



**INTERNATIONAL TROPICAL
TIMBER COUNCIL**

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SIXTIETH SESSION
2-6 DECEMBER 2024
YOKOHAMA, JAPAN

**Matters Pertaining to Article 44 of the International Tropical Timber Agreement
(ITTA) 2006**

(Item 11 of the Provisional Agenda)

**Report of the Preparatory Working Group
Decision 5(LIX)**

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A. Introduction and Mandate of the Preparatory Working Group (PWG)

1. Background

- 1.1 Decision 5(LIX) on 'Matters Pertaining to Article 44 of the ITTA 2006' set out the scope and mandate of the Preparatory Working Group (PWG) under operative paragraphs 4-8. It is worth noting that Decision 5(LIX) was taken by Council at the 59th Session of Council in Pattaya before the final decision was taken through Decision 1(LIX.1) referred to in the next paragraph.
- 1.2 Council adopted Decision 1(LIX.1) on the 'Further Extension of the International Tropical Timber Agreement (ITTA) 2006 for a period of three years with effect from 7 December 2026 until 6 December 2029' through an inter-sessional decision without meeting.
- 1.3 In operative paragraph 3 of Decision 5(LIX), Council decided to use the indicative Roadmap Scenario 1 (pages 7-8 of Document ITTC(LX)/5) as the basis to guide consultations in the ITTA 2006 review process.
- 1.4 As such, the work of the PWG in 2024 was guided by Indicative Roadmap Scenario 1 above and was consistent with paragraphs 4-8 of Decision 5(LIX).

2. Operational mode of the Working Group and Participants

- 2.1 In accordance with Decision 5(LIX) Matters Pertaining to Article 44 of ITTA 2006 operative paragraph 7, the PWG commenced its work in February 2024 and met virtually in May 2024 and again in November 2024, complimented by e-mail communications and relevant information being disseminated electronically prior to each meeting.
- 2.2 The list below refers to the WG members who attended either or both meetings and includes some members' alternative representatives who attended on the same basis:
- 2.3 The participants in the two PWG meetings are as listed in Annex 1 Minutes of PWG Meetings attached to this report.
- 2.4 The work of the PWG was enhanced with inputs, information and assistance from the Secretariat and the two consultants, Mr. Alexander Knapp (AKC Global) and Ms. Siti Syaliza Mustafa, (independent consultant).
- 2.5 Additionally, the work of the PWG was guided to take into account the ITTO's Programmatic Approach and the review on the piloting of that approach, also to be presented to the ITTC60.

3. Specific ITTA review topics raised by the PWG include:

- Structural issues with the organization
- How countries engage in this process
- Quorum - should quorum rules be revised?
- Membership structure and related caucuses
- Potential re-structuring of the ITTO committees

- Interest in updating the ITTA to be consistent both on the trade side where there is the desire for trade promotion and consistent market access for timber and timber products, but also making sure that timber trade is legal – the ITTA could consider traceability and transparency issues more
- Focusing on a much bigger picture as forests play an important role in environmental and conservation goals
- The need to have a stronger focus on climate change, biodiversity, nature-based solutions, the recognition of the value of natural forests/de-commoditize forests
- Financing of projects and fundraising – the need to have better fundraising mechanisms and potential donors beyond member countries.
- Whether the next ITTA needs to have an end date
- Consultants may wish to reach out to other commodity organizations to learn from their best practices as appropriate.

3.1 The consultants presented an analysis of key elements distilled from the ITTO members' extensive survey of 2023.

3.2 Additionally, the consultants also conducted a survey amongst CPF members. Due to a disparity on some responses, it was counter-intuitive to conduct an average as the responses were largely based on familiarity with ITTO's work and/or a history of closely collaborating with the ITTO. The information from the 13 (out of 15) CPF members has been collated by Secretariat. The PWG stated that some of the CPF views would be helpful in considering elements for negotiation but members' views are to be prioritized.

3.3 A synthesis report on the work and main elements identified are annexed to this report as Annex 2 Priorities and Options – ITTA 202X. The synthesis report will be presented to Council at the 60th Session, including a list of recommendations that Council may wish to consider.

4. ITTA Roadmap

4.1 The PWG considered further the Roadmap Scenario 1, now known as the PWG ITTA Roadmap, and discussed future work to be conducted in 2025 and beyond. The PWG recommends this revised ITTA Roadmap for Council's consideration and potential adoption.

TENTATIVE TIMELINE AND ESTIMATE OF COSTS RELATED TO THE RENEGOTIATION OF THE ITTA, 2006			
- Status Dec 2024 -			
(in United States dollars)			
Tentative Timing	Description	Provisional Estimated Expenses	
2025	Jan-Feb	Consultancy - Two consultants to write a follow up report and execute any additional action points and support work in 2025, post-ITTC 60 based on the feedback from Council from the previous year	\$90,000.00
	Feb	Preparatory Working Group - Virtual session. Interpretation (online) & document translation	\$8,000.00
	Feb/Mar	Caucus Meeting - Virtual session. Interpretation (online) & document translation	\$8,000.00
	Mar/Apr	Regional Consultations (for 3 regions) - Virtual session. Interpretation (online) & document translation	\$24,000.00
	End of May	Preparatory Working Group - Virtual session. Interpretation (online) & document translation	\$8,000.00
	Sep	Caucus Meeting - Virtual session. Interpretation (online) & document translation	\$8,000.00
	Sep	Regional Consultations (for 3 regions) - Virtual session. Interpretation (online) & document translation	\$24,000.00
	End of Sep/ Early Oct	Preparatory Working Group - Virtual session. Interpretation (online) & document translation	\$8,000.00
		Sub Total:	\$178,000.00
* Timeline & work elements for 2026 to be determined at ITTC 61			
2026	Feb	Caucus Meeting - Virtual session. Interpretation (online) & document translation	\$8,000.00
	Mar	PREPCOM I - (3 days in Japan) - Meeting Facilities (incl. SIS Equipment) - Language Staff (Interpreters/Translators), etc.	250,000.00
	Sep	Caucus Meeting - Virtual session. Interpretation (online) & document translation	\$8,000.00
	Nov, in conjunction with ITTC62	PREPCOM II - (3 days in Japan) - Meeting Facilities (incl. SIS Equipment) - Language Staff (Interpreters/Translators), etc.	250,000.00
		Sub Total:	\$516,000.00
* Timeline & work elements for 2027 to be determined at ITTC 62			
2027	Q3	UNCTAD Renegotiation I - (5 days in Geneva) - Travel costs for Secretariat (incl. DSA), etc.	\$145,000.00
		Sub Total:	\$145,000.00
* Timeline & work elements for 2028 to be determined at ITTC 63			
2028	Q1	UNCTAD Renegotiation II - (5 days in Geneva) - Travel costs for Secretariat (incl. DSA), etc.	\$145,000.00
	Q3	UNCTAD Renegotiation III - (5 days in Geneva) - Travel costs for Secretariat (incl. DSA), etc.	\$145,000.00
		Sub Total:	\$290,000.00
* Timeline & work elements for 2029 to be determined at ITTC 64			
2029	Q1	UNCTAD Renegotiation IV - (5 days in Geneva) - Travel costs for Secretariat (incl. DSA), etc.	\$145,000.00
		Sub Total:	\$145,000.00
		GRAND TOTAL:	\$1,274,000

- 4.2 Financing for the Roadmap was re-visited at the PWG meeting. The Government of Japan generously provided US\$140,000 for work to be conducted in 2024 and some in 2025. US\$70,000 from this amount has been utilized with US\$70,000 remaining to be utilized in 2025. The estimated expenditure for work to be conducted in 2025 stands at US\$ 178,000. Hence, voluntary contributions of approximately US\$105,000 is necessary to conduct the work specified in the ITTA revised roadmap for the year 2025.

B. Recommendations of the PWG

- Following extensive, constructive, and explanatory discussions based on updated information and documentation through both meetings on matters within the PWG's purview under Decision 4(LVIII) and Decision 5(LIX), the majority of the PWG members recommend the extension of the PWG for one year until the 61st ITTC in 2025, consistent with operative paragraph 8 of Decision 5(LIX). This will facilitate providing the needed continuity in members' preparatory work leading to the Preparatory Committee in 2026 and ITTA negotiations commencing in 2027.
- Taking all the PWG's deliberations into consideration and based on the analysis of the members' survey, the CPF survey and other elements, the PWG makes the following recommendations to Council at the ITTC60, **consistent with Decision 5(LIX)**:
 1. To extend the PWG for one year until the 61st Session of the International Tropical Timber Council in 2025 to enable the PWG to continue consultations in close collaboration with Secretariat and the consultants.
 2. Strongly recommends that two Co-Chairs, one from each caucus, are nominated to coordinate the work of the PWG in 2025.
 3. Reference is made to the PWG ITTA Roadmap as the basis to guide Council and for further consultations in the ITTA 2006 review process.
 4. The mandate of the PWG be discussed at the ITTC60, and recommends that Council include the following tasks for the PWG:
 - (a) advancing preparatory ITTA review work, including identifying potential elements to be considered in the negotiation of a new agreement, in close collaboration with the Secretariat, supported by independent consultants, to include fact-finding and analysis, based on elements and interests raised by members and external entities and as expressed during discussions at the ITTC 60, previous council meetings, and previous WG sessions.
 - (b) the submission of a report to Council at least 30 days in advance of the ITTC61 in 2025, based on outputs from paragraph (a) with additional recommendations from the PWG, on the modalities for the ITTA 2006 review process moving into 2026, including format (whether virtual or in-person), timing, location/s as contained in the PWG ITTA Roadmap.
 5. The PWG ITTA Roadmap is considered at the ITTC60 for 2025 and reviewed by Council on an annual basis from 2025 and at subsequent ITTC sessions to determine the elements of work and modalities for the following year.
 6. A Council decision is taken as appropriate and necessary based on the above points at this session and seek voluntary contributions of US\$105,000 to finance the specified work items for 2025. In the absence of sufficient voluntary contributions, the Executive Director is requested to use funds from the Working Capital Reserve.

This report summarizes the discussions and recommendations of the PWG, consistent with Decision 5(LIX) for consideration by the ITTC60.

A draft decision will be proposed by the PWG reflecting the recommendations of the PWG and Council deliberations, for Council's consideration at the ITTC60.

Annex 1



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**Annex 1 - Minutes of the Working Group
(Item 11 of the Provisional Agenda)**

Decision 4 (LVIII) Preparatory Working Group
Article 44 of ITTA 2006 – Teleconference I
Thursday, 30th May 2024

Participants

Preparatory Working Group (PWG) Members

Consumers:

Mr. Keiran Andrusko, Australia
Ms. Maureen Whelan, Canada
Mr. Pierre-Jonathan Teasdale, Canada (absent)
Mr. Talha Sadiq, Canada
Mr. Zehua Guo, China
Mr. Sixian Zheng, China
Ms. Haiying Su, China
Ms. Lingling Zheng, China (absent)
Mr. Daniel Van Assche (on behalf of Ms. Nora Ricken, EU)
Ms. Anne-Theo Seinen, EU (absent)
Mr. Yasuyuki Kobayashi, Japan
Mr. Hiroyuki Saito, Japan
Ms. Yoko Yamato, Japan
Mr. Tomoyuki Honda, Japan
Mr. Kyohei Sugaya, Japan
Mr. Wonyeong Song, Korea
Mr. Eunsang Cho, Korea
Mr. Chansong Kim, Korea
Ms. Nathalie Tijdink, Netherlands (absent)
Ms. Anna Tyler, New Zealand (absent)
Ms. Rata Muda, New Zealand
Mr. Björn Merzell, Sweden
Ms. Cathy Karr-Colque, USA (absent)
Ms. Mahvish Madad, USA
Mr. Daniel Carl, USA

Producers:

Mr. Ulysse Sinagabe Korogone, Benin (absent)
Mr. Angelo Paulo Sales dos Santos, Brazil (absent)
Mr. Marcos Dementev Alves Filho, Brazil (absent)
Ms. Carmen Roseli Caldas Menezes, Brazil
Ms. Bruna Stefani Bastos Teixeira, Brazil
Mr. Luz Stella Pulido Perez, Colombia
Mr. Jerson Leonardo Gonzalez Umana, Colombia
Mr. Sergio Salazar Alzate, Colombia (absent)
Ms. Valerie Fumey Nassah, Ghana (absent)
Mr. Samuel Doe, Ghana
Mr. Daniel Nsowah, Ghana (absent)
Mr. Kofi Amoduro Frimpong, Ghana (absent)

Mr. Joseph Yaw Appiah-Gyapong, Ghana (absent)
Mr. Yoga Prayoga, Indonesia (absent)
Mr. Muhammad Zahrul Muttaqin, Indonesia
Mr. Wan Ahmad Asmady, Malaysia (absent)
Ms. Eirna Yani Mohd Arip, Malaysia
Ms. Siti Nor Bushra Ismail, Malaysia (absent)
Mr. Pedro Antonio Plasteros Gastelum, Mexico (absent)
Mr. Alberto Julian Escamilla Nava, Mexico (absent)
Mr. Jorge Ruiz Morales, Mexico
Ms. Veronica Gonzalez Quintero, Panama
Ms. Vaneska Bethancourt Arcia, Panama
Mr. Dambis Kaip, Papua New Guinea (absent)
Mr. Alois Jenkihau, Papua New Guinea (absent)
Mr. Ray Thomas Fernandez Kabigting, Philippines (absent)

ITTO Secretariat

Ms. Sheam Satkuru, Executive Director (ED)
Mr. Gerhard Breulmann, Director of Operations
Mr. Nurudeen Iddrisu, Director of Trade and Industry
Ms. Jennifer Conje, Director of Forest Management
Mr. Tomiji Shudo, IT Assistant
Ms. Miwa Tsukui, OED Assistant

Agenda

1. Opening of the Meeting and welcome by Co-Chair Mr. Keiran Andrusko
2. Update by the ITTO Executive Director on the ITTC Decision without Meeting on the ITTA 2006 Extension
3. Introduction by the ITTO Executive Director on tasks of the Preparatory Working Group (PWG) as outlined in Decision 5(LIX)
4. Discussion on the Indicative Roadmap Scenario 1 and activities to be/being conducted
5. Discussion on the key elements to consider for future renegotiation as identified by members
6. Date of next meeting and closing by the Co-Chair

Minutes of the Meeting

1. Opening of the Meeting and welcome by Co-Chair Mr. Keiran Andrusko

The Executive Director (ED) welcomed the members and the Co-Chair Mr. Keiran Andrusko to the first Preparatory Working Group (PWG) meeting. She informed that simultaneous interpretation was available for this meeting and gave the floor to Mr. Andrusko.

