legality.
A 1.1	Conserve teak and other valuable species genetic variation through improved management of existing seed production areas, seed orchards, and provenance/progeny trials/clonal plantations (IND, INA, THA). .



Average 7
 IND, IDN: 0
 THA (3): 20;
 TGO (2): 20; CAM (10): 0
 VNM (14 ha): 0



Togo: WOTOU, TETETOU and
BLITTA clones

Outputs and Activities

Output 1	Supply chains of smallholders and community-based teak and other valuable species plantation and management systems strengthened with easy availability of high-quality planting stock and implementation of improved practices in silviculture, and timber processing and legality.
A 1.2	Support smallholders and local communities for improved management of existing and new demonstration plots and field training : (1) seed production/nursery techniques; (2) silvicultural practices; (3) minimizing harvesting loss, efficient transport and processing and product designs and innovation; (4) value-chains (5) timber legality and sustainability (all participating countries)

1st training WShop on Teak Plant.n and Silvicultural Practices, 32 participants @ Nan prov.



Average 8

THA: 25
VNM: 10
CAM: 5 TGO:5
IND & IDN: 0



Togo: 3 missions

1. association between *Tectona grandis* and *Khaya* spp
2. continue the monitoring program of provenance trials
3. identification and selection of candidate trees (APC)

Results of research and measurement in both demonstration plots are presented in the Togo's progress report.



Outputs and Activities

Output 1	Supply chains of smallholders and community-based teak and other valuable species plantation and management systems strengthened with easy availability of high-quality planting stock and implementation of improved practices in silviculture, and timber processing and legality.
A 1.3	Promote timber legal compliance in smallholder/community plantations, aligning with national and local laws governing forest plantations, management, timber harvesting and legality (global)

Recruit Taiji Fujisaki, IGES
As Consultant#3 Legality
Starting: Sep 2024

Average 0

Not started



Will present workplan and approach this at the PTC meeting.

Outputs and Activities

Output 2	Financing schemes for quality timber production in smallholders and community-based teak and other species plantations analyzed and improved
A 2.1	Carry out a feasibility study for direct contracts/out-grower schemes with sourcing companies to ensure that smallholders' products will be purchased at remunerative prices (all participating countries

Sub-contract **Thunen Forestry**
Inst, Germany
Starting: Sep 2024



Average 0

Not started



Will present workplan and approach this at the PTC meeting.

Outputs and Activities

Output 2	Financing schemes for quality timber production in smallholders and community-based teak and other species plantations analyzed and improved
A 2.2	Carry out a study to promote micro-lending schemes to address the credit constraints of smallholders to explore different options to overcome the problem with collaterals that smallholders often face trees as guarantees, and group-lending to a number of forest growers who can ensure loan repayments from each other (all participating countries)

Outputs and Activities

Output 2	Financing schemes for quality timber production in smallholders and community-based teak and other species plantations analyzed and improved
A 2.2	Carry out a study to promote micro-lending schemes to address the credit constraints of smallholders to explore different options to overcome the problem with collaterals that smallholders often face trees as guarantees, and group-lending to a number of forest growers who can ensure loan repayments from each other (all participating countries)
A 2.3	Carry out a study to promote the formation of effective forest grower associations to reduce transaction costs and help improve access to micro-credits (all participating countries)
A 2.4	Carry out a study to access to voluntary carbon markets to increase revenues from longer rotation of smallholder and community-based teak and other valuable species plantations to increase financial security of farmers, address the issue of cash flows, and support their access to micro-lending schemes (global scope)

Output 3	Regional and international collaboration, information sharing and knowledge management, networking strengthened.
A 3.1	Produce and disseminate outreach and training materials on the conservation and SFM of teak and other valuable species plantations and legal and sustainable supply chains in line with outcomes of Activities 1.2 and 2.1-2.4 to support forest policy development (regional scope).



Average 16%
3 out of 18
bi-monthly
newsletters



Newspaper



คณะวนศาสตร์ มหาวิทยาลัยราชภัฏวชิราวุธวิทยาลัย
 วิทยาลัยวนศาสตร์
 โทร. ๐๒-๖๖๖๖-๖๖๖๖ โทร. ๐๒-๖๖๖๖-๖๖๖๖
 โทรสาร ๐๒-๖๖๖๖-๖๖๖๖ โทรสาร ๐๒-๖๖๖๖-๖๖๖๖
 อีเมล: info@wsc.vru.ac.th

