

Minutes

DECISION 4(LVI) ADVISORY BOARD TELECONFERENCE 1-2024

Thursday, 2 February 2024

19:00 – 20:37 JST

PARTICIPANTS:

Members:

Advisory Board/Informal Advisory Group

Ms. Anna Tyler	Chairperson ITTC
<i>Pending nomination</i>	<i>Vice-Chairperson ITTC</i>
Mr. Muhammad Zahrul Muttaqin	Producer Caucus Spokesperson
<i>Pending nomination</i>	Consumer Caucus Spokesperson
Mr. Pyoabalo Alaba	Consumer Caucus Vice-Spokesperson
<i>Pending nomination</i>	Chairperson CFA
Ms. Catherine Karr-Colque	Chairperson CEM & CFI
Mr. Jorge Mario Rodríguez	Chairperson CRF (absent)
Mr. Yasuyuki Kobayashi	Representative of the Government of Japan
Mr. Chen Hin Keong	Coordinator Civil Society Advisory Group, CSAG
Mr. Barney Chan	Coordinator Trade Advisory Group, TAG (absent)

ITTO Secretariat

Ms. Sheam Satkuru, Executive Director
Mr. Nurudeen Iddrisu, Director, Trade and Industry
Mr. Gerhard Breulmann, Director, Operations
Mr. Simon Kawaguchi, Finance & Administrative Officer
Mr. Tomiji Shudo, IT Assistant
Ms Miwa Tsukui, Assistant

Observers

Mr. Hiroyuki Saito, Ministry of Foreign Affairs, Japan
Ms. Akiko Tabata, Forestry Agency, Japan

AGENDA

Advisory Board Meeting Agenda

1. Updates from the last meeting by the Executive Director
2. DRAFT ToRs for Review of Programmatic Approach in 2024
3. Progress with the GCF accreditation process and conditions proposed by the accreditation panel
4. Other Matters & closing

The virtual meeting was convened at 7:02 pm Japan Standard Time (JST) on Tuesday, 6th February 2024 with the above participants and chaired by the Chairperson of the ITTC, Ms Anna Tyler.

Welcome by the ITTC Chairperson and the Executive Director

The ED welcomed the members and the Chairperson and before giving the floor to the Chairperson, made the announcements below:

- **Mr Nurudeen Iddrisu** was appointed as the new Director of Trade and Industry, replacing Dr Steve Johnson
- **Ms Jennifer Conje** will be joining the ITTO on 12th February 2024 from the US as the new Director of Forest Management, replacing Dr Hwan-Ok Ma

The ED welcomed both members to the ITTO team.

Ms Tyler sent her congratulations to Mr Nurudeen, welcomed him to the ITTO team and also expressed her excitement on Ms Jennifer Conje joining soon. She said that she is looking forward to working with both of them in a new capacity and complimented the Secretariat on its ability to attract such good talents. She handed the floor to Mr Iddrisu for a few words.

Mr Iddrisu thanked everyone and thanked the ED for the opportunity. He commenced his appointment on 1st February and felt that it was a great honour and pleasure to be welcomed by the Secretariat. He is aware that although he is already associated with everyone at Council and Working Group meetings, he is aware that he has big shoes to fill and he looks forward to working with everyone. He is sure that a fruitful year was ahead and that he looks forward to seeing everyone again at Council.

Ms Tyler asked if anyone had any comments to Mr Nurudeen and gave the floor back to the ED.

The ED introduced those present in the meeting from the Secretariat to the group as listed on page 1.:

Agenda 1: Updates from the last meeting by the Executive Director (ED)

The PowerPoint presentation detailing the updates since the last meeting was provided in the Progress Report on the Implementation of ITTO's New Financing Architecture Phase 2, Decision 4(LVI) and 8(LVII) by email prior to the meeting and the Executive Director (ED) shared the presentation on the screen.

Item 1 – Engagement with other bodies called for by Decision 8(LV) and 4 (LVI):

The ED explained that as always, for ease of reference, the format of the presentation has been kept in the same manner as shown in previous meetings. Recent developments since the ITTC59 are in red text and those in black texts are those that have already been reported.

Engagement with GEF:

- ✓ Nothing new to report at this point but Secretariat will be following up with GEF and member countries through 2024

Item 2 – MOUs

- ✓ UNFF-ITTO Joint Initiative was signed at the ITTC59 - currently working to operationalize some of the elements contained within
- ✓ The ITTO may hold a side event with UNFF and CITES at the United Nations Environment Assembly (UNEA) in Nairobi at the end of February/early March
- ✓ A meeting with the Secretary General of CITES on this joint event was held on 5th February – it will be a good continuation of excellent collaboration
- ✓ In discussions with CBD to operationalize ITTO-CBD MoU
- ✓ In discussions with JICA on operationalizing JICA-ITTO MoU signed last year
- ✓ The ITTO-UNCCD MoU to be signed at the end of February 2024 when the Executive Director, Mr Ibrahim Thiaw will be in Japan.
- ✓

Item 3 - Establish MoU with UNFCCC Establish MoU with UNFCCC

- ✓ Will be in contact very soon with the UNFCCC. Was not able to meet them at COP28 but will follow through with a letter.

Item 4 - Convey ITTO priorities for GEF-7,8 engage in the GEF Steering Committees

- ✓ Feedback gained in the past from the GEF Steering committee was that getting involved was not the best way forward.
- ✓ Secretariat is in contact with FAO & IUCN who are direct recipients of one of the 8 GEF program funds on forest biomes in Indomalaya. Due to hold a meeting on the 15th / 16th February with FAO and IUCN to explore collaboration prospects for the ITTO to be part of the implementation structure.
- ✓ A Representative from FAO Bangkok presented on this project at the ITTC 59 in which ITTO was included as one of the organizations out of the 13 potential partner organizations under consideration. The project is not yet at development stage - more details expected at next week's meeting on progress and which other bodies will be involved.
- ✓ The project is currently looking at Thailand, Laos and PNG. The ITTO has pitched to be joint implementing partners through the provision of technical support to Thailand and PNG (as Laos is not an ITTO member country).
- ✓ Might be difficult to get PNG authorities on board in the next 3 or 4 months considering the acute situation there, but the Secretariat is staying optimistic that this project will go further. However, this will depend on if the FAO and IUCN decide to include ITTO in this project.

Item 5 Formal accreditation to the GCF

- ✓ The ED reported that a video conference was held today with the GCF secretariat. The ITTO submission is now finalized. The GCF Secretariat will finalize the documentation with recommendations from the Accreditation Panel members for consideration of the GCF Board.
- ✓ In order to complete the submission, the Accreditation Panel requested ITTO for its internal audit processes to be overseen by the Committee of Finance and Administration (CFA). Secretariat will propose the CFA mandate to be amended and submitted for approval at the ITTC 60. Upon approval, it will be fed into the GCF mechanism.
- ✓ The GCF's Accreditation Board Meeting will take place 25th & 26th March with the recommendation from the Accreditation Panel and decisions made on the 2nd day. The ED explained that accreditation was not yet guaranteed. Secretariat will be in close contact with the GCF colleagues and the Accreditation during this meeting.

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

- ✓ Secretariat is increasing its efforts to enlarge the TAG participation the CSAG participation where both need funding contributions to advance their work.
- ✓ Newer participation in the TAG/CSAG was successful last year and will grow even more this year towards ITTC 60.
- ✓ The establishment of a Youth Group was discussed at the ITTC 59 and deferred to ITTC 60.

Agenda 2: Timeline and the Terms of Reference (ToR) for the review of the programmatic approach

Implementation of Decisions 8 (LVII)

The ED noted that the Terms of Reference (ToR) for the review of the Programmatic Approach was presented at ITTC 59 and asked the Advisory Board if they agree with the Draft Terms of Reference presented, inviting amendments as necessary.

She explained the process after the Draft is agreed:

- ✓ More details can be added to the ToRs
- ✓ Once ToRs are agreed and approved by the Advisory Board, the consultant will be engaged in the first half of 2024 to conduct the review- aimed completion by September for dissemination to members.

Implementation of other Decisions

The ED explained that most of these are either completed or ongoing and raised the following decisions which had updates:

Decision 5(LIX) Working Group on Article 44 of ITTA

- ✓ First PWG meeting will be held in H2 February 2024. Draft Survey questions are being drafted now and the Secretariat is in contact with potential consultants.
- ✓ Members of the PWG will be notified next week or on tentative dates - most likely in the 3rd or 4th week of February.

Decision 7(LVIII) Article 15 of the ITTA –

The ED touched on the list of organizations that the Secretariat have been in contact with that includes organizations such as UNCCD, AFoCO, JICA, UNFF, FAO, GEF, GCF, CITES, CIFOR-ICRAF, IUFRO, UNEP, COMIFAC, APEC, ADB, Japanese authorities etc.

She commented on a recent development with the Central African Forest Initiative (CAFI) with whom discussion have been ongoing for 3 years:

- ✓ The Secretariat is in contact with the CAFI on potential projects (technical, capacity building, workshops)
- ✓ Through this contact with CAFI, another avenue was found to engage with the Common Fund for Commodities (CFC) on a potential project partnership under CAFI funding. ITTO had engaged with the CFC in the very early years when the ITTO was first established but once donor funding came through from member countries, the CFC moved away from Forestry and the ITTO to pursue other areas of work. The ED had recently learned that they were currently applying for CAFI Accreditation and this would be a bridge to work with CAFI while ITTO is undergoing accreditation with GCF. When the ITTO explored CAFI Accreditation in September/October last year, CAFI had told them that any accredited body under the GCF would be almost automatically recognized for direct funding from CAFI.
- ✓ Work has just begun and a video conference meeting will be held on 7th February on how ITTO can potentially work with them.
- ✓ The actual project of the CFC will be based more on Agriculture and Food Systems in order to encourage collaboration between CFC and ITTO as ITTO is currently unable to receive direct funding from CAFI.