Mr. Andrusko thanked the ED and welcomed old and new members to the meeting. He explained to those new to the group that the PWG is a continuation of the intersessional working group that has been working on the issue of both renegotiation and extension of the ITTA for the past few years and the work surrounding that extension decision will be discussed during this meeting. After briefly introducing himself, he informed the group on the need for the nomination of a new Co-Chair from the producer group as the previous Co-Chair, Dr. Nurudeen Iddrisu had stepped down and was now a member of the ITTO Secretariat. He then gave the floor to the ED for Agenda Item No. 2.

2. Update by the ITTO Executive Director on the ITTC Decision without Meeting on the ITTA 2006 Extension

The ED updated the PWG on the result of the voting on the Intersessional Decision on the further extension of the ITTA 2006 until 6 December 2006. She informed that based on the votes cast by the deadline of 27th May 2024 and in accordance with Rule 37 of the ITTO Rules of Procedure, the decision has been adopted by the Council. The voting report was circulated to all members earlier and the voting results are as follows:

- 16 out of 19 eligible producer members voted in favour - 84% (799 out of the 1000 votes)
- 35 out of 36 eligible consumer members voted in favour - 97% (989 out of the 1000 votes)

She said that 3 eligible producer members accounting for 201 votes and 1 eligible consumer member did not exercise their voting rights. In accordance with the rules those votes were include as 'abstained'. No votes had been cast against the decision.

Mr. Andrusko thanked the ED and welcomed the overwhelming support for extension, which was the culmination of 2 years of work. He thanked all members involved in this decision and all who voted. He reminded the group of the Roadmap Scenario 1 that was presented to Council at ITTC 59 and noted that the modalities for 2024 and onwards would be discussed under Agenda Items 4 and 5.

He then gave the floor to the ED to introduce Agenda 3.

3. Introduction by the ITTO Executive Director on tasks of the Preparatory Working Group (PWG) as outlined in Decision 5(LIX)

Commencement of the work of the PWG

The ED highlighted some challenges the Secretariat faced in commencing the work of the Preparatory Working Group in early February, as stipulated in “Decision 5(LIV) – matters pertaining to Article 44 of ITTA 2006” due to:

- Difficulties in identifying consultants who are sufficiently familiar with ITTO and ITTO procedures. Several potential candidates were not available due to other commitments.
- One major reason to commence the work of the PWG in February has been that the funding pledged for the work of the PWG by the Ministry of Foreign Affairs (MOFA) Japan, originally had to be spent by March 2024. Since it was impossible to commence any solid work without the support of able consultants, the Secretariat applied for an extension for the use of those funds until 31 December 2024, which was granted by MOFA. This will allow sufficient time for the PWG. The ED thanked MOFA for the extension.

Change of members of the PWG

The ED explained that despite of the difficulties, the Secretariat made every effort to comply with Decision 5(LIV) and reached out to membership on 29th February 2024 on the tentative tasks of the PWG with the objective of making the PWG open-ended with all members welcome to join. In response, several members who were not part of the previous working group expressed their interest and are now participating in the PWG. She said that this meeting is being attended by approximately 36 participants from member countries plus 6 Secretariat members and 4 interpreters.

Mr. Andrusko thanked the ED and gave the floor to the Producer Spokesperson Mr. Zahrul Muttaqin to update the group regarding the nomination of a Co-Chair from the Producer group.

Update on the Co-Chair from Producer Member Countries

Mr. Muttaqin said that he had not received any response from the members of the producer caucus on the Co-Chair vacancy and that he would report back when he does. Upon suggestion from the Secretariat whether he would consider taking on the role of Co-Chair for this meeting, Mr. Muttaqin responded that he will consult the producer caucus and if need be, he would consider taking on that role.

Mr. Andrusko asked whether any producer member online was interested in serving as Co-Chair for today. In the absence of any responses, Mr. Andrusko informed that he was comfortable to continue on his own.

He then gave the floor to the ED to continue with the update for Decision 5(LIV).

List of Tasks outlined in the email message of 29th February.

The ED went through the list of tasks explaining which tasks had already been executed and which were still work in progress.

Actions already executed:

- Commencement of the work of the working group (Operative paragraph 7, Decision 5(LIV))
- Ensuring the PWG is an open-ended working group
- Election of Co-Chairs (the nomination from the producer group is still pending)

Actions that need to be carried out from now:

- Continue to meet virtually or to substantially complete its work - work in progress
- If needed, take a decision on whether to meet in person to finalize its report - this decision needs to be taken by the PWG at a later stage

The ED reminded the PWG that the Secretariat had requested the members of the PWG and new incoming members of the PWG, to familiarize themselves with Decision 5(LIV) and the work of the working group that was presented to Council at the 59th session and study the Indicative Roadmap Scenario 1. They were further requested to identify key elements that the PWG may feel would be pertinent to be taken into consideration when they approach the period of negotiation.

Based on the fact that the decision to further extend the ITTA 2006 until 6 December 2029 had been adopted by Council, there is no longer the restriction of having to exhaust the funds from the Japanese Government by the end of March 2024. The ED noted that this may change the timelines in Roadmap Scenario 1. Although this change would have to be decided at ITTC 60, she suggested that the work to be done by the PWG in 2024 could focus on the identification of the key elements that members had stipulated in their response to the 2023 survey. She expressed her concern that if discussions on the renegotiation commence too soon, it may result in renegotiation fatigue amongst membership long before the actual negotiation period. In order to avoid that, she suggested that the PWG considers using 2024 and all of 2025 to identify key elements and get the substance going in early 2026.

4. Discussion on the Indicative Roadmap Scenario 1 and activities to be/being conducted

Hiring of 2 Consultants

The ED informed that 2 consultants have been hired and have commenced work about two weeks ago. She introduced the consultants as follows:

1. Mr. Alexander Knapp, British-American
 - Some PWG members may remember him, as he worked with Council on devising the programmatic approach and the programmatic lines from 2018 until 2020. Even prior to that, he was familiar with ITTO's work and processes through engagement with other bodies that ITTO works with.
 - An ex-UN person and familiar with UN processes.
2. Ms. Siti Syaliza Mustapha, Malaysia

- The PWG would also be familiar with her as she has played an active role within the ITTO over the years and has chaired a number of ITTO committees, including being on the ITTO Expert Panel.
- She is very aware of the sensitivities involved.

They both had been provided with guidance and the ITTO documentation up until the 59th session of council, including the member surveys and their individual returns.

A list of draft questions is being formulated and they will also be working on the survey that is to be sent to the CPF members and external entities. The Secretariat plans to kick off this process in the next fortnight at the very latest, so that by the middle of June, they would have a one-month return period before the findings are then compiled and shared with the PWG.

The questions for the CPF will be quite general as the question of extension is not relevant to them. The objective of the survey would be to hear their opinions on whether they find the structure of the ITTO conducive to them, moving into the future, or whether there are elements that membership should consider when entering the process of negotiations.

Operative paragraph 5 Decision 5(LIV),

The ED informed that there had not been any feedback from the members of the PWG in terms of any key items or key elements that they may have identified before this meeting, and she would be interested to hear if any members would have any inputs at this meeting. She gave the floor back to Mr. Andrusko.

Comments from members

Mr. Andrusko thanked the ED and gave the floor to the USA.

Mr. Carl asked the Secretariat when they hoped the consultants would finish their work but said the point could be addressed when this point was on the agenda.

Since there were no more comments from the floor, Mr. Andrusko requested further details on the anticipated timeline for the work to be conducted by the consultants.

Timeline of Consultants' work

The ED stated that the list of questions to be sent out to the CPF members and external entities will likely be finalized by 10th of June which would be sent to the members for their input and amendments if requested. She expressed the need for this to be a very quick turnaround and if successfully finalized by the 15th of June, the survey will be sent out with a 3-4 week return.

The consultants will compile the responses received and categorize them into whether they are administrative procedures or field procedures or other areas of work that ITTO should be thinking about for the future. The consultants have also been provided with the Strategic Action Plan (SAP) and the ED was uncertain how many of the external entities were familiar with the ITTO SAP. The ED has continued to mention to CPF members that most of the CPF areas of work and joint initiatives are covered under and linked to our latest SAP.

The ED hoped to get feedback from members of the PWG on the key areas that they feel should be included in this report. She said the intention is to finalize this PWG report by 31st July if possible. The PWG report, she noted, does not have to be on the website until 30 days before the Council.

The timelines stipulated in Roadmap Scenario 1 were identified and suggested at that time because it was not yet clear whether membership would agree to the final extension of the ITTA 2006 until 6 December

2029. Now that the decision has been taken, a number of activities proposed under Roadmap Scenario 1 can be deferred to next year. She also pointed out that the PWG is a far bigger group now and more time may be needed for the PWG to decide on what matters are to be discussed at the ITTC 60 and those for discussion in 2025.

Mr. Andrusko thanked the ED for the clarifications and moved on to Agenda Item 4 - the indicative Roadmap Scenario 1. He said that the first part of 2024 was consultancy which had just been discussed. Alongside that, were a number of meetings and it was his understanding that there was some flexibility as the roadmap was indicative. The roadmap for 2024 indicated 2 meetings of the PWG plus 2 caucus meetings, one for each caucus and two virtual consultations for each of the regions, six in total. He drew the attention of the group to this point because the meetings overlap with the consultancy work and what that was intended to do - to identify elements for potential renegotiation among caucuses and regional members. He asked how to best interact between the consultancy and these potential workshops. The question was not directed to the Secretariat, but to the PWG.

He reminded the group that discussions should be kept to a general level. What was needed from this meeting was an indication of where to go with both this consultancy work, where the ED has outlined the questions that are posed there, as well as what to do with those modalities, that will interact with the consultancy work.

He then opened the floor for Agenda Item 4 and 5 for any questions or opinions

Mr. Andrusko gave the floor to the USA.

Mr. Carl thanked Mr. Andrusko and said that the US had the advantage of having discussed internally already. He said there are a lot of things to keep in mind, and if members had not already reviewed the documents in advance, there were probably a lot of activities and questions coming together quickly. He said that from his point of view, regarding the timing and process, it would be helpful if the consultants were able to not only use the input from the group as far as the elements that would be in the review but also conduct some of the regional and or caucus consultations prior to the end of August and prior to them concluding their report. That way, the consultants would get as much input as they can before they submit the first report to the PWG. He appreciated the ED for giving them an early deadline but suggested that giving the consultants a later deadline would allow for them to obtain more information. The USA had some specific ideas but was interested to hear other member's thoughts on the timing and caucus engagement.

Mr. Andrusko thanked the US and said that this was a clear and concrete suggestion to ensure that the consultants are involved in consultations and potentially provide them with more of a timeframe to conclude their report. He then gave back the floor to the Secretariat to respond.

The ED said the Secretariat was also wondering when the regional consultations should take place, and the opinion was to do it once the consultants have completed and sent out the questions for the external entities. She thanked the USA for the suggestion to extend the deadline to a later date and said that it might be possible to extend it to the middle of September, allowing time for the report to be completed by the end of October.

On the proposed regional consultations, the ED said that the Secretariat would also be involved. However, with the Caucus discussions, the ED said that the Secretariat would be open to attend or not attend depending on what the PWG and the caucuses feel is appropriate and decide, but the ED felt that it would be more constructive if Secretariat was involved. She explained that there is a big difference between the caucus consultation and the regional consultation, but the Secretariat would be happy to be involved in both if deemed appropriate. Timing may however be challenging due to several international commitments.

Mr. Andrusko thanked the ED and gave the floor to Japan.

Mr. Kobayashi greeted everyone and thanked the Secretariat for organizing this meeting. He said that it was essential that activities planned for 2024 were implemented in a timely manner though the deadline for the budget has been extended to the end of 2024. He said that it was crucial to have a concrete roadmap and work schedule for each activity since Council is only 6 months away and many international conferences are taking place during that period, including CBD COP 16, UNFCCC COP 29 and UNCCD COP 16. He suggested that the PWG might need to review the working schedule on Roadmap Scenario 1 including the possibility to review the necessity and timing of each item. In Japan's view, based on the timing of the current ITTA, a Prep-Com (preparatory committee) would be required to be established in 2026 and the necessary preparatory work should be completed before that.

He thanked the ED for her explanation on the consultancy process and expressed that Japan is very glad that the Secretariat has already hired two consultants to start this review work and is looking forward to the results. On the regional consultations, Japan's standpoint was that participation from other countries outside of the region should be also considered, even if conducted in a virtual format. The summary report should be shared afterwards with the members to ensure transparency and neutrality.

Mr. Andrusko thanked Japan for the comments and for the contribution to the activity. He summarized the suggestions made by the US on the amount of information and detail to be taken into account, particularly by new members, and that the Secretariat and the consultants should potentially continue their work until late August or so, allowing time for the consultations that have been built into the first year of the indicative roadmap to conclude by then.

Caucus Consultations and Regional Consultations

Mr. Andrusko acknowledged that this is a lot of information particularly for new members and suggested that the next PWG meeting be held potentially in September when the report will be ready. The information coming from that report and the consultations would be more forthcoming and at the same time provide enough time before the Council session to consider the elements for renegotiation in detail and any other work that needs to be done in terms of concluding the report for presentation at the 60th session.

In the absence of any further comments, he gave the floor to the ED.

The ED thanked Mr. Andrusko and Mr. Kobayashi for their input. She pointed out that there was still no clarity on whether Secretariat should be involved in the caucus consultations and requested members for clarity on this. She reiterated that she believed that the regional consultations would be fine for Secretariat to attend as this was membership in general, but she would need clarification on whether Secretariat should attend the caucus consultations.

On the voluntary contributions from Japan under its Emergency Budget, she assured members that it would be spent and accounted for by the end of 2024. Some funds would be needed for simultaneous translation during the regional consultations and for the caucus consultations. Regarding Japan's request for a concrete timeline, she said that Secretariat's proposal is more or less to be in line with what Mr. Andrusko suggested earlier and with what Japan has just proposed, i.e., to time activities in a particular way and revise some of the items that are under Roadmap Scenario 1, as there was not enough funding to conduct all those activities indicated under Roadmap Scenario 1.

