

# ITTO

## ANNUAL REPORT 2023







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The Forest Reserve of Lama in Benin. Photo: P. Masupa/ITTO



Mahogany in Peru. Photo: UNALM

# ITTO annual report 2023

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ITTO is an intergovernmental organization promoting the conservation, restoration and sustainable management, use and trade of tropical forest resources. Its members represent 80% of the world's tropical forests and 90% of the global trade in tropical timber and timber products. ITTO develops internationally agreed policy documents and guidelines to promote sustainable forest management and forest-based enterprises and assists tropical member countries to adapt such policies and guidelines to local conditions and to implement them in the field through projects. In addition, ITTO collects, analyzes and disseminates data on the production and trade of tropical timber and is the foremost source of information, statistics and trends related to the global tropical timber economy. Since it became operational in 1987, ITTO has funded more than 1200 projects, pre-projects and activities valued at more than USD 430 million. All projects are funded by voluntary contributions, the major donors to date being the governments of Japan and the United States of America.

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Front and back covers: Meru Betiri National Park, Indonesia. Photo: ITTO

Front cover insert: Teak plantation in Thailand. Photo: ITTO-BMEL Teak Project

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# Abbreviations and acronyms

ADB	Asian Development Bank
AFoCO	Asian Forest Cooperation Organization
APEC	Asia-Pacific Economic Cooperation
ATIBT	International Tropical Timber Technical Association
C&I	Criteria and Indicators
CBD	Convention on Biological Diversity
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
COP	Conference of the Parties
COVID	Coronavirus
CPF	Collaborative Partnership on Forests
CSAG	Civil Society Advisory Group
EGILAT	Expert Group on Illegal Logging and Associated Trade
ENB	Earth Negotiations Bulletin
EUDR	European Union regulation on deforestation-free and forest-degradation-free supply chains
FY	Financial year
G7	Group of Seven nations
GGSC	Global Green Supply Chains initiative
GTI	Global Timber Index
IPIM	Macao Commerce and Investment Promotion Institute
IPSAS	International Public Sector Accounting Standards
ITTC	International Tropical Timber Council
ITTO	International Tropical Timber Organization
IUFRO	International Union of Forest Research Organizations
KFS	Korea Forest Service
SDG	Sustainable Development Goal
SFM	Sustainable Forest Management
TAG	Trade Advisory Group
TFU	Tropical Forest Update
UNFF	United Nations Forum on Forests
USD	United States dollar(s)

## Message from the Executive Director



2023 was a year of both challenges and accomplishments for the International Tropical Timber Organization (ITTO) as we continued to address the complex issues surrounding tropical forests and to deliver on members’ expectations. The crucial role of tropical forests in global climate stability, biodiversity and sustainable development has never been more evident, yet the funding and support needed to manage them sustainably needs to be significantly increased. Amidst rising environmental concerns and economic uncertainties, ITTO has continued championing solutions that balance ecological conservation with responsible trade and economic growth for tropical timber-producing nations. ITTO members renewed their commitment in 2023, focusing on sustainable forest management, legal trade and ecosystem resilience—core components of ITTO’s Strategic Action Plan 2022–2026.

Building on the significant successes of previous years, ITTO continued to strengthen its commitment to sustainable tropical forest management in 2023 and to promote legal and sustainable timber trade as an effective and viable approach for ensuring a more sustainable and resilient future. Our efforts in 2023 served as testament to the efficacy of our two-pronged approach, emphasizing the crucial role of international cooperation and capacity building on the ground to address global challenges.

In 2023, we expanded ITTO’s collaborative network and reinforced our capacity to respond to evolving global needs. Our work was marked by significant progress across all four strategic priorities. ITTO projects addressed the pressing need for sustainable wood supply chains, promoted community-focused forest governance, and contributed to the conservation and restoration of landscapes from Latin America to Asia and Africa. This has only been possible through collaboration with our partners and the unwavering support from our member countries and donors.