However, information from the CAFI representative with whom the ED met at the GLSTF 2023 in Macau suggested that the project proposal includes afforestation. The details would still need to be confirmed on several matters including financing. From the information received, it appears to be administration of 0% loans for implementation or execution of elements contained within the project document in return for an output-based payment to participating countries or companies. The ED explained that the forestry element that is being contemplated for inclusion into this project proposal with the CFC would include the private sector companies seeking either legality, verification or certification.

- ✓ The Secretariat has made it very clear that ITTO is not in a position, nor does it have the mechanism to administer loans, so this would need to be confirmed at the meeting on the 7th.
- ✓ The ED explained to them that the objective of the ITTO is to be a collaborative partner, to offer technical expertise and implementation assistance and the outcome of discussions will be reported to the AB at a later date.

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

The ED explained the Table on Slide 6 of the presentation to the new members of the AB:

- The first yellow column indicates the total submissions received to date.
- The orange column indicates the numbers of CNs that succeeded in being published for donor consideration after being screened and being streamlined in order to meet the CNs submission procedures.
- The third green column are the number of CNs that have received donor interest, and;

- The last blue column indicates the total number of CNs that are to be developed into a full project.

Based on this, the ED explained that since the ITTC 59, the results are as below:

- ✓ Out of 42 submissions, only 2 submissions were received post-ITTC 59; 29 have been published for donor consideration since the beginning including the 3 published since ITTC 59.
- ✓ 10 out of the 29 that were published received donor interest, including 1 since ITTC 59.
- ✓ 10 out of the 29 are to be developed into full projects, including 1 since ITTC 59.
- ✓ The lists of the PDs and the PAs indicates which member countries are beneficiaries, and which donor governments are contributing to funding the CNs, the PDs, and the PAs.

The ED explained that the total of 10 out 29 indicates a +30% success rate in terms of the CNs but it spans over a number of years. She said that she will leave it to the AB to judge what they make of this and foresees that this would be one of the elements that would be taken into account when reporting on the review to Council at ITTC60.

Funding pledged or sought related to the pilot Programmatic Approach 2023

The ED moved on to the next slide (Slide 7) and explained that this is the list of the 10 BWP activities and CNs that succeeded in receiving donor funding with the total of funds received in 2023.

Further explanations on Slide 7:

- ✓ The column on the extreme left of the list indicates what the activities are, fundraising efforts and which BWP activities were involved.
- ✓ The Programmatic lines (PLs), requested to be inserted, are included and judging from the results, the PL1 (Legal and Sustainable Supply Chains) is proving to be the most popular out of the four Council-approved PLs.
- ✓ PL3 on Forest Landscape Restoration (FLR) has finally received 2 donors. This had taken some time to kick-off since the Secretariat reported the last developments on this PL in the publication of the FLR Guidelines for the Tropics, which was the first activity undertaken under PL3.
- ✓ Regarding the status of the activities, 2 are operational; some of the proposals are under review and some are pending agreement with the recipient governments.
- ✓ The last 2 on the list are being developed into projects, and a couple of them that are in Fiji and Costa Rica are pending agreement with the recipient governments.
- ✓ The extreme right column indicates the amount of funding that is attached to each activity. The total funds received amounts to US\$3,886,018. Although still insufficient, the ED expressed that the amount is reasonable.

Programmatic Approach – Total Received in 2023

The ED moved on to the next slide (slide 8) and explained that this slide indicates the annual amount received ever since the Programmatic Approach (PA) began in 2019 with the total for each year as below:

- ✓ 2019 - 2.48 million
- ✓ 2020 - 2.45 million
- ✓ 2021 - 0.76 million (for several reasons explainable as the AB would know)
- ✓ 2022 - 2.57 million and;
- ✓ 2023 - 3.89 million
- ✓ Total of 12.2 million overall over 5 years

The ED thanked all the generous donors who contributed to the PA and the CNs approach and said that although it cannot be reported as a success, she wishes that it moved forward quicker. She is optimistic that in moving forward, the next year or two will bring further progress.

Funding received – Voluntary Contributions (2019-2023)

The ED moved on to Slide 9 and explained that this is a graph that compares the voluntary contributions (VCs) received for the Non-programmatic Approach to those received for the Programmatic Approach between 2019-2023. She pointed out that for 2023, VCs for the PA far exceeded expectations of the previous years. She explained that this was potentially because more member countries and more donor countries understand the approach, and the mechanism is becoming simpler and clearer to use, which explains the 3.89 million received last year.

Projects/activities/CNs pending finance

The ED moved on to Slide 10 and explained that this slide shows the actual projects that flow into ITTO's project bank through the regular project cycle which is still alive and active and pointed out the below:

- ✓ Grand total of 38 proposals worth US\$16.7 million are pending finance - 12 Projects worth US\$5 million, 15 BWP activities valued at almost US\$3.3 million and 11 unfunded CNs at US\$8.3million
- ✓ 3 projects and CNs worth US\$1.4 million were sunset at end January 2024
- ✓ 9 projects and CNs valued at US\$3.8 million are due to sunset during 2024
- ✓ 11 projects and CNs are due to sunset in less than a year's time valued at US\$7.5 million

The ED expressed her concern on this situation, stating the Secretariat's fear on member countries losing interest in the mechanisms of the organization, as all the above submissions go completely ignored and remain unfunded.

Q & A

The Chairperson Ms Tyler thanked the ED for the thorough update and said that she will shortly invite questions and comments from the AB but before that, she wanted to note that the presentation covers a lot of the Secretariat's activities and progress and she was pleased to see the number of MOUs that have been signed. She said that she hoped that they can see some activities flowing from those in due course.

Further comments from the Chairperson:

The sunset/sunsetting projects: it is always sad for everyone to see those sun-setting, given the effort that is required to get them to that point.

The Programmatic Approach: is certainly trending in the right direction although it is certainly not fast enough to make up for the number of projects or to absorb the projects that are sun-setting and she wondered if there is the opportunity, if they don't already, to circulate the projects that are up for sun-setting to the membership just to raise awareness and visibility, for any last opportunity for members to consider contributions to that work and asked for any thoughts from the floor.

She then gave the floor to Ms. Karr-Colque who had raised her hand.

Ms Karr-Colque US asked the following questions:

Q. Can you remind us of the timeline on the submission proposals published for donor consideration and receiving donor interest for developing those into projects?

Ms Tyler gave the floor to the ED to respond.

The ED thanked Ms Tyler, welcomed Ms Karr-Colque to the meeting and gave the answers below in response to her questions. She asked her if she was talking about actual project submission to the regular project cycle, or if she was referring to the CNs approach, which is slightly different. Ms Karr-Colque responded that she was referring to the CN approach.

A. The CN approach will only be developed into a full project provided there is donor interest in funding them. If a donor does not indicate interest, then they remain as CNs pending finance. The donor interest can happen as soon as a donor expresses an interest in funding it, and the development can happen as soon as that donor interest is communicated to Secretariat. If so, the Secretariat moves very quickly to work with the country that has submitted the CN in order to produce one, usually within about a month at the longest, depending on how big it is and how much work is involved.

The ED continued to say that in relation to this question, one important element for the AB's consideration, which would also need to go to council, is how do we deal with the existence of both the CN approach and the Regular Project Cycle (RPC)? She said that they hardly see any of the projects that are being submitted through the RPC succeed in obtaining any funding. A lot of it now happens to be either through the BWP activities in continuing or supporting expansion of BWP activities according to what's in the BWP, or for individual CNs being submitted/requested by member countries. This is an important discussion, first raised from in 2019, when the Finance Working Group was working on the PA, but at that time, it was premature to decide what to do and it still remains a matter that is pending attention.

Ms Tyler thanked the ED and commented that this is a good segue to perhaps expand the conversation and invite any responses on this last point that the Secretariat has just made around whether we are ready to open that conversation at the next council meeting.

She then gave the floor to Mr Muttaqin (Indonesia).

Mr. Muttaqin thanked everyone and the ED for the very extensive explanation and asked the question below:

Q. Regarding the ongoing engagement with the other bodies, especially in the Youth Group that was discussed at the ITTC 59, and then deferred to ITTC 60. What does the Secretariat propose for the next round of this discussion before the ITTC 60?

Ms Tyler gave the floor to the ED to respond.

A. The ED reminded everyone of the discussion that was carried out on the Youth Group at the ITTC 59 and that it was proposed by the Secretariat because they believe that youth can bring value to ITTO's work. But from the discussion that ensued, it became quite clear that members were either not ready to discuss the matter further or to take a decision on it at the ITTC 59. The ED was not sure what it was that held back the discussion or held certain members from believing that youth have value to add to the ITTO's work. Perhaps due to it being very late in the evening, the discussion seemed to be going around in circles.

She continued that Secretariat proposes for this be considered again at the ITTC 60 to allow members to discuss further. As she said at ITTC 59, the engagement with youth could be a “Youth Platform” which would provide the space to engage with youth and involve them in ITTO's work.

She understood that it might be a matter that is quite difficult for certain members to see the youth as equivalent to the CSAG and the TAG.

She said that although Council was not yet ready to take a decision and contemplate what kind of engagement ITTO could have with the youth, Secretariat will continue engaging with the different youth groups that they are already engaging, for example the International Forestry Students Association (IFSA). The Secretariat sees them at almost every international event that they participate in, and they invited one of them to participate in one of ITTO's side events at the COP 28 last year. She reported that it was very well attended with youth bringing their counterparts. She commented that the exchange that they had during the event was amazing and lively as they have different perspectives. They are in awe of what the ITTO does as an organization, and of course want to be more and more engaged.

A video conference call with IFSA post COP28 has outlined a few more events this year where they could potentially be involved in side-events being planned or in forums that they plan to attend. Depending on the agenda and the topic, they could be invited to contribute as these students are more than willing to engage further.

The ED mentioned meeting the Climate Justice Group at the Three Basins Summit hosted by Congo, Brazzaville last year who are involved in a wide-ranging area of work. She is in contact with this group through Whatsapp, the preferred mode of communications which shares information on activities and events happening on the ground in their own countries, regionally and internationally, good and bad.