To date, there is only Japan's voluntary contribution. Part of it has been used for interpretation and another part has been used for the two consultants who are already working now. She went on to say that if regional consultations are to be held, there will be a minimum of three consultations that need to be conducted so that all regions do not feel either left out or less important. As a result, if so, all three consultations need to be held before the end of the year. She sought confirmation whether that is the intention of the working group. If so, then it would likely account for most of Japan's voluntary contribution.

Timing of Regional Consultations and Caucus Consultations

She explained that regional consultations need to be held in Latin America, Africa, and the Asia Pacific, with the regional consultation for Africa being key. She had mentioned this before, because several African members are in arrears. At this stage, only 3 out of 14 African members are in good standing with the ITTO. She would be leaving the following day for the Democratic Republic of Congo to participate in the Congo Basin Forest Partnership's (CBPF) 20th meeting of the parties, co-hosted/facilitated by France and Gabon. The rationale to attend the CBPF was to strengthen collaboration in the Congo Basin. In addition, as previously mentioned also to the Advisory Board (AB), the Secretariat is in talks with the Central African Forest Initiative (CAFI) and there is quite a lot of overlap in the work that is being conducted by CAFI, CBPF and BMZ/GIZ. Being present at this CBPF meeting would provide the ITTO with the opportunity to interact with our African member countries as all the Congo Basin members of the ITTO are believed to be attending. She continued that with 11 African members not paying their arrears, some for periods of six years or more, renders the situation unfathomable, requiring outreach to them first, prior to Latin America and Asia Pacific.

The ED acknowledged that as Japan has pointed out, there are many international commitments in the fourth quarter of the year and in addition to those raised by Japan, there is the UNCCD general assembly from the 2nd to 13th December in Saudi Arabia. ITTO has signed an MOU with the UNCCD. The Committee on Forestry (COFO) is also coming up in July and the Republic of Congo will be hosting a reforestation event also in July, another area of work for the ITTO, which she has been following closely. The Secretariat will do their level best to ensure that there is no clash in international commitments for members and the Secretariat.

On the consultations' timeline, she will speak to the consultants in a week's time and once the questions have gone out to selected entities, a few windows could be identified to hold at least one regional consultation first and consider whether caucus consultations could be held. She proposed having consultations at a later date. The caucus consultations are best held after the PWG decides how to proceed and what to present at the ITTC.

In response to Japan's request to share the information gained from regional consultations she said that the Secretariat would be happy to do so, but that caucus consultations may not be open for circulation, as she had already made clear at the 59th ITTC. She said that regional consultations could be open and transparent, but caucus consultations were confidential unless the caucuses decide differently.

Mr. Andrusko thanked the ED for the clear responses and reiterated to members that the floor was open for any questions and asked if any members would like to respond to the ED's questions regarding Secretariat's involvement in caucus discussions, sharing of information of caucus discussions, the proposed timing of the regional consultations or any other matter.

In the absence of any response from producer members, he gave the floor to the USA.

Mr. Carl expressed support for Japan's idea to establish a clear roadmap as soon as possible. Having heard the ED and Mr. Andrusko's comments, he supported Mr. Andrusko's suggestion to hear from producer countries to provide input on the regional consultations, their desire to have them and when they would happen. He asked the ED if the Secretariat's role would be to solely advise on technical matters in these regional consultations or the caucus consultations. In his opinion that would be encouraged and be a good use of the Secretariat's time if regional level countries want to have better insights from the Secretariat on what would be included.

On Secretariat involvement in caucus meetings, Mr. Carl said that for the consumers, they viewed their caucus meetings as a closed-door meeting without Secretariat involvement, as the ED had mentioned. However, he welcomed any opinions from others. In his opinion, the main part he wanted to stress was

that the more consultations the consultants can do before the end of August, the better as that would provide more information to the overall process and what needs to be reviewed.

He continued that one scenario would be that this PWG would focus most of its effort from September. The group would have as much information available as possible at that time, provided that caucus meetings and regional meetings can be held in the summer if possible, and hopefully the consultants can also play a convening and some type of advisory role or at least thought-provoking role when these group meetings happen.

Mr. Andrusko thanked Mr. Carl and gave the floor to Japan.

Mr. Kobayashi thanked Mr. Andrusko and the ED for the explanation on the roadmap. He said that Japan will look forward to a clear timeline of each activity and would appreciate more details so that they can prepare for each of them.

Mr. Andrusko thanked Japan and noted the requests for confirmation on the timing and modalities of the regional consultations. He encouraged the producer members to share even preliminary views of their expectations as otherwise the Secretariat would have to prepare for the consultations without any guidance. He said that there had been some reiterations from the consumers, but nothing from the producers.

In the absence of any interventions, he gave the floor to the ED.

The ED thanked Mr. Andrusko and commented on the issues raised by USA and Japan. She confirmed that the Secretariat's role in the regional meetings would be to provide technical advice as needed and as necessary, for example clarification on operative paragraphs of the ITTA 2006. She noted that the consultation was mainly between regional members with the Secretariat and the consultants.

She encouraged members to be forthcoming. For example, the Latin American regional consultations would go by the information and the points already raised by some Latin American members with the main aim to ascertain whether other regional members who did not respond to the survey are in agreement with the points highlighted. The ED also stressed the difficulty in obtaining as broad as possible feedback, as it is always reliant upon how many responses are received in a timely fashion. She reminded members that Secretariat had to extend last year's member survey several times as initial feedback had been very poor. She commented that consumer countries were often more responsive than producer countries. She also noted that despite the fact that producer countries had explicitly requested simultaneous interpretation, and Secretariat had arranged for it, it appeared no French-speaking member countries were present in this meeting, and it is not a good use of scant resources available for this PWG. She noted that the preparations for the CBPF might be a reason for the non-participation. The date for this meeting was decided by the PWG members, including some African members. She reiterated that the Secretariat's role in the regional consultations would be to provide clarification and technical advice. If someone oversteps what can be done or what cannot be done, then of course it would be Secretariat's duty to inform the consultation that certain things are not possible and alternatively advice on what is possible.

For caucus consultations, the Secretariat will be available to assist, if requested. In response to Japan's request for a concrete announcement and timings of meetings and Columbia's suggestion for the consultants to provide the timings, the ED said that these are not decided by the consultants but discussed by the Secretariat together with the consultants, bearing in mind the needs, the timelines and ITTO's processes.

As the PWG is now prepared to extend the deadline for the work to be conducted by the consultants until early September, the ED clarified that this would allow further discussions with the consultants. The ED wanted to focus on formulating the survey questions first, so that process will allow the 3 to 4 weeks return from external entities and the CPF members. The ED continued that inputs from CPF members and external entities need to be framed within the framework of what the CPF are working on. Once the organization

of the regional consultations commence, the Secretariat will ensure that consultations will not clash with the international commitments that both members and the Secretariat have to participate in.

Mr. Andrusko thanked the ED and said that he believed good progress had been made, including more flexibility with the timing of the consultants' reports. He noted the comments made by the ED on the challenges Secretariat faced in getting sufficient responses from members, including factors like the Northern Hemisphere summer vacation period. He sought other views in terms of such challenges and how to approach them. He summarized that the proposal is to try and have the consultants wrap up that initial consultancy work by early September. The Secretariat will be looking at potential dates in terms of where they can potentially factor in regional consultations as well as caucus meetings should the caucuses decide they wish to proceed with those.

On the Secretariat's (potential) involvement in caucus meetings, he said that there is a need to hear from producer members in terms of whether and how to involve the Secretariat.

In the absence of comments, he confirmed that the Secretariat will look at potential dates and provide some suggestions after discussing with the consultants. He also pointed out that it has not been decided how many virtual regional consultations and caucus consultations will be held. The indicative roadmap indicated two per region, but there is a flexibility to do one each for now, however input from members was needed. He suggested to circulate some possible dates once identified and then seek feedback from others via email in the next couple of weeks as it was not possible to settle that in this meeting.

In the absence of any other comments, he then suggested to move on to Agenda item No. 5. on key elements identified by members to consider for future renegotiation. He drew everyone's attention to information note no. 8 from the last council session which provided very extensive detail on the views expressed in response to the surveys undertaken by the previous intersessional working group. He said that if members are not familiar with the survey responses yet, it would be a great starting point to look at the views expressed as they already highlight quite a number of elements.

5. Discussion on the key elements to consider for future renegotiation as identified by members

Mr. Andrusko opened the floor on this item and gave the floor to the Secretariat.

The ED highlighted that another ongoing process on the evaluation of the Programmatic Approach (PA) pilot phase may have some impact when discussing the key elements under this PWG. She reminded the PWG that the evaluation had been postponed twice because there was insufficient reference material to consider for a solid evaluation. The evaluation report is to be presented at the 60th ITTC.

She informed that the consultant for the PA evaluation is the same consultant involved in the PWG work, Mr. Alexander Knapp. The Secretariat had difficulty in finding a consultant from a producer country. Several candidates had been approached, but all have eventually declined due to unavailability or overlapping commitment. She asked the producing member countries present in the call to provide suggestions, otherwise the task would be carried out by Mr. Knapp only.

She explained that the implementation of the PA has progressed rather slowly as it faced a number of complications, including COVID. The approach itself had come out of the deliberations of the ITTO Finance Working Group supported by Mr. Knapp, who had worked together with the current members of the Secretariat under the previous ED over a period of three years. Council then adopted the approach for a pilot phase, including the submission of Concept Notes (CNs). Without going into much detail, she said that

the pace of the approach continued to be slow even after COVID and that may have some impact on the discussions in terms of the financing accounts stipulated under the ITTA 2006 and also on the discussions relating to the regular project cycle which has been maintained in parallel.

She highlighted that proposals submitted under the regular project cycle now are very rarely funded, unless co-funding from several donors is made available. She gave an example of Australia providing co-funding for a partially funded project. With that co-funding, the project was fully funded and is now in the process of agreements being finalized implementation being initialized. She said that the PWG discussions may want to take what is happening with the programmatic approach into account. She informed the PWG that relevant information as necessary may be circulated to the PWG.

Mr. Andrusko thanked the ED for the clarification, which he said should be kept in mind.

He gave the floor to the USA.

Mr. Carl said that in the preparation for this meeting, the US had sent some ideas to the Secretariat and to Mr. Andrusko about some potential things that could be included in the review. He suggested to the PWG to look at the Excel spreadsheet the Secretariat had shared, which had the full details of all responses received from member countries. He said there were a lot of interesting ideas including those discussed by the US. He suggested that it would be very beneficial for everybody to read that and get an idea of some of the things that could be considered.

He questioned if the most helpful thing would be to have another discussion on this or to ask people to send in their ideas and the consultants can then take a look at which ones are most popular. He said that some issues were not surprising to see for anyone who has been involved with ITTO, including:

- Structural issues with the organization
- How countries engage
- Problems with the quorum - should quorum rules be revised?
- The caucuses - does it make sense to continue operating as caucuses the way they have done before?
- The committees - there were several countries that suggested restructuring the subcommittees in some way.
- Interest in updating the ITTA to be consistent both on the trade side where there is the desire for trade promotion and consistent market access for timber and timber products, but also making sure that timber trade is legal – ITTA could consider traceability and transparency issues more
- Focusing on a much bigger picture as forests can play an important role in environmental goals, conservation goals - a stronger focus on climate change, biodiversity, nature-based solutions, recognizing the value of intact forests and not just as a commodity to be traded
- Project and fundraising – the need to have better fundraising mechanisms; perhaps with more donors, and donors beyond just countries.
- Is there a need to sunset a future ITTA? Would it make sense to not have an end date as this one did? Or at least to maintain flexibility so that membership does not force itself into a renegotiation down the road.
- A specific comment for the consultants or suggestion that they reach out to other commodity organizations to learn from their best practices. Ideally, the consultants would have some previous experience with other commodity organizations that they could draw from as well.

He suggested the PWG does its own internal work to share those ideas more broadly because it would be really helpful to know what other countries are interested in, what they perceive as problems, what they perceive as opportunities, etc.

Mr. Andrusko thanked Mr. Carl and said that hopefully this will give other members a taste of what the responses of the survey looked like and reminded everyone that it was circulated by the Secretariat some weeks ago and that it is the same information note presented at the last council session. The views have been collected by about September last year and it was the work of the PWG to analyze them and identify the elements that would form part of a future ITTA and renegotiation.

He gave the floor to Colombia.

Mr. Gonzalez Umana expressed his support for the USA on traceability and transparency and said it is something the producer countries are quite concerned about as the traceability and transparency processes in their countries determine the legality of timber. He suggested that perhaps the new ITTA would add to the dynamism for the debates in/between the caucuses.

He added that he is aware that the ED had the opportunity to speak to the Forestry Director in Colombia where they discussed the importance of agreements like CBD and that they feel there should be an opportunity to interact on items such as climate change in order to validate the decisions taken by ITTO so that they can be within the framework of our agreement. In this way, from the operative point of view, they can implement the agreement taking into account these items.

Mr. Andrusko gave the floor to Japan.

Mr. Kobayashi commented that to identify the key elements for the future agreement, it would be important to categorize the responses from the questionnaire together with views expressed by external organizations in order to discuss them among member countries. Then, in the review process, issues which needs to be changed could be identified, for example, issues such as the organizational structure or provisions of the agreement, outdated issues or elements that need to be strengthened in consideration of international trends related to tropical forests before the Preparatory Committees starts in 2026.

He also highlighted a couple of specific elements for which Japan would like to propose changes, including enhancement of ITTO's presence in line with the ITTA's objectives and their response to today's main international environmental agenda such as climate change and biodiversity laws. He also said that it is essential that any concrete results and contributions to the achievement of SDGs through policy advocacy and project implementation should be widely recognized and communicated by enhancing the transparency and visibility of ITTO's activities so that those efforts facilitate the resource mobilization from both public and private sectors.