The success of the 59th International Tropical Timber Council (ITTC) session, held in Pattaya, Thailand, was another testament to ITTO’s commitment and leadership. This was only possible because of the unwavering support of member countries and donors and strong collaboration with our partners.

Delegates endorsed new projects, increased funding and shared insights on emerging market regulations, such as the European Union’s deforestation-free supply-chain mandate. The Council acknowledged ITTO’s call for increased contributions of its expertise in global forums to advance sustainable practices and mitigate adverse impacts on smallholders in tropical regions. Together, our members and partners endorsed projects emphasizing climate resilience, biodiversity conservation and enhanced forest management frameworks. These initiatives reflect the far-reaching impacts of ITTO’s work, from empowering communities and strengthening legal supply chains to promoting sustainable practices that benefit people and the planet.

We strengthened partnerships with the United Nations Forum on Forests (UNFF), the Convention on Biological Diversity (CBD), and others. We secured new collaborations that are crucial for advancing global forest and sustainable development goals. Our work benefited from the strong support and vision of our members, who made it feasible for ITTO to drive impactful change on the ground. Additionally, new funding commitments enabled us to support projects that address conservation and prioritize community empowerment, gender equity, and local economic growth.

ITTO is steadfast in its dedication to building a sustainable future for tropical forests. The journey ahead remains challenging but, with continued collaboration, more innovative solutions and renewed global support will emerge for sustainable tropical forestry. The global community must acknowledge forests as one of the most effective nature-based solutions to global challenges. We are encouraged by the progress we have made together and are confident that, with continued support, we can create more resilient forest ecosystems and sustainable livelihoods for millions.

Thank you to all our partners for your unwavering commitment to this vital mission.

**Sheam Satkuru**  
Executive Director, ITTO





A traditional dance performance on the opening day of the 59th Session of the International Tropical Timber Council. Photo: Nonthaphat Saetan/ITTO

# International Tropical Timber Council

The 59th session of the International Tropical Timber Council was convened on 13–17 November 2023 in Pattaya, Thailand. The Council endorsed financing for five projects and 25 activities and announced fresh resources to support the Organization’s work.

Among other important matters, the session featured deliberations on the new European Union regulation on deforestation-free and forest-degradation-free supply chains, including its potential impact on small-scale producers of tropical timber.

Council Chair Mohammed Nurudeen Iddrisu said the session was “very productive”. He told delegates that the informative debate and presentations delivered during the meeting and made available on the ITTO website were valuable resources that can inform the decisions of member countries.

“I remind you that ITTO has generated many such resources over its long history,” said Dr Iddrisu.

“We should not undervalue this immense body of work and the extent to which it has helped shape policies on sustainable forest management and the timber trade globally, nationally and locally.”

## Opening statements by ITTO officers and dignitaries

In his opening statement, Dr Iddrisu set out how tropical forests sat in the eye of a “global storm” and faced a lack of funding for their sustainable management.

Even before the world had fully recovered from the impacts of the COVID-19 pandemic, Dr Iddrisu said, it was hit in 2023 by record-high temperatures and a barrage of forest fires, storms, floods and other severe weather events. Climate change was affecting the lives of billions of people and threatening biodiversity, while hostilities had arisen between nations.

Such factors were “clouding the outlook for attaining the Sustainable Development Goals by 2030”, Dr Iddrisu said. “Forests, and especially tropical forests, sit in the eye of this global storm. But despite clear recognition

of their critical importance as a viable solution to global challenges, funding for their sustainable management continues to fall short.”

ITTO Executive Director Sheam Satkuru urged ITTO members to provide more support for the Organization’s “two-pronged” mandate of sustainable tropical forest management and diversifying trade in legal and sustainably sourced tropical wood products. “ITTO remains the only international organization focusing solely on tropical forests,” Ms Satkuru said. “Yet the Organization is short of voluntary contributions for project funding, limiting the Organization’s impact on the ground.”