This is another way of exchanging information. And she reported that this group have expressed their interest in getting involved in the ITTO's work. She noted that the Climate Justice Network's coverage is a little outside the mandate of Secretariat and not within the ITTA. Hence, caution will be exercised in what and how to engage on.

Another request was received from a Youth Representative of one of the Amazon Basin Indigenous Peoples and Communities, who wanted to know more about the ITTO and be more engaged. It is through such potential parties that Secretariat will be able to enhance work with youth. This Representative from the Amazon basin is again a young woman who works on asserting indigenous peoples and local communities. She pointed out that these are actually the areas of work that other international donors are working very much on. She gave a few examples of organizations like the GCF, the GEF and WRI that have a few PLs on this. She said that the Secretariat will continue their engagement with these different groups that are actually gravitating towards the ITTO. She believes that the reason must be that they would like to be part of the makeup of the ITTO. She assured everyone that the Secretariat is very conscious that some of the work areas that these groups are involved in are not strictly within ITTO's mandate – they will be filtered.

It will be the Council's prerogative and at its discretion on whether this matter is discussed at the ITTC60. She is aware that many members were a little surprised as to how stilted the discussion became at the ITTC 59.

Ms Tyler thanked the ED and provided her own view on how the discussions on the Youth Advisory Group played out at the ITTC59 saying that, having done a quick web search after council, she had also found a similar example in the FAO reports where they were rather fraught on their youth body and wondered

whether there was some spillover as the FAO discussion was quite recent, and if there was a bit of a carryover of the issues that came up from there. Her personal view was that it was a just matter of time and there is room to discuss more and that she would like to hear proposals from not just the Secretariat but from other members as well.

Ms Tyler asked if there were any more questions from anyone. If not, the next agenda item on the draft Terms of Reference for the PA Review should be discussed, due to occur this year as the ED had noted. She guided everyone to refer to the draft attached in the meeting invitation, inviting the Secretariat to introduce it and follow with discussions after.

Agenda 2: Terms of Reference for the Consultancy to Implement the Review under Decision 5(LIV)

The ED mentioned at the start of the meeting that the ToRs was shared with the AB prior - these ToRs will be the basis for the review under Decision 5(LVIV). The AB shared these ToRs with Council when they presented its report and presentation at the ITTC59. As all are aware, the review on the PA was postponed again for another year to allow more time to ascertain if the PA is yielding members' expectations or whether it's a measure that is deviating from what the ITTA intended to achieve for its membership.

The ED said that the Secretariat had suggested this for the consideration of Council and asked Mr Kawaguchi to take them through the ToRs.

Mr Kawaguchi thanked the ED and went through the proposal:

- ✓ The proposal is to hire 1 or 2 consultants as a normal practice to assist the ED in the evaluation of the effectiveness of the operation of ITTO's new financing architecture (Programmatic Approach).
- ✓ The TORs or the consultants to cover are in the bullets below:
 - Development of the detailed methodology for the evaluation of the (PA) pilot operation, including the long-term effectiveness and feasibility of the pilot approach
 - Review and analyse the relevant documentation for the PA pilot operation, including Council documents and decisions
 - Development and implementation of surveys and consultations with relevant stakeholders including, but not limited to ITTO Country Focal Points, donors, Executing Agencies, ITTO Secretariat staff, consultants, CPF members, international agreements/organizations, etc.
 - Compilation, analysis and aggregation of evaluation data/results
 - Preparation of the PA Evaluation draft report
 - Submit the final draft PA Evaluation report to the ITTO Secretariat (by 30 June 2024)
 - Secretariat to present the main findings and recommendations to the Council at its 60th ITTC in Yokohama, Japan in November 2024.
 - Subsequent to the ITTC60, prepare the final PA evaluation report (and any annexes), integrating the comments received during the ITTC60
 - As requested by the ITTO Secretariat, prepare draft articles for publication in the ITTO TFU magazine (and/or other publications including the ITTO website)

The ED sought the AB's confirmation on whether the above points/ToRs are agreeable to the AB. Secretariat is already in contact with a consultant who worked on the ITTO's Finance WG in formulating the ITTO's PA and PL. The Secretariat is of the view that he would be the best person to assist in this work.

The Secretariat is having great difficulty in identifying a suitable consultant from a producer country and would welcome any suggestions from the AB/Producers.

Ms Tyler thanked Mr Kawaguchi and the ED and raised a question to the AB for consideration on if there really was a need for 2 consultants considering the constrained budget. Although the idea to have two came from best intentions to have balanced views and for the work being shared equally with the caucuses, if a consultant is well qualified, they should also be balanced in their view and professional - it's about the quality of the advice. She encouraged everyone to consider as it seemed like an added cost.

In addition, she asked everyone to note the timing of this consultation and asked if everyone thought that there was sufficient time to submit a final draft and the evaluation report by the 30th of June. If it's envisaged that a survey needs to be done, does the Terms of Reference cover the activities envisaged?

She opened the floor for any observations or comments and gave the floor to Ms Karr-Colque (US) who had her hand raised.

Ms Karr-Colque (US) commented that regarding the timing, it was hard to make the judgement without seeing the proposal for a methodology. She wondered if there will be any opportunity during the process to receive a little bit more information on what the consultants are proposing for the actual methodology for the report or whether that would be a completely internal process that is only shared within the Secretariat.

Ms Tyler then passed the floor to Mr Kobayashi who had his hand raised.

Mr Kobayashi thanked the ED and Secretariat for the explanation on this item and had the 2 questions below:

- What is the estimated cost and total budget for the cost of the consultants?
- Looking at the ToR and seeing that some evaluations will be made this year, Japan's view is that the timeline and methodology of the PA review should be shared not only with the AB but also with member countries as this review was issued from a past council decision. What is the Secretariat's view on this and if they share the same view, how does the Secretariat plan to reflect the member countries' opinions on the methodology and timeline?

Ms Tyler thanked Mr Kobayashi and gave the floor to the Secretariat to respond.

The ED thanked Ms Karr-Colque and Mr Kobayashi and responded to the questions as below:

The budget for 2 consultants

The ED explained that the budget was already approved at Council in 2018 and 2019. The Secretariat has been very prudent on expenditure and there is currently a balance +-US\$100,000. She said that the Secretariat does not plan to spend the total amount on consultants and has other plans to utilize this budget in conjunction with the consultants conducting this review.

Whether there is a need for 2 consultants in times of tight budget lines?

The Secretariat advised sticking to the convention purely because it is quite a highly sensitive matter when talking about financing that is coming into the organization (i.e., the modes of financing and the changes in procedures that have impacted on financing of projects and CNs over the last five-six years).

She explained that the discussion on financing commenced at the Council Session in 2017 and 2018, resulting in the various Council decisions subsequently. Producing and Consuming countries may have varying views on how these mechanisms are currently working and whether it is actually benefiting the organization as a whole.

Therefore, she said that the Secretariat's advice would be to proceed with two consultants rather than just the one. She fully agrees that consultants are meant to be working professionally and be fair and balanced in their approach. But Secretariat has experienced in the past where, as much as they try to do this, if the consultant comes from one caucus, then the other caucus is not satisfied and so in order to maintain the harmony that currently exists amongst council members and the two caucuses at this point, it would be best to continue with this approach. This of course is dependent on qualified consultants being available and willing to undertake this task.

She assured everyone that Secretariat will of course be very prudent on expenditure, highlighting that the work involved is quite extensive in terms of consultations. Under Decision 5(LVIV), it actually requests the ED to undertake a review of the implementation of this decision, which includes the long-term effectiveness and feasibility of the pilot PA, and that the outcome report will be provided to members no later than 90 days prior to the consideration of the outcome report at Council.

She said to be a fair and open-minded and balanced ED, she feels it would be necessary to get the consultants to do this work so that it will not be just her communication to everyone on whether this PA is a success or a failure. She explained that this is the reason why she would prefer to get independent views involved so that there is a far more balanced outcome report going to Council for its consideration. She added that they will of course guide the consultants in who and what they should be consulting on.

What is the Secretariat's view on asking member countries their opinions on the methodology and the timeline and how does the Secretariat plan to reflect those opinions?

The ED said that unfortunately, they cannot involve the whole membership at this stage, purely because the AB was established under Decision 8(LV) to advise the ED and Secretariat on finance matters. Although it is not an obligation to seek approval of the AB on this issue seeing that the review of the Pais also a finance issue, the Secretariat will nevertheless share relevant information with the AB - it reflects the Secretariat placing trust in the AB and it would be good for it to be vice versa.

The draft questions to the bodies that are to be consulted by the consultant/s will be shared. The ED is very sceptical of consulting the whole of the membership at this stage as it will delay the whole process unnecessarily if insufficient members respond. The outcome report that will be presented to membership, providing the opportunity to have a very open discussion on whether to continue/phase down/terminate the PA – this will largely depend on the kind of feedback received. She said that she hoped that this is sufficient for the AB's consideration at this stage.

Ms Tyler thanked the ED and recognised that this was probably not the occasion to move away from utilizing two consultants but just wanted to make the point and just revisit it. She thanked the ED for her remarks and said it was a good reminder of just how sensitive this piece of work might be and that it potentially will prompt a lot of discussions. And she hoped that it has answered Japan's comments.

Mr Kobayashi (Japan) thanked the ED for her answers but said that he was still a little concerned about the cost of the consultants as the cost is related to ITTO's budget and he was not sure if it should only be AB

members who decide how the budget is spent. He said that also listening to the views of other members, he was still concerned that it would cause some issues on how the budget is spent and asked the Secretariat on their views concerning this.

The ED thanked Mr Kobayashi for raising these additional questions, and said that as she mentioned earlier, the budget is already council approved from some years ago. The Secretariat will not utilize any additional funds due to the prudence in expenditure, already approved in 2018 and 2019.

She assured him that due to these cost savings, they are not eating anymore into ITTO's resources or ITTO's budget and the funds are already available. She repeated that there is a balance of US\$100,000 and Secretariat has no intention of utilizing the whole amount. Expenditure will be based on the most prudent consultancy type costs that are usually used with qualified consultants where it is hoped that a maximum of US\$40,000 will suffice. If so, there will still be a balance of US\$60,000 of Council-approved funds to be utilized to execute this work.