He said that in this way, the requirements of the private sector can be included in the relevant articles of project activities since it is important to strengthen the involvement of other funding sources including the private sector from the project formation phase of the Programmatic Approach. Also, in order to mobilize private sector funding, Japan considers transparency of ITTO's activities as a key element. The formulation as well as the results of each project and its evaluation should be open to the public. He said that sharing further information on the effectiveness of each project can promote more understanding on ITTO's activities by the private sector, which can lead to them becoming more involved and providing increased financial contributions. He concluded that Japan will continue to consider further other elements during the review process.

Mr. Andrusko thanked Japan and moved on to the next question of how the consultants would synthesize all the views collected from the CPF and other members and those responses from the survey results and

collate it as a basis for going forward. He said that providing some structure was quite challenging due to the wide-ranging elements, but it was very important for the regional and caucus consultations.

He then gave the floor to the ED.

The ED responded first to Colombia's intervention and confirmed that she had met the Colombian Director of Forestry at the UNFF, and they had a brief but very good discussion on Colombia's possible role in the upcoming developments that the ITTO is involved in. She said that she was very glad that Colombia is engaging and that the meeting ensured that a project proposal from Colombia will commence very soon and be executed and completed by the deadline. Regarding Colombia's comment on tracking and traceability, she stated ITTO has executed a number of respective projects in the field, including in Guatemala, Madagascar or the ongoing second phase of the teak project in the Mekong Basin as part of ITTO's Legal and Sustainable Supply Chains programmatic line, which came out of the Programmatic Approach and was approved by Council.

She commented that such information was publicly available and said it was a bit unfortunate that even membership seems not to look at the information available, including through the website. Regular top stories (headline news) give members an idea of where the ED and Secretariat staff have been, who has been met, which conferences were attended and the topics presented or discussed. In response to Japan's comment on increasing ITTO's relevance she said that Secretariat was doing its level best to do exactly that. Regarding climate change and biodiversity, she noted that every conference and every presentation made at the various forums over the last five years had incorporated elements such as climate change and/or biodiversity. She noted that, in fact, it was the Secretariat who highlighted the relevance of being involved in talks surrounding climate change and biodiversity because forests sit right in the middle of it.

She explained that she would be happy to make interventions at the climate negotiations or CBD negotiations/meetings but that was often not possible because ITTO is not UN-accredited, hence only allowed into the open plenary sessions, but banned from 'members only' session. That has happened several times, and most recently during the COP28 and the biodiversity COPs in Montreal, Sharm El Sheikh or Dubai. She urged the Government of Japan, as the ITTO host country, to seek UN accreditation for the ITTO to be accredited as a UN observer. She explained that over the past four years, the Secretariat had actually requested the Government of Japan's assistance and support several times - Secretariat had provided relevant information and sample letters sent by other host countries to the UN in support of organizations being hosted. So far, no progress has been made on this matter.

On legality and sustainability, she said that ITTO was very actively helping and encouraging member countries. She introduced Mr. Nurudeen Iddrisu, ITTO's Director of Trade and Industry who had just dialed into the call from his mission to the Carrefour du Bois in Nantes, France and explained that he is there because the country in focus this year is the Democratic Republic of Congo and to engage not just with ITTO producer member countries present at the wood show, but also to engage with the European sector because they work very closely with the private sector in Europe.

On the private sector, the ED highlighted that Ms. Conje has worked with various aspects of the private sector through APAC as well and she herself had spent 23 years of her life in the private sector. She said that she was in favor of private sector engagement being part of any new agreement, but that ITTO should not be a standard-setting body but provide capacity building to help members go down this route. She explained that this would also be discussed with the Congo Basin Forest Partnership and the Central African Forest Initiative and could be proposed to GCF and potentially to the GEF if they are willing to accredit the ITTO. Assuring that ITTO was not behind in this regard, she said it was unfortunate that in ITTO's 36-year history, about 80% of the projects funded had a focus on forest management and not on industry, market access and/or value adding and processing. It is only now that it is becoming a focus area for several ITTO members because there is a lot of pressure on them to progress and develop.

Mr. Andrusko thanked the ED and requested members to keep any questions short because time was short and the question that needs addressing is how the consultants should synthesize the information received through the survey.

He gave the floor to the USA.

Mr. Carl noted that members' interventions were not intended to be critical of ITTO, but that this meeting was a good brainstorming session to provoke discussion and get a feel of the elements that members might see ITTA do in the future. He said that it was important to have a dynamic discussion where members can put out ideas and that some of the things member countries are proposing are likely going to be political issues in one way or the other. He encouraged all members to keep an open mind about what everyone has to say.

The Chairperson then gave the floor to Panama.

Ms. Bethancourt said that she would like to add a clause in the ITTA to be more proactive about what the organization is doing in the Forestry Sector and the need to communicate better. She said Panama had proposed 2 projects with 3 indigenous communities, but they had difficulties to include sustainable development in the wood sector and wood processing where they are trying to stop illegal extraction. It has been very difficult to explain to the UN from a forestry point of view how they are helping to protect biodiversity.

She said that during the negotiations at UNFF they were provided with a list of forestry organizations and while there were many international organizations on that list, ITTO was not on it. She said that more proactive communicating with other bodies was required to assure that ITTO was added to such lists and that the Secretariat could participate in the different bodies, in the different negotiations, because she feels that others do not understand Panama properly. She stated that this was Panama's point of view because everything that has to do with forestry in Panama and the management of their forests, is often not taken in a positive view. She felt that it is important to support such activities as they are an important source of resources for their indigenous communities.

Mr. Andrusko thanked the USA and Panama for sharing their view. He said that he really appreciated members sharing their views and said it was important at this stage to ensure that everyone is listening to everyone's concerns and thinks about how to bring them forward.

He said that the overwhelming support for the further extension of the ITTA, 2006 had made it clear that everyone was united in that they want the best for this organization. It is now a matter of how to take all the views expressed and channel them into documentation that needs to be prepared over the next few months to identify the key priority areas. He asked the Secretariat if the consultants will help consolidate some of the many views as part of these regional and caucus meetings and provide a basis for them.

The ED responded to Mr. Andrusko's and Japan's question and confirmed that the consultants will be helping to categorize and consolidate the views and to separate the issues from operational and administrative.

In addition, in response to USA and Japan's comments, she said that any interventions from membership are welcome, including critical interventions. What she was trying to explain was possible avenues through which the agreement could be strengthened in various ways to support the ongoing work of the organization. She also pointed out that the Strategic Action Plan 2022-2026 had already incorporated a number of areas/issues raised by members, being operationalized by Secretariat.

She also thanked Panama for suggesting that ITTO should be included in the international negotiations and said that as soon as UN accreditation is achieved, Secretariat will surely attend relevant UN-related

negotiations pending sufficient budgetary allocations. She agreed with what Panama said that in a number of these international negotiations, there are several parties that do not fully understand the difficulties and the complications particularly relating to tropical forestry. Therefore, she was grateful to Panama for that suggestion. She assured members that she will continue to pursue the UN accreditation.

6. Date of next meeting and closing by the Co-Chair

The ED reiterated the suggestion made by Mr. Andrusko to consider sometime towards the end of September and confirmed that the Secretariat will be in touch on tentative dates.

The ED then thanked Mr. Andrusko and all members of the PWG who had participated in the meeting and gave her thanks also to the interpreters who had worked beyond their contracted time.

Mr. Andrusko thanked the ED and everyone and echoed his thanks also to the interpreters.

He said the meeting had provided clarity on outcomes. He encouraged particularly producer members to consider the questions raised and also to elect a PWG Co-chair.

He said that there is a need for some coordination in terms of providing views as a caucus (both producers and consumers) on whether to meet or not, as well as take the opportunity through proposed regional meetings and provide feedback as soon as possible. Also, tentative dates for those meetings and other information on that process will be communicated in time. He encouraged members to reach out to him or to the Secretariat with any input, which he said would really help the process at this stage.

In the absence of any further interventions, he again thanked everyone for their contributions and closed the meeting.

The meeting ended at 20:46 pm.

Decision 4 (LVIII) Preparatory Working Group Article 44 of ITTA 2006 – Teleconference II

Tuesday, 12th November 2024

Participants

Preparatory Working Group (PWG) Members

Consumers

Ms. Katie Stokes, Australia
Mr. Pierre-Jonathan Teasdale, Canada
Ms. Haiying Su, China
Mr. Daniel Van Assche, EU
Ms Anna Iele, Italy
Ms. Yoko Yamoto, Japan
Mr. Hiroyuki Saito, Japan
Mr. Kyohei Sugaya, Japan
Ms. Masami Fukata, Japan
Mr. Tomoyuki Honda, Japan
Mr. Eunsang Cho, Korea
Ms. Nathalie Tijdink, Netherlands
Ms. Anna Tyler, New Zealand
Ms. Rata Muda, New Zealand
Mr. Bjorn Merckell, Sweden
Mr. Valentin Gloor, Switzerland
Ms. Catherine Karr-Colque, USA
Ms. Aysha Ghadiali, USA
Mr. Daniel Carl, USA
Mr. Mahvish Madad, USA

Producers

Mr. Jerson Leonardo Gonzalez Umana, Colombia
Mr. Samuel Lifendi Walo, Congo (*absent*)
Mr. Arsène Ewossaka, Congo (*absent*)
Ms. Ahou Christiane Epe N'Guessan Anzan, Cote D'Ivoire (*absent*)
Mr. Tevita Bulai, Fiji (*absent*)
Mr. Joseph Yaw Appiah-Gyapong, Ghana (*absent*)
Mr. Jitesh Kumar, India (*absent*)
Mr. Muhammad Zahrul Muttaqin, Indonesia
Ms. Eirna Yani Mohd Arip, Malaysia
Ms. Ho Aina Natolotra, Madagascar (*absent*)
Mr. Jorge Ruiz Morales, Mexico
Mr. Alberto Julian Escamilla Nava, Mexico (*absent*)
Ms Vaneska Bethancourt Arcia, Panama (*absent*)
Mr. Carlos Espinosa, Panama (*absent*)
Ms. Claudia De Jesus, Peru

Mr. Athenas Castello Branco Hurtado, Peru

Mr. Luis Anthony Sanchez Ramirez, Peru

Mr. Pyoabalo Alaba, Togo (*absent*)

ITTO Secretariat

Ms. Sheam Satkuru, Executive Director (ED)

Mr. Gerhard Breulmann, Director of Operations

Mr. Nurudeen Iddrisu, Director of Trade and Industry

Mr. Simon Kawaguchi, Finance and Administrative Officer

Mr. Tomiji Shudo, IT Assistant

Mr. Wayne Koay, IT Assistant

Ms. Miwa Tsukui, OED Assistant

Consultants

Mr. Alexander Knapp

Ms. Siti Syaliza Binti Mustapha

Agenda

1. Opening of Meeting by the ITTO ED, Ms. Sheam Satkuru
2. Request for nominations for Co-Chairs/Chair of the PWG
3. Presentation of the ITTA Analysis by Mr. Alexander Knapp, AKC Global
4. Brief Presentation of Survey results from CPF members by the ITTO ED
5. Discussion on information presented and on Roadmap Scenario 1
6. Next Steps on the PWG Report and Recommendations to Council
7. Close of Meeting

Agenda 1: Opening of Meeting by ITTO Executive Director, Ms Sheam Satkuru

The ED highlighted the absence of co-chairs for the working group, following the stepping down of Dr Nurudeen Iddrisu, who moved to his new role as Director of Trade and Industry, and Mr Keiran Andrusko, who had been promoted. She emphasised the urgent need for nominations from both the consumer and producer caucuses.

Agenda 2: Request for nominations for Co-Chairs/Chairs

- ✓ The ED invited the Consumer Caucus Spokesperson (Ms Aysha Ghadiali) to provide a nomination.
 - Ms Aysha Ghadiali stated that the Consumer Caucus did not have a nominee for the co-chair role.
- ✓ The ED then called upon the Producer Caucus Spokesperson (Mr Muhammad Zahrul Muttaqin) for an update.
 - Mr Muhammad Zahrul Muttaqin similarly reported that no nomination was available from the Producer Caucus.

The ED acknowledged the updates, noting the importance of filling these vacancies.

Participants and Roles

The ED introduced ITTO attendees and the consultants engaged in the PWG's preparatory work.

Volunteer Chair or Guidance for Meeting

The ED emphasised that it would not be appropriate for the Secretariat to chair the meeting and suggested either appointing a temporary chair from the group and sought volunteers, in the absence of which Secretariat would provide guidance through the meeting.

With no volunteers forthcoming, the ED proceeded to the next agenda item.

Agenda 3: Presentation of the ITTA Analysis by Mr Alexander Knapp, AKC Global

The ED introduced Mr Alexander Knapp, CEO of AKC Global, who was assigned to conduct an ITTA analysis. She noted that Mr Knapp would provide a 20-minute presentation summarising the paper he had prepared, which included two years of working group materials. Mr Knapp shared his PowerPoint presentation on-screen and commenced his briefing.

Mr Knapp began by expressing his pleasure at returning to work with ITTO, reflecting on his initial engagement with the organisation six years ago. He praised ITTO's progress on critical topics and outlined the scope of his task:

1. Assisting the working group and Secretariat in identifying elements for renegotiating of the ITTA.
2. Reviewing prior decisions and documentation and the 2023 ITTO member survey, as well as consider earlier consultancy work.
3. Conducting supplementary research for broader context as appropriate.

Key Research Undertaken:

Core Documents:

- ✓ The ITTA 2006 agreement and preparatory materials from 2004, which provided significant insights.

Comparable Treaties under UNCTAD:

- ✓ Mr Knapp analysed agreements for rubber, grains, coffee, and cocoa, focusing on governance, membership, and voting systems, to draw parallels with ITTA.
- ✓ The Food Aid Convention offered an alternative perspective on power-sharing and voting models.

Guiding Questions for Negotiations:

Mr Knapp emphasised three fundamental questions for framing discussions:

1. **Why?**

- Reassessing the organisation's purpose and relevance since 2006.
- Aligning on ITTO's current value, such as supporting sustainable trade of tropical forest assets.

2. **What?**

- Identifying issues to prioritise in negotiations and coalitions.

3. **How?**

- To be addressed later, involving the structuring and decision-making processes.