Tropical forests, and therefore ITTO, are highly relevant to many global processes, she said, such as the climate talks, the Global Biodiversity Framework, the 2030 Agenda for Sustainable Development and the United Nations Decade on Ecosystem Restoration, and much more needs to be done on resource mobilization. Ms Satkuru urged members to push for stronger ITTO involvement in large international organizations and processes, many of which lacked ITTO’s on-the-ground expertise and experience in tropical forests.

“

I remind you that ITTO has generated many such resources over its long history. We should not undervalue this immense body of work and the extent to which it has helped shape policies on sustainable forest management and the timber trade globally, nationally and locally.

**Dr Mohammed Nurudeen Iddrisu**  
Chair of the International Tropical Timber Council  
59th session





Mohammed Nurudeen Iddrisu, Chair of the International Tropical Timber Council, at the opening of the Council's 59th session. Photo: Nonthaphat Saetan/ITTO

Ms Chayanon Pakdeejit, Deputy Permanent Secretary of Thailand's Ministry of Natural Resources and Environment, pointed to a need to promote and intensify the exchange of scientific knowledge to improve the science-policy interface on sustainable forest management (SFM) and the legal timber trade. Ms Pakdeejit said it was also important for ITTO to support climate change mitigation, adaptation and resilience through SFM, conservation and restoration, and sustainable wood use.

Other dignitaries who spoke at the opening ceremony were Ana Maria Prieto Abad, Colombia's Ambassador to Thailand; Roberto Seminario Portocarrero, Peru's Ambassador to Japan; Surachai Ajalaboon, Director General of Thailand's Royal Forest Department; Thawatchai Srithong, Governor of Chonburi Province; and Poramet Ngampichet, the Mayor of Pattaya.

### Donors provide more funding for ITTO's work

Of the total amount of donor funds announced during the session, Japan contributed USD 2.01 million; Macao SAR, China USD 1.53 million; Germany USD 1.41 million; the Republic of Korea USD 579 000; the United States of America USD 551 000 and Finland USD 5 000; private organizations Soka Gakkai (USD 75 000) and Kisso-an (USD 2 600) also made contributions.<sup>1</sup>

These funds will be used in ITTO initiatives to help raise the living standards of communities in the collective territory of Bajo Calima, Colombia, with a focus on gender equality and the empowerment of women; conserve African barwood (*Pterocarpus erinaceus*) in the gazetted forests of Palée and Boundiali in the Bagoue region of northern Côte d'Ivoire; enhance and diversify the domestic consumption of sustainable wood and wood products in Malaysia and promote local markets; strengthen and consolidate Cameroon's national process for addressing illegal logging and associated trade; and promote community-based restoration and management regimes in cyclone-affected degraded mangrove forests in the Rewa Delta, Fiji.

Funds were also committed for second phases of the Global Timber Index (GTI) platform; a project to develop blockchain-based timber traceability systems; and a project to promote high-quality production of teak and other valuable species in plantations among smallholders and communities in Cambodia, India, Indonesia, Myanmar, Thailand, Togo and Viet Nam. The third phase of a project in Togo to support forest landscape restoration led by women's groups was financed, along with various other activities in the Biennial Work Programme, such as work to enhance cooperation between ITTO and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Sixteen young and mid-career forestry professionals (including five women) were awarded ITTO Fellowships, at a total value of USD 107 000. Other projects and activities received partial funding and will commence should the balance of funding be forthcoming.<sup>2</sup>

As well as approving funding, the Council made decisions addressing the Administrative Budget for 2024–2025 (Decision 2(LIX)); the Biennial Work Programme for 2024–2025 (Decision 3(LIX)); the management of the Administrative Budget (Decision 4(LIX)); and matters pertaining to the possible extension of the International Tropical Timber Agreement, 2006 (Decision 5(LIX)).