In the interests of fairness, complete transparency and honesty with the AB, the ED is informing the AB on her intentions on how to proceed with this work and amount of funds to be spent. She said that she hoped this answered Japan's questions. She repeated that the Secretariat will keep the AB informed as it is the AB that is entrusted by Council to advise on fiduciary matters. She said that the review itself is actually quite a straightforward exercise as the figures in the shared PowerPoint presentation speak for themselves. Having said that, what she as ED believes is more important is actually obtaining members views and opinions on the matter.

She continued that the review will examine the implementation of the PA - what was involved, how it was released and implemented it and the results of implementation after five years on how much funds the PA successfully attracted over this period. The consultants will highlight key elements for Council's attention and it will be for members to have an open discussion, deferring it to the CFA if necessary for the next steps to be taken on the PA and the RPC. She reminded everyone that this does not have to be finalized at the ITTC 60 . This review will reveal funding received, types of projects that have attracted donor funding, the kind of donor it has attracted, who the key donors are and whether membership actually see the PA as a success or not, as the case may be.

The CN approach attracted US\$ 3.8-3.9 million. However, a bank of US\$16 million worth of unfunded projects remain. It could be a toss-up between the average of the PA worth less than US\$ 3million per year as opposed to US\$16 million worth of unfunded projects for 1 year. She said that this is the discussion that Council needs to have and this is when membership will hopefully speak their minds. She said that for the amount of available funds and the timescale within which this review needs to be completed, it is counter-productive to involve membership views at this stage. What would involve membership views would be for the decision for the ITTA 2006 extension although this is an entirely different process.

She said that she hoped that this addresses Mr. Kobayashi's question and gives him assurance that Secretariat will do what is required of them.

Ms Tyler thanked the ED and gave the floor to Mr Kobayashi.

Mr Kobayashi thanked the ED for the explanation but said that he still feels the methodology and Terms of Reference should be shared with the member countries as they all have a great interest in this process, especially on how the review is conducted, on which point it is to be conducted and what kind method

should be introduced. He expressed his concern that some members might be surprised to be presented with the sudden review as they have no knowledge of this process and then might not be happy that they were not included in the discussion. Therefore, he felt that it might be better to keep the members in the loop and discuss this with them than to just blindly report the results.

Ms Tyler thanked Mr Kobayashi and suggested to the Secretariat whether issuing a communication to all member countries, letting them know that this work is going on, that they might be approached and informing them what the process is and what the consultants will be conducting might be useful. She added that also by doing this, they can seek their support in responding to the surveys in a timely fashion so that there's some communication around the work that's going on. She wondered whether that would help with ensuring that membership is aware it's going on, what it's about and the scope of it.

The ED thanked Mr Kobayashi and Ms Tyler and said that of course, under standard procedure they will issue a communication to all members to inform them of this process, just like they do with every exercise involving membership. She said that what she had meant earlier was that Secretariat cannot be contacting focal points individually on what the consultants will be carrying out for the purpose of this exercise. She assured there will be no question about the transparency and once the consultants are engaged, she as ED will send an email to membership to inform them that they are now commencing this work, the consultants who have been engaged, the ToRs etc., with a deadline by which they would need to respond with the consultants copied in. Therefore, she said that she did not understand Mr. Kobayashi's concern on transparency as this was standard procedure and the Secretariat are very much open and transparent and she hoped that this satisfied his concerns.

Mr Kobayashi thanked the ED for the explanation and said that he will double check the past decisions as he remembers that this decision was decided by all members and if he finds any problems he will contact the Secretariat at a later date.

Ms Tyler thanked the ED and Mr Kobayashi and in the absence of further comments, moved to the next Agenda Item.

Agenda 3: Progress with the GCF accreditation process and conditions proposed by the accreditation panel

Ms Tyler explained that this was already referenced to earlier but asked the ED if there was anything further that needed discussion or for the AB to consider or if the Secretariat needs specific agreement or further direction from the AB on this agenda item.

The ED said that there was nothing else to report in addition to the previous explanation as it was already covered extensively in her presentation but that she wanted to request if any AB members had colleagues who are currently on the GCF board, which will be meeting on the 25th and 26th of March 2024, to please inform them beforehand that the ITTO will be going in for board consideration to be approved as an accredited organization and to please implore them to support ITTO's application.

She raised an example where, the most recent member, Canada who is rejoining ITTO had already offered their assistance as they have a colleague who is represented on the GCF board and she wanted to appeal to all AB members who are in this meeting right now to do the same and urge support for ITTO's accreditation.

Agenda 4: Other Matters & closing

Ms Tyler thanked the ED and asked everyone if there were any other matters that the members wish to raise. She said that she personally was interested to hear a little more detail on the ITTA extension process and whether preparations for a decision by written procedure are on track and progressing and when they can expect communication on that?

- **ToR approval**

The ED thanked Ms Tyler and said that there were two points that she wanted to discuss in addition to the question that Ms Tyler asked about the ITTA 2006 extension process. She said that firstly, she would like to confirm that the Secretariat has the AB's approval to move forward with the ToRs presented earlier and invited last comments – this approval is necessary as the work needs to commence immediately.

Ms Tyler confirmed that as there was no objection from the AB and Secretariat may proceed.

ITTA 2006 Progress and Communication of the next meeting thereof.

She then moved on to answer Ms Tyler's question regarding the ITTA 2006 Extension. She said that the work is in progress as explained earlier and that she will contact the new Preparatory Working Group (PWG) with tentative dates for the meeting and the agenda for discussion. They are still contemplating the consultants that they need to engage to carry out the work, particularly with the external survey with CPF members and other collaborative organizations that they work with. She explained that the survey itself will be a relatively short one and not as extensive as the one that went to the Focal Points and that in no manner will the external parties be consulted on the extension of the agreement as this has nothing to do with them. She said that the Survey will focus more on how they can increase their collaborative efforts with the ITTO, whether they feel the ITTO could be more effective, and other general matters. She reiterated that it will by no means be anywhere close to the kind of questions that membership had to answer.

She said that she trusted that Ms Tyler agrees, explaining that the Secretariat's firm belief was that external parties should not be dictating to members of the organization on how the organization should be or what it should be.

Ms Tyler thanked the ED and asked all members of the AB to note what the ED has just said and that this will give people in the meeting a chance to digest this and start to turn their minds to that piece of work, which will come around the corner very shortly.

The ED agreed with her and said that the Secretariat will be discussing when they should be sending a reminder out to all members on the decision without meeting, so that all members can get their internal procedures right this time in order for Council to be in a position to take a decision at ITTC 60. She noted that this is actually a big milestone for Council as it is the 60th session and will be hosted by the Government of Japan.

Ms Tyler agreed with the ED and said that having the timelines in front of the membership very clearly and in a timely fashion would be very helpful for ensuring that everyone is on track with those procedures.

She then asked if there were any other matters the AB wishes to raise. Seeing no requests, she called the meeting to a close. She thanked the Secretariat for the preparation and response and thanked everyone for their participation.

The ED thanked Ms Tyler and everyone for their very diligent support and contributions to the meeting for the question and reminded everyone that the AB was established with the intention of meeting three times a year. As such, the practice is to hold one meeting early in the year to enable the Secretariat to advise the AB on the work that needs to be conducted for the year and for the AB to be aware of the timelines of what needs to be completed before council. She said that the Secretariat anticipates that the 2nd meeting will be held in either late August or early September or later as was done in past practice in order to finalize what the AB will report at Council. If necessary, one more meeting could be held just before or soon after Council if deemed necessary with all other communications to be done electronically. The Chairperson Ms Tyler will be consulted if the need arises for a meeting.

Update on search for New Consumer Spokesperson

She then requested Ms Tyler for an update on the Consumer Spokesperson explaining the importance of having one as it is the key for communication between members. She said that this can also be done through the general communication channels that involves all members or the separate communications for consumers and for producers.

Ms Tyler thanked the ED and said that she would appreciate if the ED could send that to her and she will endeavour to manage that.

The ED thanked the AB and the Secretariat for their diligence and support.

The meeting adjourned was at 20:37 pm, JST

Summary of things to be considered for ITTC60

- CFA mandate will need to be amended for GCF Accreditation
- Consideration of the “Youth Group” or “Youth Platform”
- Evaluation of the Programmatic Approach over 5 years
- Dual existence of the Programmatic Approach and Regular Project Cycle
- ITTA 2006 Extension

ANNEXE I

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

Item	Description	Status
1. Engage with GEF Secretariat	ITTO letter sent in May 2021, verbal reminders to FPs & international partners at meetings/during consultations	ONGOING Follow-up with Members through 2023 on including ITTO in GEF discussions/projects Brief meeting with GEF CEO at COP15 in Montreal (Dec 2022)
2. MoUs	CBD MoU agreed in Feb 2021; Draft MoUs sent to UNCCD, AfoCO, JICA	CBD COMPLETED AfoCO, JICA & IGES MoUs completed UNCCD COMPLETED, awaiting signature opportunity from UNCCD UNFF-ITTO Joint Initiative signed at the ITTC59 In discussions with CBD to operationalize ITTO-CBD MoU In discussions with the UNFF to operationalize UNFF-ITTO MoU Will be discussing with JICA on JICA-ITTO MoU
3. Establish MoU with UNFCCC	ITTO letter sent in April 2021, response from UNFCCC prior to ITTC58	ONGOING ITTO will be contacting UNFCCC soon
4. Convey ITTO priorities for GEF-7, engage in the GEF Steering Committees	ITTO letter sent in May 2021 to all GEF and CBD focal points in member countries plus CBD Secretariat conveying priorities and informing of relevant projects requiring funds. Letter sent to ITTO Members in Feb 2022 regarding collaboration post GEF-8 replenishment	ONGOING Secretariat in contact with several Producer countries on GEF8 Secretariat in contact with GEF/FAO & IUCN on future collaboration – 3 rd VC held recently
5. Formal accreditation to the GCF	The accreditation process with the GCF continues and is work in progress. GCF launched its new online platform – ED letter to GCF CEO to discuss how this process can be accelerated/decided upon Accreditation process has moved to Stage II and ITTO is working with the accreditation panel to complete any tasks needed.	ONGOING ITTO in contact with GCF Secretariat & GCF Accreditation Panel – aim to complete for GCF Council meeting March 2024