Findings from the 2023 Member Survey:

Mr Knapp detailed insights derived from the survey, which highlighted structural and political themes:

1. **Structural Themes:**

- **Extension of Deadline:**
 - A majority of respondents supported extending the ITTA renegotiation deadline from December 2026 to December 2029 due to logistical constraints noted by UNCTAD.
- **Membership Categories:**
 - Mr Knapp highlighted feedback on revisiting the producer/consumer caucus structure. He quoted a member's comment advocating for a shift toward a partnership model, reducing divisions caused by the caucus framework, and fostering increased contributions and participation.

2. **Political Themes:**

- Mr Knapp briefly stated additional structural and political considerations, including challenges associated with the current caucus model. He referred to internal and external stakeholders' perspectives, noting how caucus distinctions might now hinder ITTO's effectiveness.

Supporting Materials:

Mr Knapp indicated that all quotes, findings, and translations of his report were available in English, French, and Spanish for the group's reference.

Recommendations:

1. **Extension of Deadline:**

Mr Knapp commended the extension of the ITTA renegotiation deadline from December 2026 to December 2029 to allow sufficient time for discussions, considering the logistical constraints highlighted in the member survey.

2. **Membership Structure:**

He suggested including discussions on alternate or unified membership structures during renegotiations, emphasising this as a "what" question, leaving the "how" for later stages. He highlighted the importance of reassessing membership to align with the organisation's relevance moving forward.

Themes from Survey Analysis

Mr Knapp described a thematic analysis of survey responses, segmented by consumer and producer countries. He categorised feedback into four main themes:

1. **Forests (Green):**

Comments addressed standing forests, afforestation, reserves, and logging, highlighting the broader value of tropical forests beyond timber.

2. **Climate (Yellow):**

Feedback emphasised carbon sequestration, deforestation, and biodiversity, underlining the role of tropical forests in climate change mitigation.

3. **People (Blue):**

Responses reflected the significance of forest-related industries and indigenous populations as stewards of biodiversity. Mr Knapp cited the FAO's data on 16 million people working directly in forest industries, with informal economies raising the figure to 50 million. He underscored the need to integrate indigenous perspectives and labour considerations into future discussions.

4. **Finance (Red):**

Comments focused on challenges with assessed contributions, declining voluntary contributions since 2009, and the financial gap impacting ITTO's operations. Mr Knapp suggested incentivising voluntary contributions and revisiting membership fee structures to balance organisational revenue.

Key Recommendations by Theme

1. **Forest:**

Retain the existing focus on asset flows but incorporate the social value of forests into governance and decision-making processes. He referenced research valuing standing forests' ecosystem services at \$2,000 per hectare annually.

2. **People:**

Include indigenous stewardship and industry labour in governance discussions, recognising their critical role in biodiversity protection and sustainable forest management.

3. Climate:

Address carbon capture, biodiversity, and climate change within ITTA discussions, given their growing importance since the organisation's founding.

4. Finance:

Reassess payment structures for membership fees and incentivise voluntary contributions to close financial gaps and strengthen participation.

Mr Knapp concluded by summarising key considerations for ITTO's renegotiation process:

- ✓ Maintain the focus on commodity flows while incorporating forests' standing asset value, people, climate issues, and financial sustainability.
- ✓ Leverage the opportunity for significant change amid global challenges, emphasising ITTO's unique potential to set an example for impactful governance.

He cited a 2003 working group report indicating strong consensus for fundamental changes to ITTO's structure and processes, framing the current renegotiations as a pivotal opportunity for progress.

The ED thanked Mr Knapp for his presentation, acknowledging the significant volume of information he processed and his history of collaboration with ITTO. She invited members to provide comments, opinions, or suggestions on the synthesis and the key themes identified from the membership survey.

Q&A: Participant Questions and Responses

Mr Daniel Carl (USA):

1. Sought clarification on the scope of Mr Knapp's analysis and asked whether consultations included caucuses, regional groups and/or CPF members.
2. Acknowledged the value of the high-level analysis of survey trends and asked if Mr Knapp had also captured individual or unique ideas from the survey that, while not widely shared, could still be useful for consideration.
3. Emphasised the importance of presenting these less-discussed ideas clearly to ensure comprehensive understanding among members who may not have time to delve into the survey results.

Mr Bjorn Merzell (Sweden):

1. Echoed Mr Carl's question about whether consultations included caucuses or regional meetings.
2. Asked if the recommendations presented by Mr Knapp were included in the report distributed earlier.
3. Commended Mr Knapp on the analysis, calling it a strong foundation, and expressed interest in the upcoming presentation on CPF survey results.

The ED acknowledged both sets of questions and confirmed that responses would be provided collectively by Mr Knapp and the Secretariat after gathering all comments.

Responses to Questions

The ED addressed the questions raised by Daniel Carl and Bjorn Merckell.

1. On Consultant Interactions with Caucuses and CPF Members:

- The ED clarified that the consultants had not interacted with the caucuses – this can only be done once it is confirmed by the caucuses that such interaction would be welcomed. She emphasised that consultant interactions with caucuses would depend on their explicit invitation or request, and discussions with the caucuses could be planned following this session and in consultation with the caucuses.
- Regarding the CPF survey, the ED explained the process:
 - Questions were developed and shared with CPF members, with an initial three-week response window extended by one week due to a low response rate.
 - Ultimately, 13 out of 15 CPF members submitted responses, representing a significant return.
 - Raw feedback had been shared with the group in English, but initial thoughts are to conduct a brief analysis based on the feedback where responses were quite disparate.
- The ED mentioned that some CPF members' feedback would help inform the renegotiation process on some issues for membership consideration.

2. On Recommendations Beyond Existing Information:

- The ED acknowledged that the consultants were advised not to suggest overly creative solutions to avoid pre-empting membership discussions. The intent was to present findings for membership deliberation at ITTC's 60th session as agreed at the ITTC 59th Session.
- The ED also emphasised the importance of membership reaching consensus on key issues before exploring innovative solutions.

3. Collaboration with Other Commodity Agreements:

- The ED noted ongoing coordination with other UNCTAD commodity organisations, with a meeting planned for 10th December 2024 in Geneva. This meeting aims to align priorities among overlapping members and explore synergies across agreements as appropriate.

4. On Examples from Other Agreements:

- The ED confirmed that the consultants had compiled insights from other agreements (e.g., rubber, coffee, cocoa) and would elaborate further.

Questions

Mr. Daniel Van Assche (EU):

Mr Van Assche informed that the EU supported the review and evaluation process to inform future renegotiations but noted the need for internal consultations with the EU's 27 member states. He endorsed the consultants' structured approach of addressing the 'why', 'what', and 'how' questions as a framework for discussion.

Mr Van Assche also emphasised that references to markets should focus on deforestation-free, legal, and sustainable markets, a principle that aligns with the objectives of sustainable forest management.

The ED fully agreed with Mr Van Assche's feedback and added that she acknowledged the complexity of informal and illegal sectors, suggesting they should be addressed through activities, projects, or member commitments rather than directly in the agreement.

Ms. Catherine Karr-Colque (USA):

1. Whether the consultants had identified examples from other agreements that could provide actionable insights.

The ED answered in the affirmative although the ITTA is very different from the other commodity agreements, as already explained to the ITTA Working Group in 2022 and 2023.

The ED handed the floor back to Mr Knapp for further elaboration on specific points, particularly regarding examples from other agreements and insights into addressing recommendations.

Mr Knapp responded to questions and provided clarifications, further elaborating on the methodology and constraints of the analysis conducted.

1. **Inclusion of CPF Comments:**

- Mr Knapp confirmed that some CPF member comments were included in the report and clearly distinguished as external stakeholder inputs. The raw responses were included in the distributed document.
- He acknowledged that individual ideas outside the four main themes were captured, but not fully analysed due to the overwhelming volume of options and the decision to focus on broader, recurring themes.

2. **Categorisation of Suggestions:**

- Suggestions involving operational details, such as combining committees, were set aside as they fell into 'how' questions, which the analysis intentionally avoided at this stage.

3. **Recommendations in the Report:**

- Mr Knapp confirmed that the recommendations presented during the meeting mirrored those in the distributed report.

4. **On Informal and Legal Markets:**

- Mr Knapp agreed with Mr Van Assche's and Ms Karr-Colque's emphasis on deforestation-free, legal, and sustainable markets. While acknowledging informal markets were significant, he refrained from commenting on ITTO's approach to these markets, leaving it for membership discussions.

5. **Examples from Other Agreements:**

- Mr Knapp acknowledged experimenting with models but refrained from including specific voting or governance structures in the report, per guidance from the ED, to avoid overstepping the membership's role in deciding these matters.

Additional Comments by the Executive Director (ED)

The ED supported Mr Knapp's remarks, elaborating on ongoing efforts and addressing concerns.

1. Complexity of the Review Process:

- She reiterated the extensive work undertaken by the working group over two years, emphasising the synthesis of contentious and non-contentious issues into a clear framework for membership discussions.
- She highlighted subcategories requiring further exploration, including financing, social values, and forest flows.

2. Record-Keeping of Suggestions:

- In response to Mr Carl's query, the ED confirmed that the Secretariat was systematically recording and synthesising inputs from council discussions, CPF responses, and working group sessions over the past two years.
- She invited additional suggestions or inputs from members, emphasising that final recommendations must reflect membership consensus and would be subject to council approval.

3. Next Steps:

- The ED announced that Mr Knapp would present the findings to the Council during the upcoming session due to the limited representation of both the producer and the consumer caucuses in the current meeting.

Mr Carl stressed the importance of keeping a comprehensive record of suggestions, noting that members might assume the Secretariat is handling this. He underscored the value of capturing new ideas for discussion at Council.

The ED assured members that the Secretariat was actively synthesising all inputs and that the process remained open to new suggestions. She clarified that recommendations from the current assignment, as presented by Mr Knapp, were based on existing information, but additional recommendations from the Preparatory Working Group would be welcomed and forwarded to the council for consideration.

The ED invited further questions or requests for clarification, particularly referencing Mr Carl's earlier comment on incorporating biodiversity across ITTO's work and aligning with the Kunming Montreal Global Biodiversity (KMGB) framework.

The ED stated that biodiversity was already integrated horizontally across ITTO's work, mentioning a Council-approved programmatic line dedicated to biodiversity conservation. She highlighted the ongoing collaboration with the Convention on Biological Diversity (CBD), underlined by a renewed five-year MoU with the CBD Secretariat. This MoU, operationalised over the past year and a half, centred on the KMGB framework. The ED confirmed that ITTO would adopt relevant elements of the framework where feasible, but would maintain broader biodiversity goals in tropical forests, including production forests.

The ED reiterated that the Secretariat would not recommend detailed options for incorporating KMGB beyond what aligned with collaborative efforts with the CBD. She encouraged input from members of the PWG, particularly from producing countries.

The ED apologised for the persistence required to gather survey responses, emphasising their importance in shaping ITTO's future direction. She urged any additional interventions or thoughts from the group, remarking on the limited time remaining for discussion.

Seeing no further questions or comments, the ED proposed moving to the next agenda item.

Agenda 4: Presentation on CPF Survey Results

The ED provided a brief overview of the survey distributed to CPF members, noting the need for an analysis on some elements. The ED reminded participants that the survey aimed to gather CPF members' perspectives on ITTO's mandate, engagement, and potential areas of improvement to be considered by the PWG, not to be given higher priority than membership perspectives.

She shared that at least two or three CPF members planned to attend Council this year, a positive sign of their growing interest in ITTO. The ED highlighted that responses to the survey varied significantly, reflecting differences in engagement levels among CPF members. She noted that CPF feedback often depended on how closely members collaborated with ITTO, with some providing constructive input and others expressing limited interest.

The ED emphasised the survey's anonymity to ensure candid responses, although some allowed for some inference about respondents' identities. She remarked on the dichotomy between feedback from engaged members who appreciated ITTO's work and less involved CPF members who returned very basic feedback.

The ED expressed mixed feelings about the feedback, acknowledging both frustrations and positive insights. She highlighted encouraging responses that affirmed ITTO's strengths, its role as a global voice for tropical forestry, and the need to focus resources on core mandates rather than overextending into broader portfolios.

She explained that the survey avoided direct questions on the ITTA renegotiations, instead couching questions to elicit thoughtful and nuanced feedback. The ED invited participants to review the raw survey data, which included varied ratings of ITTO's leadership in forestry and trade, ranging from high scores to notably low ratings, obviously from those who do not interact much with the ITTO. She thanked the participants for their contributions and encouraged continued engagement to shape ITTO's future direction.

The ED elaborated on the survey ratings, noting that some responses were balanced, some with scores around five or six out of ten, while others reflected misunderstandings about ITTO's mandate and/or work. An example is a comment criticising ITTO for functioning as a fundraising organisation, clarifying that the organisation acts per approved Council decisions.

The ED explained that Mr Knapp would attempt to aggregate the ratings although this would be difficult given the disparity on the returns. She suggested the Preparatory Working Group probe further into CPF feedback, particularly from respondents who gave low ratings, noting individual targeting would be difficult. Perhaps consultations with some CPF focal points could provide clarity on some matters.

She acknowledged overlapping concerns between CPF responses and membership sentiments, citing issues like membership division, the need for stronger financing, and CPF members' suggestions not to focus solely on fundraising. She added that many CPF members recognised ITTO as an authority in tropical forestry and showed interest in collaboration.

The ED noted that while some CPF members gave ITTO high ratings, others rated it as low as one or two, possibly due to unfamiliarity with ITTO or challenges in working with the organisation. She noted the possibility of difficulties stemming from ITTO's structure, political nature, or geographic coverage.

She invited Mr Knapp to add any remarks.

Mr Knapp confirmed the ED's interpretation of the CPF survey results, emphasising the priority of membership views in the renegotiation process while valuing the CPF feedback as supplementary information.

Mr Merkell commented that most CPF members appeared satisfied with ITTO's work, while low ratings likely stemmed from unfamiliarity with the organisation. He agreed with Mr Knapp, that members' views should remain the focus of discussions on ITTA's future but acknowledged the survey's value in eliciting reactions from CPF members.

The ED thanked Mr Merkell for his comments, acknowledging his endorsement of the Secretariat's and Mr Knapp's observations. She invited any further thoughts or opinions from participants but, receiving no immediate responses, moved to the next item.

Agenda 5: Discussions on the Information Presented and Road Map Scenario 1

The ED introduced road map Scenario 1, explaining that it was drafted before the Council's decision to extend the ITTA to December 2029. With the extension confirmed, Secretariat had spaced out the work and shared all relevant, synthesised, and translated materials with members.