คณะวนศาสตร์ มหาวิทยาลัยราชภัฏวชิราวุธวิทยาลัย
 วิทยาลัยวนศาสตร์
 โทร. ๐๒-๖๖๖๖-๖๖๖๖ โทร. ๐๒-๖๖๖๖-๖๖๖๖
 โทรสาร ๐๒-๖๖๖๖-๖๖๖๖ โทรสาร ๐๒-๖๖๖๖-๖๖๖๖
 อีเมล: info@wsc.vru.ac.th



Exhibition for celebrating the Anniversary World Forestry Day on 21 March 2024

Output 3	Regional and international collaboration, information sharing and knowledge management, networking strengthened.
A 3.2	Support and facilitate teak networking in ITTO's member countries in Africa, Asia-Pacific and Latin America in collaboration with TEAKNET and other partners through the organization of a quarterly-based Webinar (4 every year) to promote the conservation and sustainable management of teak forest resources and legal and sustainable supply chains (global scope).

The 1st webinar was conducted in May 2024 after the submission of the 1st progress report.

- 1) update progress implementation,
- 2) 2) preparation for the IUFRO 2024;
- 3) 3) planned 1st PSC and 1st Regional Workshop



Average 10

Output 3	Regional and international collaboration, information sharing and knowledge management, networking strengthened.
A 3.3	Plan and organize two Regional Workshops in Thailand and in central Java, Indonesia with investors and financial institutions to discuss financing schemes promoting quality timber production in smallholder teak plantations (regional scope)..



Objectives

- Review **status** of smallholder and community-based teak and other valuable species plantations;
- Review **policy and institutional arrangements** for legal and sustainable supply chains and micro-finance mechanisms for longer restoration and carbon restoration
- Review and **share experiences on case studies**, good practices and policy options to promote local communities and smallholders

4 keynote presentations; 10 tech presentations
>60 participants from >10 countries

50%



Output 3	Regional and international collaboration, information sharing and knowledge management, networking strengthened.
A 3.4	Support sharing lessons in promoting the quality teak production and legal and sustainable supply chains at the IUFRO World Congress 2024 (Sweden) and in the 5th World Teak Conference 2025 (Kerala, India) for improved global teak collaboration (global scope).

50%



Summary: Outputs and Activities

A 1.1 Conserve teak and other valuable species genetic variation	7%
A1.2 Demonstration plots and field training	8%
A1.3 Promote timber legal compliance in smallholder/community plantations	0%
A2.1 Feasibility study for direct contracts/out-grower schemes with sourcing companies	0%
A2.2 Promote micro-lending schemes	0%
A2.3 Reduce transaction costs and help improve access to micro-credits	0%
A2.4 Study to access to voluntary carbon markets to increase revenues from longer rotation	0%
A3.1 Produce and disseminate outreach and training materials	16%
A3.2 Support and facilitate teak networking in ITTO's member countries	10%
A3.3 Organize two Regional Workshops	50%
A3.4 Support sharing lessons (IUFRO 2024 & WTC 2025)	50%

Critical Analysis and Project Progress

- **Delayed signing MOUs** with India's Ministry of Environment, Forestry and Climate Change (MoEFCC) and the Indonesia' Ministry of Environment and Forestry
- **Delayed import good quality teak seedlings** to Vietnam due to custom regulation
- **Proposed no cost extension to December 2026.**

Planned activities until December 2024

- **Collaborative data collection** on timber legal compliance (Taiji) and micro-lending schemes and carbon markets (Thunen)
- **Training and demonstration** plot activities (participating countries).

Conclusions

Project duration

- ITTO signed agreement with BMEL in Sep 2023
- Started physical implementation in November 2023; no-cost extension to December 2026
- Activity implementation in CAM, THA, VNM and TGO on the right tracks

Proposed budget modification (BA-3 Sep)

- Approved by BMEL on 6 Sep 2024 (THA, VNM and TGO)
- 2nd call for funds to ITTO; 1st disbursement to THA, CAM, VNT and Thunen

Consultants

- Consultant#7 – Strategy develop, and Domestic consultants for IND and IDN
- Constant#3 and Thunen – will start physical activities thr collaboration with the participating countries after the 1st PSC

Pending MOU signing with IND and IDN – Decision about timeline?



Item 5: Consideration of the 1st yearly plan of operation - brief

- Timber legality compliance(Taiji)
- Micro-finance (Thunen)

Item 6: Recommendations

- Review, evaluate, approve and adopt the progress report
- Discuss any issues arising from the presentation
- Provide recommendations to contribute to effective implementation

Item 7: Other business

- The Regional Workshop program (Prof. Yongyut)
- 5th World Teak Congress in Kerala, India (TEAKNET)
- Other matters