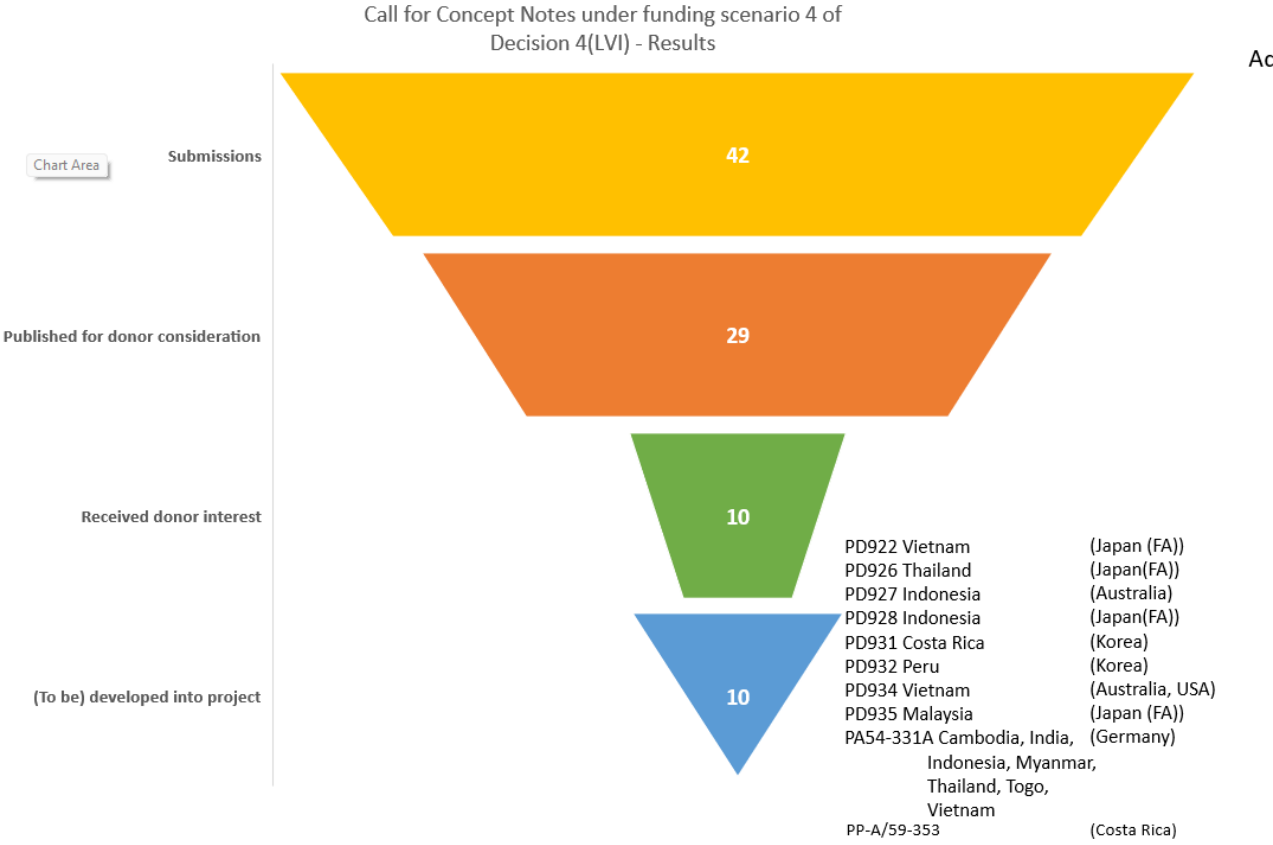
ONGOING Engagement with other bodies called for by Decisions 8(LVII) and 4(LVI)

- Council informed at the ITTC (LVIII) and ITTC (LIX) through various Agenda items and Updates - ITTO diligently continues its close collaboration with ALL partners such as the members of the CPF collectively and individually.
- Examples here are the FAO, the UNFF, CITES, CIFOR-ICRAF, [AfoCO](#), IGES and many others.
- Secretariat is also working on enlarging the TAG participation and the CSAG participation where BOTH need funding contributions to advance their work.
- The establishment of a Youth Advisory Group **was discussed at the ITTC 59 and deferred to ITTC 60** - optimization of the Fellowship [Programme](#) Awardees and incorporating other Youth organizations – custodians of the future!

Implementation of Decisions 8(LVII) – outstanding task

Decision	Description	Status
Decision 8(LVII) Timeline and ToR for Review of PA Second progress report on the implementation of the pilot program at ITTC 58 and third progress report at the ITTC 59. The timeline and ToR for the review at the ITTC 60 to be determined.	Review of PA deferred to ITTC60 (2024). ToR to be defined and consultant to be engaged in first half of 2024.	ONGOING

Decision	Description	Status
Decision 3(LVIII) Working Group on Management of the Admin Budget Extended for one year the mandate of the virtual intersessional working group	Financial Rules updated and published. Working Group held in May and September 2023 – WG proposal adopted at ITTC 59	COMPLETED
Decision 5(LIX) Working Group on Article 44 of ITTA Take a Decision without Meeting by 1 June 2024 on the extension of the ITTA, 2006. Hold the first meeting of the Preparatory Working Group by Feb 2024.	First PWG meeting to be held in the second half of February 2024.	ONGOING
Decision 7(LVII) Article 15 of the ITTA Further pursue measures in international and regional organizations for 2022-23.	UNCCD, AFoCO, JICA, UNFF, FAO, GEF, GCF, CITES, CIFOR-ICRAF, IUFRO, UNEP, COMIFAC, APEC, ADB, Japanese authorities etc Engagement with the Central African Forest Initiative (CAFI) on potential projects Engagement with the Common Fund for Commodities (CFC) on potential project partnership under CAFI funding	ONGOING



Funding pledged or sought related to the pilot Programmatic Approach 2023

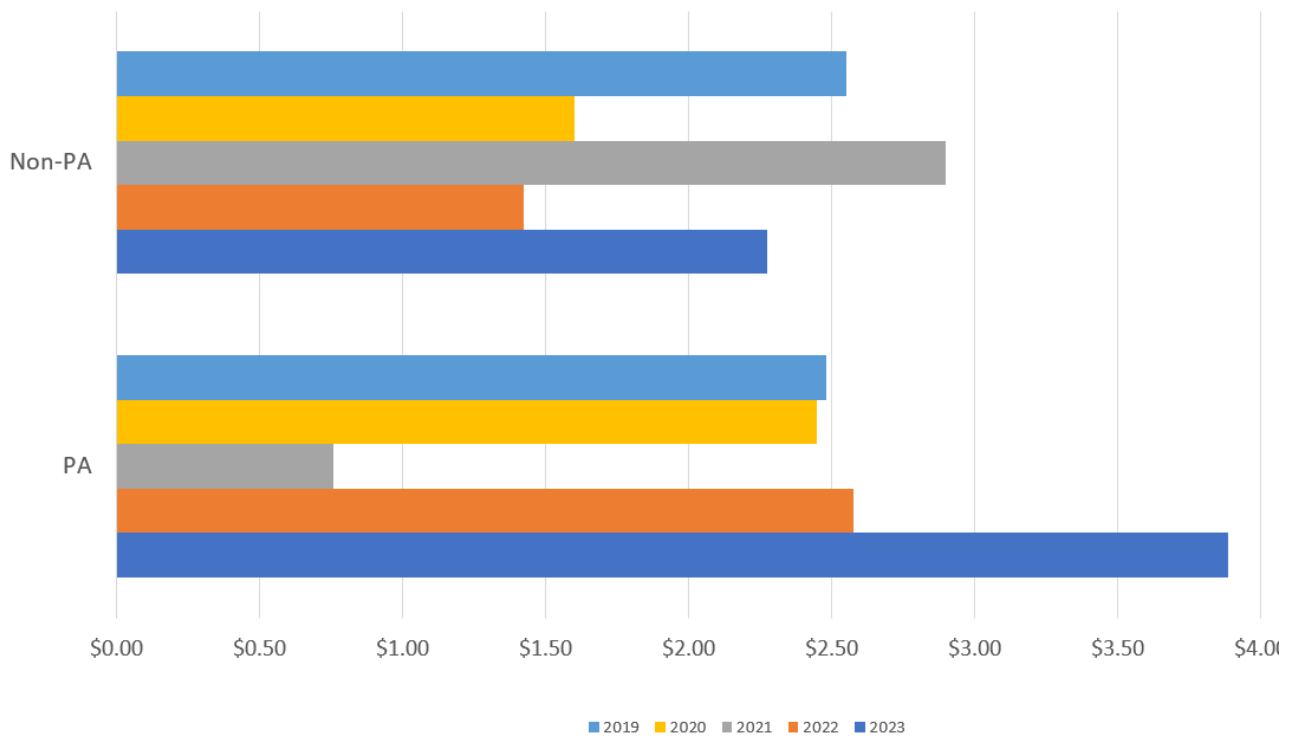
Fundraising efforts	Program Line	Tentative Budget	Status	Actual results to date
2023: BWP Policy Briefs on 3 SWU projects in Southeast Asia	PL 1: LSSC		Operational	USD 15,000
2023: BWP Enhancing Teak Management – Phase II	PL 1: LSSC		Proposal is under BMEL Review	USD 1,413,449
2023: Support for Women’s Groups (Togo) – Phase 3	PL 1: LSSC		Proposal being drafted	USD 75,160
2023: BWP Restoration of Cyclone-affected Mangroves (Fiji)	PL 3: FLR		Pending agreement with recipient government	USD 350,000
2023: BWP Post-COVID Recovery in Costa Rica	PL 3:FLR		Pending agreement with recipient government	USD250,000
2023: BWP Global Timber Index Platform – Phase II (China, Macao SAR)	PL 1: LSSC		Operational	USD 1,140,685
2023: BWP Blockchain-based Timber Traceability System – Phase II (China, Macao SAR)	PL 1:LSSC			USD 326,370
2023: BWP GLSTF, Nov. 2023	PL 1:LSSC			USD 62,000
2023: PD935/23(I) Promoting Sustainable Wood Use for Domestic Market in Malaysia	PL 1:LSSC		Developing into project	USD 212,089
2023: CN-21009 Illegal logging and trade (Cameroon) - balance	PL 1:LSSC		Developing into project	USD 41,265
Totals: 2023				USD 3,886,018