The ED referred participants to Document ITTC(LIX)/5, pages 7-8, which outlined the road map for Scenario 1. She provided an overview once it was pulled up on-screen:

- ✓ The first section detailed consultancy work, with expenses estimated at \$70,000.
- ✓ Two meetings of the Preparatory Working Group were held this year instead of the three budgeted, owing to the extensive work required post-extension decision.
- ✓ Caucus meetings and regional consultations were not held in 2024 due to limited appetite among caucuses and other international commitments involving membership and Secretariat.

The ED proposed conducting three regional consultations in Q1 2025, with virtual consultations being the most feasible mode. If unforeseen circumstances arose, two consultations could take place in Q1 and one in Q2.

She outlined 2025 work items:

- ✓ Consultants would write a follow-up report and execute additional actions post-ITTC 60 based on Council feedback.
- ✓ Preparatory Working Group would continue as needed, with two meetings tentatively planned to ensure sufficient input synthesis and consultant support.

The ED suggested the caucus consultations take place in 2025, followed by regional consultations and caucus discussions. A second PWG meeting could then occur, leading into ITTC 61. She proposed extending the PWG's mandate for an additional two years (2025 and 2026) to maintain continuity and avoid additional Council decisions on the duration of the PWG.

Q&A: Participant Questions and Responses

The ED invited questions, giving the floor to Mr Carl.

Mr Carl agreed with the need to continue the PWG's work and emphasised the importance of early and regular meetings to develop strong recommendations for ITTC 61. He noted the inconsistency in scheduling this year and advocated for a tighter timeline as 2029 approached.

He raised two questions:

1. Who would perform the regional consultations?
2. Would the consultations provide input into the consultant report, or would they occur in response to the consultant report?

Mr Carl stressed the need for either the consultations or the consultant report to take place in Q1 2025 to avoid delays, referencing challenges faced in previous years when time slipped away without substantial progress.

The ED thanked Mr Carl for his comments and agreed that the PWG's role in preparing strong recommendations for ITTC 61 was critical. She noted that 2024 had focused on foundational work to pave the way for Council discussions at ITTC 60 and that the PWG should meet more frequently in 2025 to build on the progress.

Acknowledging challenges with scheduling in 2024, the ED explained that meetings could not be held too early while the groundwork was ongoing. She thanked Mr Carl for agreeing that regional consultations should occur in Q1 2025 and recommended that Mr Knapp and Ms Mustapha be involved in the consultations as they are well-versed in the analysis.

The ED highlighted the need for responsive participation from members, with consumer and producer spokespersons playing a crucial role in encouraging attendance. She proposed that Secretariat staff attend regional consultations, if members were comfortable, to address technical questions without influencing discussions.

The consultations would be based on the consultants' reports and any additional issues members deemed important to raise for Council consideration. The ED emphasised that any unconventional or outlier proposals would be referred to the PWG for guidance.

Mr Carl sought clarification on the timeline, asking whether the focus in Q1 2025 would be on regional consultations, completion of the consultant report, or both. He stressed the importance of setting clear expectations for both consultants and regional groups to ensure timely progress. Additionally, he suggested presenting updated schedules or proposed dates to Council before the meeting concluded.

The ED appreciated Mr Carl's foresight and confirmed that the PWG would review and update the road map table. She outlined the plan to circulate the meeting minutes, report, and an updated table for PWG consideration post meeting. The ED reiterated the importance of nominating a chair or co-chairs from the caucuses to present the report to Council, as it would be inappropriate for Secretariat to do so.

She called on the spokespersons to identify nominees, offering Secretariat's assistance in preparing a presentation if needed.

Ms Yoko Yamoto from Japan echoed Mr Carl's concerns about the delayed progress of PWG and ITTA preparations, stressing the need for consistent focus in 2025, given that renegotiations must begin at the

PrepCom in 2026. She encouraged more frequent communication between consultants, Secretariat, and PWG members to keep everyone updated on progress.

Ms Yamoto inquired about the sharing of the completed analyses, including CPF member comments and comparative studies on other agreements. She also raised a question regarding the budget, noting a voluntary contribution of \$150,000 for PWG work and requesting details on its utilisation and next year's estimated expenses.

The ED acknowledged Ms Yamoto's concerns about the timing of PWG meetings and explained that much preparatory work was required before convening the group this year. She assured Ms Yamoto that Secretariat and consultants were in regular communication, which had enabled significant progress.

The ED emphasised the need to avoid negotiation fatigue among members by aligning PrepCom meetings in 2026 and renegotiations starting in 2027. She noted ongoing analyses, including studies of other commodity organisations, which would provide insights into potential governance and financial modalities. While ITTO's structure differed from other commodity bodies, ED stressed the value of exploring these comparisons to inform discussions.

The ED thanked Ms Yamoto for raising the budget issue, committing to provide an update on expenses and projections for the next year. In response to Ms Yamoto's question, the ED confirmed that \$140,000 had been received in voluntary contributions, with \$120,000 additionally approved from the Working Capital Reserve if necessary. Of the \$140,000, \$70,000 had been utilised for consultancy work, interpretation, documentation, and translation. The remaining \$70,000 would be allocated toward regional consultations, caucus meetings, documentation, and related costs in 2025. The ED assured members that the Secretariat would try not to use the approved reserve unless absolutely required.

The ED opened the floor for additional questions or comments, but none were raised.

Agenda 6: Next Steps on PWG Report and Recommendations to Council.

The ED reiterated the plan for drafting meeting minutes and preparing a summary report for the PWG. This report would include recommendations to Council and be circulated to all members for feedback, as the PWG is an open-ended working group.

Mr Carl suggested that the draft road map with proposed dates be shared before the full minutes. He highlighted the importance of reviewing the road map first and encouraged shorter, action-oriented minutes instead of lengthy, comprehensive notes, which he described as less practical.

The ED acknowledged Mr Carl's request, confirming that a revised road map will be circulated hopefully within 2 days.

Agenda 7: Close of Meeting

With no further suggestions or comments, the ED concluded the meeting. She thanked all participants for their time and contributions to the discussions. The ED encouraged members to share their feedback on the report before Council.

The meeting adjourned at 21:00 pm, JST.



**INTERNATIONAL TROPICAL
TIMBER COUNCIL**

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ITTC(LX)/5
28 November 2024

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SIXTIETH SESSION
2-6 DECEMBER 2024
YOKOHAMA, JAPAN

**Matters Pertaining to Article 44 of the International Tropical Timber Agreement
(ITTA) 2006**

Annex 2 - Consultant Report 'Priorities and Options – ITTA 202X

(Item 11 of the Provisional Agenda)



Priorities and Options – ITTA 202X

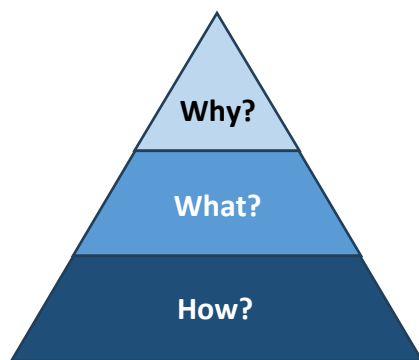
// Executive Summary

“ITTO is an organization comprising a vast resource of technical expertise (through its staff and affiliated partners/experts). These experts should be encouraged or given opportunity to participate in technical reviews relating to forests, particularly in the Rio Conventions, and more specifically, the UNFCCC that coordinates such technical reviews of national submissions. To start, ITTO (management) will need to explore and/or create such opportunities for its technical staff/experts and to be able include such expert activities as part of staff work plan. It is also essential that budgetary allocations are made to allow staff of such opportunities.

- Survey Response, CPF Member

This response to the external survey charts a powerful example of ITTO's potential relevance in a world that is very different now than ten, twenty and almost forty years ago.

There were very good reasons that it was established in 1986, and it has without doubt has positive impact for its Members and helped to lift millions of people out of poverty. It's also contributed to the protection of some of the most threatened forests in the world and created sustainably-managed supply chains to meet global demand.



But the next version of the ITTA must *also* answer the 21st century's 'Why?' After that, Members can progress to the 'What?' questions about those major elements – old and new – are included in its evolution.

This analysis speaks to these two questions in ways that hopefully provide ITTO with a starting point for substantive conversations at Council in December 2024.

Once those are agreed (and only then) should negotiations start on 'How?' questions of the details of vote allocation, or committee structures, article wording, or fee schedules and assessment. This analysis deliberately does not venture into those topics now.

The other critical question is one of ambition and opportunity. If that response to the recent external survey (above, about 'relevance') is correct, then ITTO actually has the paradoxical advantage of low expectations and great potential.

ITTO – if it chooses to – could lead by example to universalise and rationalise its membership, include forestry asset flows and indigenous populations in its future power-sharing, incorporate biodiversity and ecosystemics into its mandate, and update its financial architecture to make it appealing again for members and external donors to support it vigorously. The world's crying out for the ambition; will ITTO take the opportunity?

“Don't just be a small trade organization when global climate and environmental institutions are paralyzed with politics and a lack of leadership. no one expects ITTO to be bold, so you just might succeed where everyone else is failing.”

- Survey Response, CPF Member

// Brief and Scope

This document is the second of two reports commissioned by the ITTO Secretariat in 2024 in advance of and preparation for the ITTC in December. The preceding one (“Review – Programmatic Approach”), which should be read in parallel. It will be referenced in part here as well to understand key, interdependent issues of funding and mandate (ITTA).

// Sources of Input

The analysis contained in this document draws upon:

- the exhaustive *internal* survey of Members conducted by the Secretariat in 2023;
- a new survey of CPF organizations (conducted in October 2024 by AKCGlobal) to solicit *external* (but familiar) stakeholder views on the organization and the refresh of the ITTA;
- elements from the earlier (conducted in June 2024 by AKCGlobal) *internal* survey of Members on the Programmatic Approach and external fundraising;
- background materials related to previous negotiations of the ITTA and decisions by Council in anticipation of the upcoming negotiations, including:
 - ITTA Document 1994 (Agreed)
 - ITTA 2006 Preparatory Analysis and Process Summary
 - ITTA Document 2006 (Agreed)
 - ITTC(LIX)_5_[en] – Working Group Report on Matters Pertaining to Article 44
 - DECISION 5(LIX) – Matters Pertaining to Article 44 ITTA 2006
 - ITTC(LVIII)_5_[en] – Extension of the ITTA 2006
 - ITTO Handbook (CFA24-7)
 - UNCTAD Treaties and Related Organizations

// The ‘Why?’ – Key Questions to Ask

In any methodical, fundamental negotiation of governance – international treaty, national constitution, corporate by-laws, or community power-sharing – the essential initial discussions must centre around the questions of ‘Why?’ are participant stakeholders convening together at all?

- Why are we more effective together than individually?
- Why does collective action serve our individual interest?
- Why do we think that we can succeed when others fail?
- Why should our organization deserve respect and support?
- Why are we relevant now and in the foreseeable future?

Perhaps most pointedly, this last question of relevance is the question for any organization. At its institution, its relevance is evident internally and externally, but as social physics begins to affect it, organizational relevance begins to degrade unless constant adaptation is made.

Rationales that were critically valid in early years slowly become less pressing, and markets change. Public priorities shift, and norms vary. This is natural and universal.

Some ongoing re-alignment is a core element of executive management, but periodic events like the refresh of the ITTA creates an opportunity for more substantive, deliberate reflection.

A CPF Member's insight on this reinforces this approach and highlights ITTO's unique role:

"ITTO's selling power, as an implementation agency, is its direct outreach to partner countries. This advantage should be capitalized on, and face-to-face implementation and consultations between international experts and national experts. This goes beyond producing and publishing policies and guidelines - the "how to" and "why" aspects ought to be emphasized and implemented."
– External (CPF) Stakeholder

// Discussion Resource

An example of a 'Why?' *answer* that could be used in future deliberations:

"ITTO is the best organization to serve communities, ecosystems, and markets by supporting sustainable trade of tropical forest assets."

// The 'What?' – Key Themes to Consider

The question of organizational relevance and responsiveness to *current* and *future* needs being considered, the next focus should be on the 'What?' of the organization – the key themes and issues that it engages with.

While the 2006 ITTA amendments and numerous initiatives since then have broadened the organization's focus from just asset flow from production forestry, it's notable that the *perception* remains that it still dominates Member priorities:

Question: What aspect of ITTO do you feel is most frustrating/outdated/unappealing as a potential partner?

Answer: Its image of promoting production forestry

- External CPF Stakeholder

Clearly, hundreds of projects have addressed other, interrelated topics, but ultimately the allocation of votes is solely based upon a single variable (one single 'What' we do).

Additional 'Whats' would help to both build internal coalitions and external impact fitting for 21st century demands, opportunities, and realities.

// Timeline

There appears to be significant support for the exercise of the three-year extension option for the next Renegotiation of the ITTA to December 2029 with approximately 85% of Members agreeing that this timeline would be appropriate given the combination of national priorities, organizational resources available, and the availability of external infrastructure and support.

Given the potential complexity of the renegotiations as the organization considers significant issues in forestry and natural capital management, labour and forest-dependent

populations, climate-change and biodiversity, and ITTO's own internal financing, the additional time seems like a beneficial advantage.

// Membership

Another central message from internal and external stakeholders to ITTO is that the division of membership into 'Producers' and 'Consumers' is outdated in an interdependent world and should be removed.

"The current voting procedures give more privileges to consumer countries than to producer countries. Regarding forest-related ecosystemic services, the weight of those producer countries which fail to be properly retributed in relation to their forest contribution to greenhouse gas mitigation should be taken into consideration." – Internal ITTO Member

"Remove the distinction between producers and consumers in membership qualifications," – Internal ITTO Member

"We would like to explore alternatives for the caucus structure, basis for annual contributions, and voting distribution. The objective for this is to move closer towards a partnership model by reducing the division created by the caucus structure and voting arrangements; and to increase received contributions (and hence eligibility/participation)." – Internal ITTO Member

"Current objectives are too much inclined towards wood production and too dependent on the distinction between producers and consumers." – Internal ITTO Member

"Revise Article 9 by removing distinction between producers and consumers" – Internal ITTO Member

"The current consumer-producer divide creates an inefficient dynamic. While this may be appropriate for apportioning some financial responsibilities and member roles, it is ineffective at encouraging cooperation and addressing many contemporary forests issues." – Internal ITTO Member

"We believe that the division between producers on the one side and consumers on the other side is outdated and does not reflect the changes in this landscape (i.e. some members are both producers and consumers). As well as it is creating a polarized dynamic by design." – Internal ITTO Member

"Overcome the divide between producer and consumer countries which in a 'one world' concept is outdated." – External (CPF) Stakeholder

Clearly, this is a significant change for many reasons, and will have additional impact upon dependent elements of the organizational governance (e.g. voting systems, committee make-up, caucusing systems), but as numerous Member-States manage complex and interdependent ecological and market systems, arbitrary assignments are increasingly frustrating.

As part of our analysis, we examined five other commodity-themed organizations under the auspices of UNCTAD:

- Food Aid Convention
- International Cocoa Agreement
- International Coffee Agreement



- International Grains Agreement
- International Natural Rubber Agreement

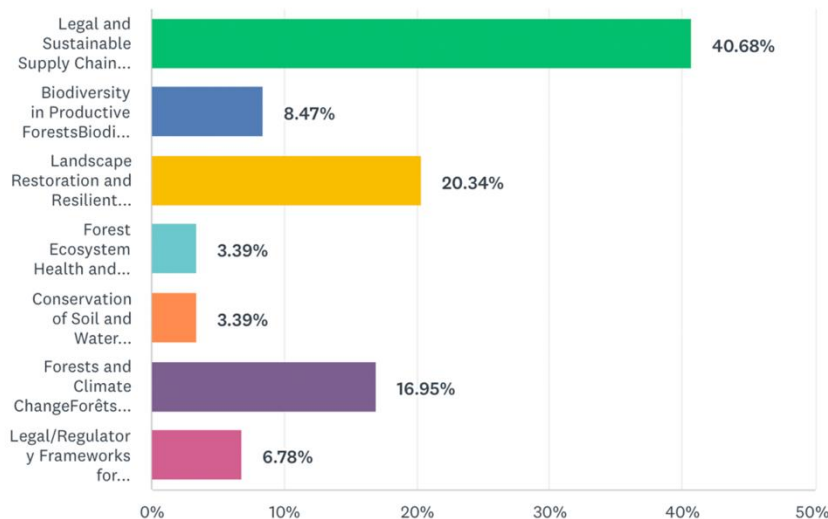
Of these examples, the latter four (Cocoa, Coffee, Grains, and Rubber) use a similar ‘Producer’ and ‘Consumer’ membership structure, and 2x1000 vote structure/allocation. While we strongly endorse the universalisation of the ITTO membership, we recommend consulting with these organizations to explore their current satisfaction with the historical power-sharing arrangement in the modern market and political environment.

// Forests

In the internal survey on the Programmatic Approach conducted earlier this year, a question was put to Members about the forestry-related issues most important to them:

What do you feel is the top priority for ITTO for the next five years? – En su opinión, ¿cuál es la principal prioridad de la OIMT para los próximos cinco años? – Quelles sont, selon vous, le priorité première de l’OIBT pour les cinq prochaines années?

Answered: 59 Skipped: 13



While ‘Legal and Sustainable Supply Chains’ was the top choice (40.68%), ‘Landscape Restoration’ (20.34%) and ‘Forests and Climate Change’ (16.95%) ranked highly as well.

There was also significant recognition that the state and multiplicity of non-commercial values in extant, protected, old-growth, or other standing forests in tropical regions deserved to be somehow integrated

into the next iteration of the ITTA, the organization’s governance and power-sharing systems.

This integrated view of ‘Tropical Timber’ is similarly represented in narrative comments from internal Members and external stakeholders as well:

“The ITTA 2006 focuses on promoting sustainable management and utilization of tropical forests. However, there may be a need to strengthen provisions related to sustainable forest management practices, including reforestation, conservation, and restoration efforts. This could involve stricter regulations and monitoring mechanisms to ensure the long-term viability of tropical forests.” – Internal ITTO Member

“The fact that producer countries contribute to combating climate change through their forests should be taken into consideration.” – Internal ITTO Member

“ITTO needs to play a bigger role in conservation, restoration and sustainably management and use of the tropical forests, especially in the Three Basins.” – External (CPF) Stakeholder



The importance and impact of sustainably-managed forests extend far beyond the supply-chain, adding ecosystem services and social value through water and air purification, carbon sequestration, pharmacological sourcing, natural disaster prevention and mitigation, biodiversity protection, agricultural/aquacultural enrichment, tourism/recreation, and increases in value of local property. On average¹, every hectare of sustainably-managed forest generates annual direct and indirect benefits *beyond its commercial outputs*:

Social Benefit/ Impact Delivered	Average Value (USD)- Added/Hectare
Water – Water purification, soil conservation, flow regulation ^{ii iii iv v}	\$31 [Range: \$15-\$46]
Air – Removal of CO, NO ₂ , O ₃ , SO ₂ , and particulate matter (10-25µm) ^{vi vii viiiix}	\$498 [R: \$120-\$755]
Carbon – Carbon storage, parking and sequestration ^{x xi xii xiii xiv}	\$432 [R: \$33-\$100/t]
Health – Flora-based/genetic sources for key medicines ^{xv xvi xvii xviii}	\$160 [R: \$123-\$197]
Disaster Prevention – Reduction of flood, fire, famine, storm risks ^{xix xx XXI}	\$32 [R: \$24-\$39]
Income – Informal markets, subsistence resource acquisition ^{xxii xxiii xxiv xxv}	\$434 [R: \$189-\$678]
Agri/Aquaculture – Biodiversity reinforcement, species protection ^{xxvi xxvii xxviii}	\$254 [R: \$110-\$398]
Energy – Fuelwood/biomass, and canopy cooling benefits ^{xxix xxx xxxi xxxii}	\$62 [R: \$52-\$75]
Tourism – Value for local population in demand regions ^{xxxiii xxxiv xxxv xxxvi}	\$135 [R: \$160-\$740]
Total Average Social Benefit/Impact Annually	
USD \$1,978 / hectare	
+Property – Proximity (within 1km) of at least 1 hectare of forest ^{xxxvii xxxviii}	+4.75% [R: +3.5-+6%]
+Life Expectancy – Mortality rate (within 250m of NDVI 0.1 to 1.0) ^{xxxix}	-10% mortality rate

Even without considering the benefit to property values and life expectancy, every hectare of sustainably-managed forest adds an average of almost USD \$2,000 *annually* in social benefit and impact *beyond* any economic value of certified supply-chains locally, nationally, and globally.

A broader shift toward Natural Capital Reporting (in addition to the current valuation of Asset Flows) would better represent both the commodities critical to ITTO Members and markets, but also the ancillary social values of standing forests.

'What' Should Be Included in ITTA 202X

ASSET FLOWS

'What' Should Be Included in ITTA 202X

SOCIAL VALUE

// People

Another theme that emerged from the surveys focused on the *people* in relationship to tropical forests and industries based upon them:

“Recognizing and safeguarding the rights of indigenous peoples and local communities who depend on tropical forests is an important aspect of sustainable forest management. Amendments could address issues such as land tenure, community participation, and benefit-sharing to ensure that the interests and livelihoods of these communities are protected and respected.” – Internal ITTO Member

“It is desirable for the new agreement to highlight on protection of tropical forests and improvement of living standards for local residents, so as to expand



the organization's flexibility addressing global issues such as climate change and biodiversity loss." – Internal ITTO Member

"Although the current ITTA objectives are valid, they should be improved to include the contribution to the reduction of deforestation – which is a global problem, more detailed attention to issues related to forest governance, forest economics and the promotion of sustainable forest management among local communities, and the contributions of the forest economy to local development and the improvement of the quality of life of forest-dependent populations." – Internal ITTO Member

"Focus more on conservation and restoration of tropical forests and supporting livelihoods for local residents, not only promoting legal timber production." – External (CPF) Stakeholder

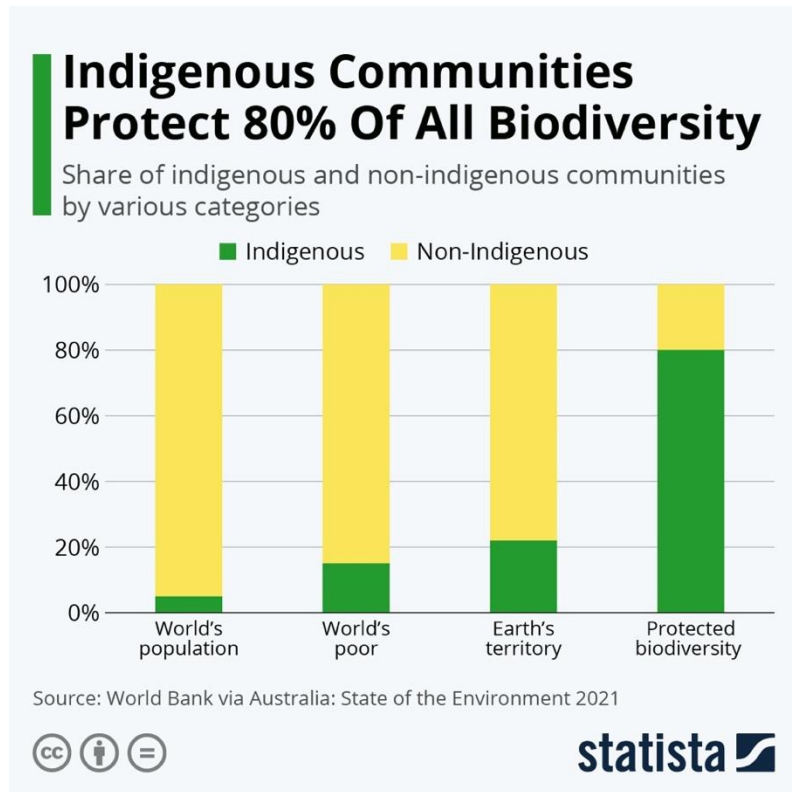
Indigenous peoples play a crucial role in forest conservation, as they have lived sustainably within forest ecosystems for generations, developing a profound understanding of these environments. With rich traditional knowledge and practices adapted over centuries, Indigenous communities manage forest resources in ways that promote biodiversity and resilience. Their practices, such as controlled burning, crop rotation, and natural resource management, are designed to maintain ecological balance and protect species diversity.

Studies show that forests managed by Indigenous communities often have lower deforestation rates and healthier ecosystems compared to other areas. These lands are also rich in biodiversity and serve as vital carbon sinks, which is essential in the global fight against climate change. Indigenous land rights are therefore fundamental to conserving these ecosystems, as granting these rights has been shown to lead to more sustainable management and better conservation outcomes.



Furthermore, Indigenous communities view forests as sacred, integral to their cultural identity and livelihood. They are often on the frontline, defending these lands against deforestation, mining, and other forms of environmental degradation. Recognizing and supporting Indigenous land rights, and including their voices in conservation policies, are essential steps for achieving effective, long-term forest conservation worldwide.

“Despite the fact indigenous peoples make up around 15 percent of the world’s extreme poor and just five percent of the global population, they are protecting 80 percent of the world’s remaining biodiversity, according to data cited in Australia’s newly released [2021 State of the Environment](https://www.statista.com/chart/27805/indigenous-communities-protect-biodiversity/) report. This highlights how indigenous communities have mastered how to live alongside nature in a way that other communities have not.”



<https://www.statista.com/chart/27805/indigenous-communities-protect-biodiversity/>

Forestry-related jobs (within the natural resource industry) in tropical regions employ millions of people, providing livelihoods across Latin America, Africa, and Southeast Asia. Estimates suggest that over 13 million people work directly in formal forestry jobs worldwide, with a significant portion based in tropical regions. However, this figure doesn't account for the large number of informal workers, including small-scale loggers, tree tappers, and those involved in non-timber forest product (NTFP) collection. When both formal and informal roles are considered, the total employment in tropical forestry rises dramatically, with some sources estimating around 40-60 million people directly reliant on forests for employment [FAO estimates, 2022].

Jobs range from forest management, logging, and sawmilling to the sustainable harvesting of products like rubber, rattan, and medicinal plants. Additionally, forest-based tourism and ecosystem services create employment opportunities. Importantly, tropical forests support local economies through both direct employment and community-based enterprises. Forest



jobs in these regions often provide critical income sources for rural communities where alternative employment is scarce.

The sustainability of these jobs is closely tied to forest health; deforestation and unsustainable practices threaten both biodiversity and job security. Policies promoting sustainable forestry and recognizing Indigenous land rights are key to supporting the millions dependent on forests for their livelihoods in tropical regions.