Programmatic Approach – Total Received

Year	Amount
2019	\$2.48 Million
2020	\$2.45 Million
2021	\$0.76 Million
2022	\$2.57 Million
2023	\$3.89 Million
Total	\$12.2 Million

Average of US\$ 2.4 million per year x 5 years

Funding Received - Voluntary Contributions (2019-2023)



Projects/activities/CNs pending finance

Pending finance	Total budget	No.
Projects	\$5,049,990	12
BWP activities	\$3,299,185	15
Concept Notes	\$8,298,761	11
Total	\$16,647,936	38
<i>Projects and CNs Sunset by the end of Jan '24</i>	<i>\$1,408,962</i>	<i>3</i>
<i>Projects and CNs Sunset during 2024</i>	<i>\$3,792,079</i>	<i>9</i>
<i>Projects and CNs Sunset after 1 Jan 2025</i>	<i>\$7,501,341</i>	<i>11</i>

Note: 3 CNs (\$587,834) + 7 projects (\$3,853,740) were sunset in 2022 with a total budget of \$4,441,574.
 3 CNs (\$382,369) + 6 Projects (\$1,914,177) have already been sunset in 2023.
 3 CNs (\$1,408,962) have already been sunset in 2024.

Terms of Reference for the Consultancy to Implement the Review under Decision 5(LIV)

Two consultants (one from a producer member country and one from a consumer member country) shall assist the Executive Director in the evaluation of the effectiveness of the operation of ITTO's new financing architecture (Programmatic Approach and Lines).

The responsibilities of the Consultants include, *inter alia*, the following:

- Development of the detailed methodology for the evaluation of the Programmatic Approach (PA) pilot operation, including the long-term effectiveness and feasibility of the pilot approach
- Review and analyse the relevant documentation for the PA pilot operation, including Council documents and decisions
- Development and implementation of surveys and consultations with relevant stakeholders including, but not limited to ITTO Country Focal Points, donors, Executing Agencies, ITTO Secretariat staff, consultants, CPF members, international agreements/organizations, etc.
- Compilation, analysis and aggregation of evaluation data/results
- Preparation of the PA Evaluation draft report
- Submit the final draft PA Evaluation report to the ITTO Secretariat (by 30 June 2024)
- Present the main findings and recommendations to the Council at its 60th meeting of the ITTC in Yokohama, Japan in November 2024.
- Prepare the final PA evaluation report (and any annexes), integrating the comments received from the Council
- As requested by the ITTO Secretariat, prepare draft articles for publication in the ITTO TFU magazine (and/or other publications including the ITTO website)

ADVISORY BOARD 2-2024
Tuesday, 26 November 2024
19:00 – 19:40 JST

PARTICIPANTS:

Members:

Advisory Board/Informal Advisory Group

Ms. Anna Tyler	Chairperson ITTC
Mr. Muhammad Zahrul Muttaqin	Producer Caucus Spokesperson
Ms. Aysha Ghadiali	Consumer Caucus Spokesperson
Ms. Catherine Karr-Colque	Chairperson CEM & CFI
Mr. Pyoabalo ALABA	Vice-Chairperson of the CFA
Ms. Masami Fukata	Representative of the Government of Japan

ITTO Secretariat

Ms. Sheam Satkuru, Executive Director
Mr. Gerhard Breulmann, Director of Operations
Mr. Nurudeen Iddrisu, Director of Trade and Industry
Ms. Jennifer Conje, Director of Forest Management
Mr. Simon Kawaguchi, Finance & Administrative Officer
Mr. Alastair Sarre, Consultant
Mr. Tomiji Shudo, IT Assistant
Mr. Wayne Koay, IT Assistant
Ms. Naho Tamura, Programme Assistant
Ms. Miwa Tsukui, Assistant, OED

Observers

Mr. Hiroyuki Saito, Ministry of Foreign Affairs, Japan
Mr. Keichi Takahata, Forestry Agency, Japan
Mr. Tomoyuki Honda, Forestry Agency, Japan

AGENDA

Advisory Board Meeting Agenda

1. Updates from the last meeting by the Executive Director
2. Report and discussion on the review of the effectiveness of the Programmatic Approach
3. Discussion on draft decision to be tabled to Council by the Executive Director
4. Other matters & closing

The virtual meeting was convened at 7:00 pm Japan Standard Time (JST) on Thursday, 26th November 2024 chaired by the Chairperson of the ITTC, Ms Anna Tyler, with the above participants attending.

The ED noted that the following registered participants as absent:

- **Mr Chen Hin Keong** from CSAG
- **Mr Barney Chan** from TAG
- **Mr Pyobalo Alaba**, the Vice-Chair of the CFA
- **Mr Jorge Mario Rodriguez**, the Chairperson of CRF

The ED introduced those present as listed on page 1.

Agenda 1: Updates from the last meeting by the Executive Director (ED)

The ED noted that the PowerPoint with the update on the pilot phase of ITTO's New Financing Architecture had been shared a few minutes prior to the meeting.

The ED noted that the previous update had been presented to the AB meeting in February this year and the PowerPoint at this meeting contains a cumulative update on what had been done since January to date. The same presentation will be presented to Council next week.

Engagement with other bodies called for by Decision 8(LV) and 4 (LVI):

The ED noted that some of the items discussed before were now obsolete. The presentation contains items currently being worked on.

The ED invited the Chairperson Ms Tyler to address the meeting.

Ms Tyler thanked all present for joining. She hoped they could have focussed discussions and cover the key issues for Council next week. She thanked the Secretariat for their preparations.

The ED returned to the presentation and thanked the Chairperson and all those present for attending.

Item 1 - Engagement with GEF

The ED stated that work is still ongoing on this. Secretariat is in contact with select GEF colleagues and had repeatedly encouraged member states to include the ITTO on any GEF funded projects in their countries and to incorporate ITTO into the project documents either as an implementing partner or as a collaborative partner. This has not yet happened.

The latest update on GEF was the Forest Biomass project in Asia-Pacific which the ED had informed the AB about when they met earlier this year. They were in contact with FAO Bangkok because this Biomass project was focussed in Asia-Pacific. Secretariat has attended multiple meetings on this project. The latest update

was that FAO Bangkok and IUCN are project leads and the amended project document is now with the GEF Secretariat. The GEF had requested the project document to be amended having informed that the earlier proposal was too ambitious. The other item the GEF had asked the two leads to remove from the project draft were the potential partners, including ITTO. ITTO is one of 18 organizations being considered as potential project partners or implementing partners. FAO Bangkok had indicated that they did not know when they would receive final feedback from GEF but were hopeful of having it by the end of this year. The status of ITTO's involvement in the Forest Biomass project therefore remained unclear.

Item 2 - Memoranda of Understanding (MoUs)

The ED stated that work was in progress on operationalizing MoUs with CBD, AFoCO, JICA, UNCCD and UNFF. Although there is no MoU between the FAO and ITTO, both have a very good understanding of each other's work and continue ongoing efforts with FAO bilaterally and as members of the CPF Joint Initiatives. The MoU with IGES is to be renewed. There are potential new MoUs being explored with the UNU and RESTEC. There would be more information on this during the Council session.

Item 3 - Formal accreditation to the GCF

The ED stated that ITTO was officially accredited by GCF in March 2024. The onboarding process is still ongoing, with work in progress on the financing submission on how best to move forward.

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

The ED stated that Council had been informed fully at the ITTC (LVIII) and ITTC (LIX) through various Agenda items and Updates on this topic. ITTO diligently continues efforts in close collaboration with all partners, such as the members of the CPF collectively and individually, and others. Examples included FAO, UNFF, CITES, CIFOR-ICRAF, AFoCO, IGES and many others. Further, Secretariat continues efforts to grow the participation of TAG and CSAG in the ITTO's work where both need funding contributions to advance their work.

Implementation of Decision 8(LVII)

Decision 8(LVII) mandated the ED to review the Programmatic Approach (PA) and report it to Council. The ED stated that the timeline and terms of reference (ToRs) for the review of the PA was determined at the ITTC 59 where the review is to be circulated for members consideration at ITTC 60 (2024). The review report was conducted by Mr Alexander Knapp, an expert consultant, who was not able to join this meeting. The review report was completed in good time and disseminated prior to Council. If applicable, the AB members could share their views to Secretariat prior to Council. Due to the review not yet being discussed at Council, the status is marked as ongoing.

Implementation of other Decisions

Item 1 - 5(LIX) Working Group on Article 44 of ITTA

The ED stated that the Council took a decision without meeting by 1 June 2024 on the extension of the ITTA, 2006 until 6 December 2029. Under the same Decision, the Preparatory Working Group (PWG) was to commence its work by February 2024, which was done.

Item 2 - 2 PWG meetings held in 2024

The ED stated that PWG I was held in May 2024, and PWG II is the current meeting on 26 November 2024.

Item 3 - 7(LVII) Article 15 of the ITTA

Under this Decision, Secretariat was to report collaborative efforts to Council for 2022-23. In the interest of providing continuity and sharing of information with Council, the ED will update Council at the 60th Session so that all members may be collectively informed at the same time. Collaboration with UNCCD, AFoCO, JICA, UNFF, FAO, GEF, GCF, CITES, CIFOR-ICRAF, IUFRO, UNEP, COMIFAC, APEC, ADB and Japanese authorities had previously been reported on.