'What' Should Be Included in ITTA 202X

INDUSTRY LABOUR

'What' Should Be Included in ITTA 202X

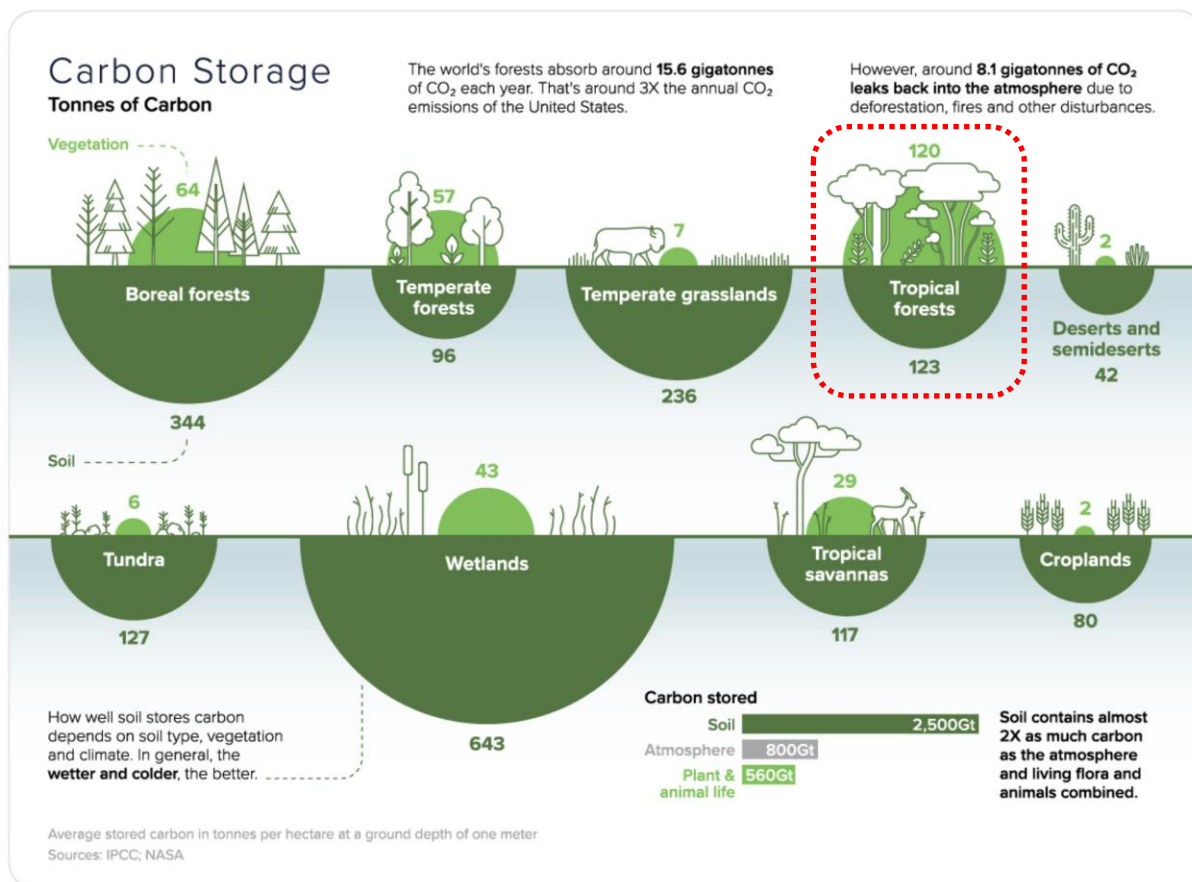
INDIGENOUS STEWARDSHIP

// Carbon

Tropical forests are critical for global carbon capture and climate regulation due to their dense vegetation and rapid rates of growth. They act as massive carbon sinks, absorbing approximately 15% of global carbon dioxide emissions each year, according to research from the World Resources Institute and the Food and Agriculture Organization (FAO). This carbon sequestration process occurs as trees photosynthesize, absorbing CO₂ and storing carbon within their biomass, roots, and surrounding soil. This function is particularly vital in slowing climate change, as these forests hold about 250 billion tons of carbon globally, with the Amazon alone storing around 120 billion tons.

In addition, deforestation and land-use changes account for roughly 10% of global greenhouse gas emissions, highlighting the urgency of stabilising these ecosystems.

Beyond carbon capture, tropical forests help stabilize rainfall patterns, which are crucial for agriculture and water supplies worldwide. Protecting these forests is therefore essential not only for reducing CO₂ in the atmosphere but also for preserving climate stability and ecosystem health on a global scale.



Within the ITTO membership and its key stakeholders, the organization’s potential role contributing to addressing climate change was repeatedly highlighted:

“Given the critical role of tropical forests in mitigating climate change and conserving biodiversity, amendments to the ITTA 2006 could include provisions that link the trade of tropical timber to climate change and biodiversity goals. This could involve measures to incentivize sustainable practices, protect high conservation value forests, and promote the role of forests in carbon sequestration and climate change adaptation.” – Internal ITTO Member

“In order to keep ITTO’s raison d’etre and to enhance its presence as an organization standing on ITTA which is a commodity agreement, it is important to include the response to climate change and biodiversity loss as ITTA’s objectives.” – Internal ITTO Member

“We believe that an adjustment is necessary to consider variables that have been rapidly increasing, such as population growth, high demand for natural resources, high vulnerability of forest resources, and a decrease in tropical forest cover, among others. These are strongly linked to climate change, which is not directly reflected in the objectives of the ITTA 2006.” – Internal ITTO Member

“A good data and evidence is needed for good policy. We would like to see reconsideration of Article 27.1 in light of the long-term trend in production volumes from natural tropical forests c.f. corresponding increase in production from tropical plantation sources. These two timber/forest classes are very



different in terms of biodiversity and carbon value, yet are not readily distinguishable in current trade and production reporting.” – Internal ITTO Member

“Support members in tackling the connection between trade and emissions from deforestation and forest degradation.” – External (CPF) Stakeholder

“Stronger action and visibility on “Climate-change mitigation and adaptation”, especially since ITTO is now an accredited entity of the GCF.” – External (CPF) Stakeholder

Furthermore, rewilding and reforestation play vital roles in combating climate change by capturing and storing carbon, restoring ecosystems, and supporting biodiversity. The UN’s Intergovernmental Panel on Climate Change (IPCC) estimates that reforestation could remove up to 10 gigatons of CO₂ per year, significantly aiding in climate mitigation. Additionally, rewilding promotes ecosystem resilience, allowing wildlife to thrive, restoring soil health, and improving water cycles.

‘What’ Should Be Included in ITTA 202X

FOREST RESTORATION

‘What’ Should Be Included in ITTA 202X

CARBON CAPTURE

// Finance

International funding for environmental and climate initiatives has seen significant growth in recent years, reflecting a rising global commitment to combating climate change. In 2021, climate finance reached nearly \$632 billion, with governments, private investors, and multilateral organizations prioritizing projects related to carbon reduction, biodiversity, and adaptation in vulnerable regions. The Green Climate Fund, the World Bank, and various climate-focused foundations have ramped up contributions, directing funds towards renewable energy, sustainable agriculture, and conservation projects.

Looking forward, the global funding landscape is likely to expand as countries strive to meet the Paris Agreement’s targets and align with the United Nations’ Sustainable Development Goals. The International Energy Agency (IEA) estimates that achieving net-zero emissions by 2050 will require around \$4 trillion annually in global investments, much higher than current funding levels. To bridge this gap, innovative financial mechanisms, such as carbon pricing, green bonds, and public-private partnerships, are expected to play critical roles.

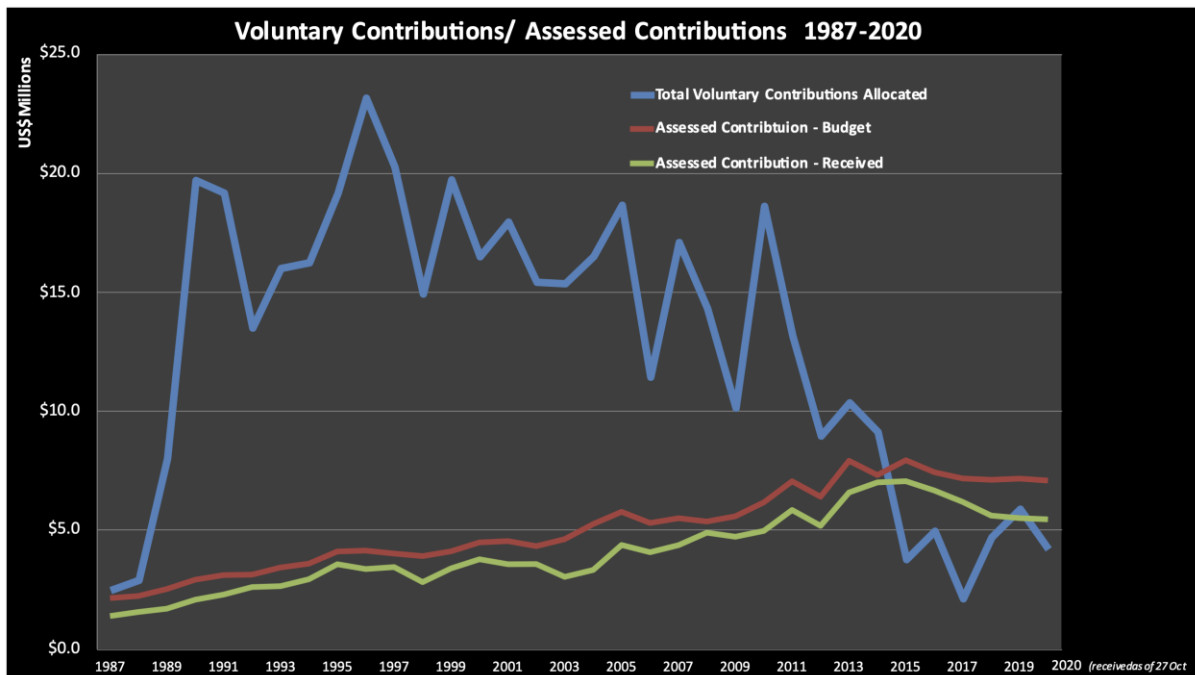
Challenges persist, however, as developing nations call for more support to address climate impacts they disproportionately face. The debate around fair distribution and accountability continues, but a shift toward more diverse, scalable, and inclusive funding models suggests that international climate finance will become both more substantial and accessible in the coming years.

All of these are important engagement aspirations for the organization (and planet) but are largely immaterial if there isn’t sufficient funding for ITTO to engage, influence, and implement them.

As everyone knows, this is not a new challenge, and there are parallel efforts underway to increase the organization’s competitiveness for *external* funding and contracts.



However, *internal* funding issues also remain, both in the gap in assessed contributions budgeted and received, and the steady decline in voluntary contributions since 2010:



At the same time, while the ITTA (2006) clarifies the implications of non-payment of Assessed Contributions (Article 19:8), and provides a mechanism for ad hoc Relief from Obligations (Article 30), it must be recognised that geopolitical and national circumstances legitimately reduce or inhibit Members' ability to pay their annual dues.

"[We] suggest an additional proposal regarding the provisions set out in paragraph 8 of the ITTA, 2006, as follows: 'where applicable, if the member has not paid its contribution due to security reasons or other disturbances that put the country under strain, the member shall inform the Organization in order to be exempted from the sanctions provided for in Article 40 of the Agreement'." – Internal ITTO Member

"Allow the implementation of those projects whose objectives will have impacts beyond national borders, including if the project implementation country is in arrears in the payment of its assessed contribution." – Internal ITTO Member

And while clear in an ideal world, potentially excluding Members with critical volumes of tropical forests who are already wrestling with conflict, humanitarian stressors, and/or restricted budgetary resources could be counter-productive to the organization's overall Mission and agreed priorities.

At the same time, Membership in any international collective such as ITTO carries with it responsibilities and financial commitments that are reasonably expected of all members, so a constructive compromise is in everyone's interest.

This sentiment is echoed in other comments from the recent 2023 survey:

"[We] propose to include that each member shall be entitled to cast the number of votes it holds if the member has given a high commitment to the payment of the annual contribution." – Internal ITTO Member



“The current financing scheme should be reviewed and adjusted to ensure a more equitable distribution of the value of contributions to be paid by member countries.” – Internal ITTO Member

“While currently only fund transfers are recognized, secondment of an officer or assistance in kind from the Member States should be included into possible forms of contribution to the Secretariat.” – Internal ITTO Member

Similarly to elements in ‘Forests’, ‘People’ and ‘Carbon’, there are options (in the ‘How?’ phase of the negotiations) where payment of Assessed Contributions translate into a potential number of votes, for example. Where Members who pay in full on time would receive their full allocation of that influence, Members who pay only a portion annually would benefit only proportionately, and those who cannot pay at all receive no votes for that *portion* of the allocation.

Similarly, Members who are fortunate enough to be able to not only pay their Assessed Contributions but *also* have some national discretionary budget or influence on donor agencies who can provide Voluntary Contributions could be allocated additional votes proportional to the scale of their donation. In this, historic or new donors might be assured of a reasonable measure of influence on organizational direction and decisions relative to their investment of unrestricted, restricted, or in-kind contributions (including non-monetary forms of support identified by the organization as valuable to its implementation of Council decisions and approved Projects).

‘What’ Should Be Included in ITTA 202X

MEMBERSHIP FEES

‘What’ Should Be Included in ITTA 202X

VOLUNTARY CONTRIBUTION

// Discussion Resource

An example of 'What?' answers that could be used in future deliberations:

"ITTO will consider not just Asset Flow of tropical timber in its governance, policy, membership, and decision-making, but also additional appropriate variables of people, carbon, and financing for the organization, its Members, and global work."

Forest

*Flow
and
Assets*

People

*Industry
and
Indigenous*

Carbon

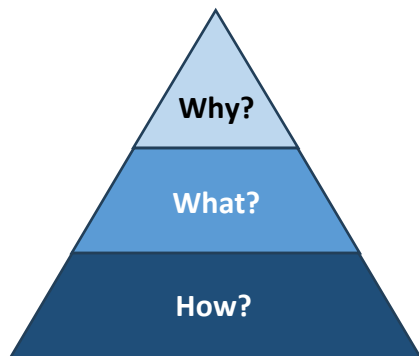
*Reforest
and
Sequester*

Finance

*Assessed
and
Voluntary*



// The 'How?' – An Appeal for Patience



The Renegotiation of the ITTA will take place before December 2029. During the next years, there is also critical work on fundraising and integration with emerging global environmental facilities and conventions, plus the organization's ongoing work on policy, analysis, research, and information-sharing.

As much as possible, Members are encouraged to begin the ITTA negotiation process with the high-level 'Why?' questions to reconfirm a consensus based upon 21st century demands and opportunities, and then move toward more specific 'What?' questions and options in consideration of its organizational Mission.

Clearly, it holds a unique and important position within the international community at the intersection of trade and development. But that role will be reinforced and enhanced by a deferral of specific proposals and debate over "How?" it will go about implementing its Mandate until later in the process, informed by the preceding, fundamental questions and answers.

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For more information on specific citations or analysis, please see:

ⁱ This analysis is a *literature review* of peer-reviewed and statistically-derived research from a wide variety of academic, policy, and development institutions. While accurate for each social element (air, water, health...), it is *not* a multivariate statistical analysis itself, and relies upon the modelling and data from its sources, cited below.

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SIXTIETH SESSION
2-6 DECEMBER 2024
YOKOHAMA, JAPAN

**Matters Pertaining to Article 44 of the International Tropical Timber Agreement
(ITTA) 2006**

Annex 3 Proposed Draft Decision 4(LX)
(Item 11 of the Provisional Agenda)



INTERNATIONAL TROPICAL TIMBER COUNCIL

Distr.
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ITTC(LX)/...
xx December 2024

Original: ENGLISH

SIXTIETH SESSION
2 - 6 December 2024
Yokohama, Japan

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;

* * *