Secretariat is engaging with the Central African Forest Initiative (CAFI) on potential projects. Members from the UK and Germany on the CAFI Board had questions on engaging with China and the ITTO's capacity to manage CAFI projects. This suggested a gap in knowledge from those who fed this into the CAFI Board and were probably not the same colleagues involved in ITTO work. Secretariat is working on solving these issues in collaboration with colleagues from China and the CAFI Secretariat.

Engagement with the Common Fund for Commodities (CFC) on potential project partnership under CAFI funding had been reported at the earlier Advisory Board meeting. The project proposal submitted by the CFC has not progressed at the CAFI Board level, similar to ITTO's expression of interest. The CFC had invested their own funds to develop this proposal on the understanding that the CAFI preparatory grant funds would be dispersed as soon as the proposal was submitted, while Secretariat's understanding has not yet happened.

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

The ED stated that 49 submissions had been made from 2020-24, 31 of which were published, 13 received donor interest and 13 were developed into full projects. Since ITTC 59, Secretariat received 9 submissions, with 5 published, 4 of which received donor interest and will be developed into future projects. 13 out of 31 reflected an approximate 40% rate of funding being secured. It is the AB's prerogative to decide whether this was positive or not. The donors consisted of Japan, Republic of Korea, Germany, and Australia and the USA.

Funding pledged or sought related to the pilot programmatic approach

The ED stated that for 2023, Secretariat secured funding for a number of activities and projects linked to PL 1, 2 and 3, with PL 1 being the most successful. The projects listed in the presentation are operational except for one still pending. Total funds amount to USD 2,474,843.

Programmatic Approach

The ED stated that under the PA, the total received from 2019-24 was USD 14.8 million. This averaged USD 2.5 million per year over six years. This is low compared to the levels ITTO should be receiving based on past funding.

Funding Received - Voluntary Contributions (2019-2024)

The ED stated that until 2022, the Programmatic and Non-Programmatic Approach had been even in terms of funding. Funding under the PA increased in 2023.

Projects/activities/CNs pending finance

The ED stated that Slide 11 showed projects and Concept Notes (CNs) pending finance totalling USD 13,691,353, with 31 projects. All the CNs and project notes submitted with the hope of funding were eventually sunset in 2019-2023. For January-October 2024, this totalled USD 4,750,227 for 11, with a further 16 projects totalling USD 10,152,578 facing sunset in 2025.

Next Steps

The ED stated that when the review report and updates are presented to Council, the same questions that have been raised before will be raised again. At this stage, it may be appropriate for Council to consider terminating the pilot phase of the PA and continue with the PA and four Council-approved Programmatic Lines, with another review to be conducted in three years' time (ITTC 64, 2027).

Council should also be requested to consider whether to maintain the Regular Project Cycle (RPC) and run the RPC and the CNs approach in parallel in the hope that they may see a change in the funding situation or collaborative makeup.

In the case the RPC is maintained, Council may wish to discuss whether to keep two cycles per year of the RPC or reduce to one cycle per year. This is due to maintenance of two cycles showing project proposals being received but not funded.

Q & A

Ms Tyler thanked the ED and invited questions.

Q: Ms Aysha Ghadiali asked how the percentage of proposals received and funded in the RPC for example in 2018 (before the CN approach was adopted) compared to the CNs being funded under the PA. She also asked if the ITTO expert panel would still review proposals with donor interest should they move away from the RPC.

A: The ED stated in response to the first question that Secretariat would have to look at what was received in 2018 and it would likely be in the expert panel report for that year. They would check on that and send the information to the AB in the next two days at the latest.

In response to the second question, the ED stated that the Expert Panel would still have a role. The matter for Council's consideration is whether to reduce the RPC cycle to one submission a year instead of maintaining two. Members should still be invited to submit full project proposals if they wished unless Council decides otherwise. The expert panel would still have a role in potentially being requested to review CNs that are developed into full project proposals.

Mr Gerhard Breulmann added that in recent years, the expert panel had only one review as the number of full project proposals received were low and is still decreasing. Last year, only five proposals in total under two deadlines were received, so the expert panel met only once.

The ED observed that the sharp decrease in submissions of project proposals could only be put down to one reason - that projects submitted did not receive funding.

Q: On a separate note, Ms Tyler asked if the Secretariat is still required to propose that the CFA mandate be amended.

A: The ED stated that this is still required. It concerns the ITTO audit process where the GCF felt that the governance of the ITTO should have oversight on that. There will be an additional item of work for the CFA which will be tabled next week. Secretariat is obliged to report to the GCF that this task is approved, hence executed.

There were no further questions.

Agenda 2: Report and discussion on the review of the effectiveness of the programmatic approach

The ED stated that the Decision mandated Secretariat to complete this and report to Council. The review report has already been disseminated to all members and any views from the AB are welcome prior to the discussion at Council next week.

There were no questions in response to Ms Tyler's invitation.

Agenda 3: Discussion on draft decision to be tabled to Council by the Executive Director

The ED stated that this decision would be taken by Council. They could go over the draft decision in the next segment of the IAG.

There were no objections to this proposal.

Agenda 4: Other matters & closing

Ms Tyler thanked the ED for the report.

The meeting was adjourned at 19:40 pm, JST.

ANNEX I**Engagement with other bodies called for by Decisions 8(LV) and 4(LVI))**

Item	Description	Status
1. Engage with GEF Secretariat	ITTO letter sent in May 2021, verbal reminders to FPs & international partners at meetings/during consultations	ONGOING Follow-up with Members through 2023 on including ITTO in GEF discussions/projects Brief meeting with GEF CEO at COP15 in Montreal (Dec 2022)
2. MoUs	CBD MoU agreed in Feb 2021; Draft MoUs sent to UNCCD, AfoCO, JICA	CBD COMPLETED AfoCO, JICA & IGES MoUs completed UNCCD COMPLETED, awaiting signature opportunity from UNCCD UNFF-ITTO Joint Initiative signed at the ITTC59 In discussions with CBD to operationalize ITTO-CBD MoU In discussions with the UNFF to operationalize UNFF-ITTO MoU Will be discussing with JICA on JICA-ITTO MoU
3. Establish MoU with UNFCCC	ITTO letter sent in April 2021, response from UNFCCC prior to ITTC58	ONGOING ITTO will be contacting UNFCCC soon
4. Convey ITTO priorities for GEF-7, engage in the GEF Steering Committees	ITTO letter sent in May 2021 to all GEF and CBD focal points in member countries plus CBD Secretariat conveying priorities and informing of relevant projects requiring funds. Letter sent to ITTO Members in Feb 2022 regarding collaboration post GEF-8 replenishment	ONGOING Secretariat in contact with several Producer countries on GEF8 Secretariat in contact with GEF/FAO & IUCN on future collaboration – 3rd VC held recently
5. Formal accreditation to the GCF	The accreditation process with the GCF continues and is work in progress. GCF launched its new online platform – ED letter to GCF CEO to discuss how this process can be accelerated/decided upon Accreditation process has moved to Stage II and ITTO is working with the accreditation panel to complete any tasks needed.	ONGOING ITTO in contact with GCF Secretariat & GCF Accreditation Panel – aim to complete for GCF Council meeting March 2024

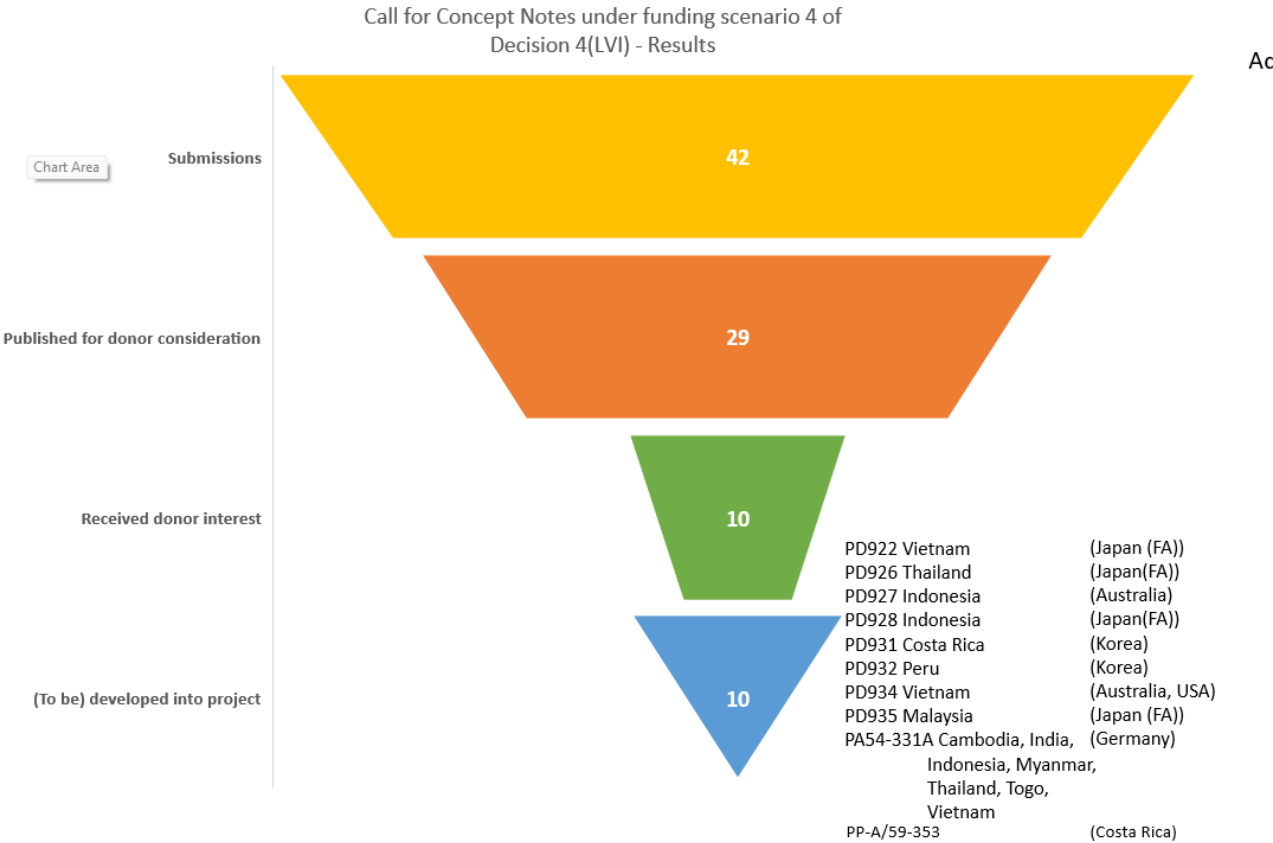
ONGOING Engagement with other bodies called for by Decisions 8(LVII) and 4(LVI)

- Council informed at the ITTC (LVIII) and ITTC (LIX) through various Agenda items and Updates - ITTO diligently continues its close collaboration with ALL partners such as the members of the CPF collectively and individually.
- Examples here are the FAO, the UNFF, CITES, CIFOR-ICRAF, AfoCO, IGES and many others.
- Secretariat is also working on enlarging the TAG participation and the CSAG participation where BOTH need funding contributions to advance their work.
- The establishment of a Youth Advisory Group **was discussed at the ITTC 59 and deferred to ITTC 60** - optimization of the Fellowship Programme Awardees and incorporating other Youth organizations – custodians of the future!

Implementation of Decisions 8(LVII) – outstanding task

Decision	Description	Status
Decision 8(LVII) Timeline and ToR for Review of PA Second progress report on the implementation of the pilot program at ITTC 58 and third progress report at the ITTC 59. The timeline and ToR for the review at the ITTC 60 to be determined.	Review of PA deferred to ITTC60 (2024). ToR to be defined and consultant to be engaged in first half of 2024.	ONGOING

Decision	Description	Status
Decision 3(LVIII) Working Group on Management of the Admin Budget Extended for one year the mandate of the virtual intersessional working group	Financial Rules updated and published. Working Group held in May and September 2023 – WG proposal adopted at ITTC 59	COMPLETED
Decision 5(LIX) Working Group on Article 44 of ITTA Take a Decision without Meeting by 1 June 2024 on the extension of the ITTA, 2006. Hold the first meeting of the Preparatory Working Group by Feb 2024.	First PWG meeting to be held in the second half of February 2024.	ONGOING
Decision 7(LVII) Article 15 of the ITTA Further pursue measures in international and regional organizations for 2022-23.	UNCCD, AFoCO, JICA, UNFF, FAO, GEF, GCF, CITES, CIFOR-ICRAF, IUFRO, UNEP, COMIFAC, APEC, ADB, Japanese authorities etc Engagement with the Central African Forest Initiative (CAFI) on potential projects Engagement with the Common Fund for Commodities (CFC) on potential project partnership under CAFI funding	ONGOING



Funding pledged or sought related to the pilot Programmatic Approach 2023

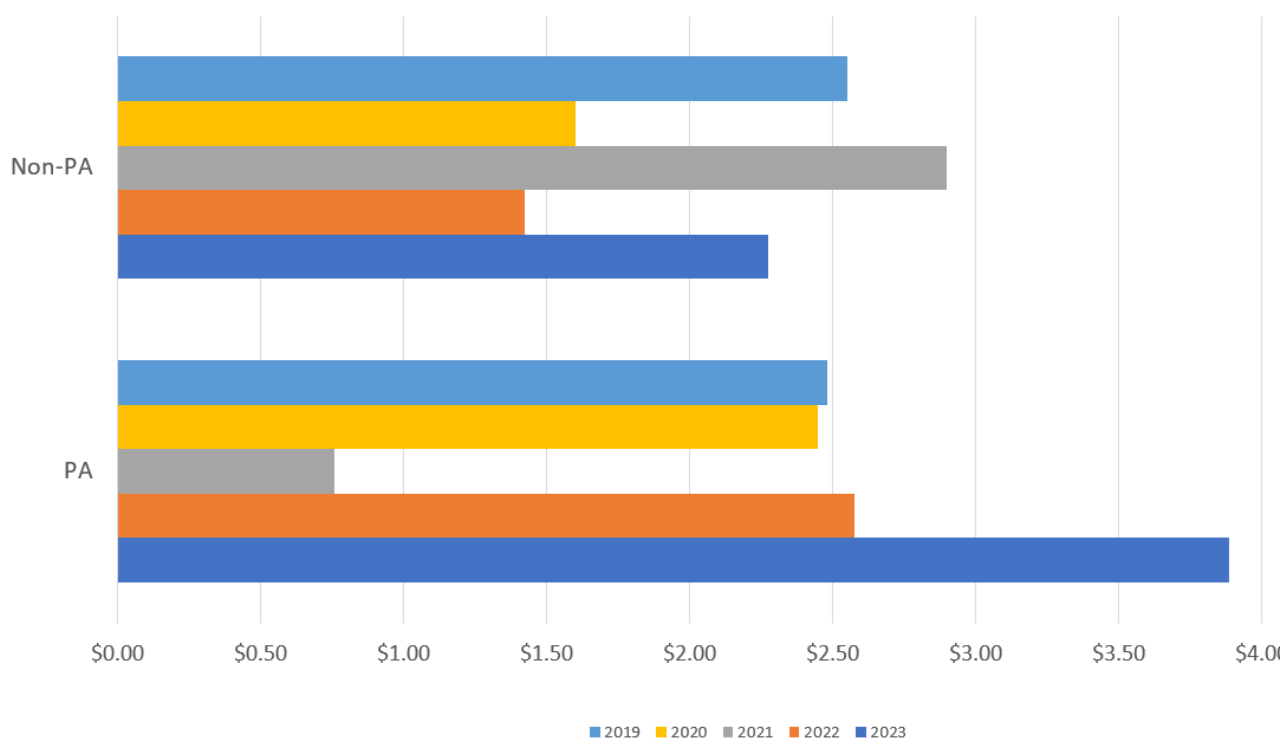
Fundraising efforts	Program Line	Tentative Budget	Status	Actual results to date
2023: BWP Policy Briefs on 3 SWU projects in Southeast Asia	PL 1: LSSC		Operational	USD 15,000
2023: BWP Enhancing Teak Management – Phase II	PL 1: LSSC		Proposal is under BMEL Review	USD 1,413,449
2023: Support for Women’s Groups (Togo) – Phase 3	PL 1: LSSC		Proposal being drafted	USD 75,160
2023: BWP Restoration of Cyclone-affected Mangroves (Fiji)	PL 3: FLR		Pending agreement with recipient government	USD 350,000
2023: BWP Post-COVID Recovery in Costa Rica	PL 3:FLR		Pending agreement with recipient government	USD250,000
2023: BWP Global Timber Index Platform – Phase II (China, Macao SAR)	PL 1: LSSC		Operational	USD 1,140,685
2023: BWP Blockchain-based Timber Traceability System – Phase II (China, Macao SAR)	PL 1:LSSC			USD 326,370
2023: BWP GLSTF, Nov. 2023	PL 1:LSSC			USD 62,000
2023: PD935/23(I) Promoting Sustainable Wood Use for Domestic Market in Malaysia	PL 1:LSSC		Developing into project	USD 212,089
2023: CN-21009 Illegal logging and trade (Cameroon) - balance	PL 1:LSSC		Developing into project	USD 41,265
Totals: 2023				USD 3,886,018

Programmatic Approach – Total Received

Year	Amount
2019	\$2.48 Million
2020	\$2.45 Million
2021	\$0.76 Million
2022	\$2.57 Million
2023	\$3.89 Million
Total	\$12.2 Million

Average of US\$ 2.4 million per year x 5 years

Funding Received - Voluntary Contributions (2019-2023)



Projects/activities/CNs pending finance

Pending finance	Total budget	No.
Projects	\$5,049,990	12
BWP activities	\$3,299,185	15
Concept Notes	\$8,298,761	11
Total	\$16,647,936	38
<i>Projects and CNs Sunset by the end of Jan '24</i>	<i>\$1,408,962</i>	<i>3</i>
<i>Projects and CNs Sunset during 2024</i>	<i>\$3,792,079</i>	<i>9</i>
<i>Projects and CNs Sunset after 1 Jan 2025</i>	<i>\$7,501,341</i>	<i>11</i>

Note: 3 CNs (\$587,834) + 7 projects (\$3,853,740) were sunset in 2022 with a total budget of \$4,441,574.
 3 CNs (\$382,369) + 6 Projects (\$1,914,177) have already been sunset in 2023.
 3 CNs (\$1,408,962) have already been sunset in 2024.

Terms of Reference for the Consultancy to Implement the Review under Decision 5(LIV)

Two consultants (one from a producer member country and one from a consumer member country) shall assist the Executive Director in the evaluation of the effectiveness of the operation of ITTO's new financing architecture (Programmatic Approach and Lines).

The responsibilities of the Consultants include, *inter alia*, the following:

- Development of the detailed methodology for the evaluation of the Programmatic Approach (PA) pilot operation, including the long-term effectiveness and feasibility of the pilot approach
- Review and analyse the relevant documentation for the PA pilot operation, including Council documents and decisions
- Development and implementation of surveys and consultations with relevant stakeholders including, but not limited to ITTO Country Focal Points, donors, Executing Agencies, ITTO Secretariat staff, consultants, CPF members, international agreements/organizations, etc.
- Compilation, analysis and aggregation of evaluation data/results
- Preparation of the PA Evaluation draft report
- Submit the final draft PA Evaluation report to the ITTO Secretariat (by 30 June 2024)
- Present the main findings and recommendations to the Council at its 60th meeting of the ITTC in Yokohama, Japan in November 2024.
- Prepare the final PA evaluation report (and any annexes), integrating the comments received from the Council
- As requested by the ITTO Secretariat, prepare draft articles for publication in the ITTO TFU magazine (and/or other publications including the ITTO website)