Under Decision 4(LIX), the Council adopted a trial measure to allow members that are ineligible to submit project proposals and concept notes because of arrears in their assessed contributions to the Administrative Budget to submit one project proposal or one concept note for every two years of arrears paid, provided that a payment plan for the total arrears owed is submitted at the same time. Under Decision 5(LIX), the Council will take a decision without meeting by 1 June 2024 on the question of whether the International Tropical Timber Agreement, 2006 will be extended for three years to December 2029.

The Council also adopted the reports of its four associated committees, which met during the session.

### Committees review policy and project work

The Committee on Reforestation and Forest Management convened to review project and policy work. Activities discussed included the dissemination of the ITTO Guidelines for Forest Landscape Restoration in the Tropics; the ITTO–CBD Collaborative Initiative for Tropical Forest Biodiversity; adapting the 2016 ITTO Criteria and Indicators for the Sustainable Management of Tropical Forests to the African context; and revision of the ITTO Guidelines on Prevention and Management of Forest Fires. The committee declared completed one pre-project on capacity building for tree farmers in Benin and two Biennial Work



Dignitaries on the opening day of the 59th Session of the International Tropical Timber Council. Photo: Nonthaphat Saetan/ITTO

Programme-based activities focused on enhancing the sustainable management of teak in the Greater Mekong and supporting women's groups for restoring degraded forest landscapes in Togo.

The Committee on Economics, Statistics and Markets and the Committee on Forest Industry met jointly to review field and policy work during the session. Activities under discussion included market access for tropical timber and tropical timber products; forest and timber certification; ITTO cooperation with the Asia-Pacific Economic Cooperation (APEC) Experts Group on Illegal Logging and Associated Trade (EGILAT); market analysis under the Independent Market Monitor; legal and sustainable supply chains for tropical timber and tropical wood products; analysis of timber legality assurance systems in China and Viet Nam; and promotion of sustainable wood use in domestic markets.

The committees declared three projects officially completed—on lesser-used species in Honduras; enhancing the capacity of forest communities in forest governance, monitoring and community development in Ghana; and improving forest governance in Mozambique.

### Trade and Markets Day focused on European deforestation regulation

The Council convenes Trade and Markets Day during each session to explore developments and trends relevant to the tropical timber sector. It comprises diverse presentations by experts from around the world and culminates in the Annual Market Discussion, organized by the Trade Advisory Group (TAG).

At the 59th session, the Civil Society Advisory Group (CSAG) also organized a segment of the Day, which (among other things) explored the implications of the New European Union regulation on deforestation-free and forest-degradation-free supply chains, known as the EUDR. Speaking during the CSAG segment, Laurent Lourdaïs



The plenary on day 4 of the 59th session of the International Tropical Timber Council. Photo: Nonthaphat Saetan/ITTO



European Union delegates during discussion of the bloc's new deforestation regulation during the Council's Trade and Markets Day. Photo: Nonthaphat Saetan/ITTO



Delegates visit a teak plantation during the 59th session of the International Tropical Timber Council. Photo: Diego Noguera/IISD-ENB

<sup>1</sup> Numbers are rounded. Some of the funding indicated here was announced before the Council session.  
<sup>2</sup> The full list of activities receiving voluntary contributions is contained in Decision 1 of the session, which is available at [www.itto.int/council\\_committees/decisions](http://www.itto.int/council_committees/decisions).





The Chair of the International Tropical Timber Council, Mohammed Nurudeen Iddrisu (right), receives a framed gavel from Incoming Chair, Anna Tyler, at the close of the 59th session of the International Tropical Timber Council. Photo: Nonthaphat Saetan/ITTO

from the European Union Delegation in Thailand provided an overview of the EUDR. He said the expansion of agricultural land is the main driver of deforestation and this, in turn, is strongly linked to the production of agricultural commodities. The EUDR is designed to exclude from European Union markets timber and other commodities linked to deforestation and forest degradation. It creates mandatory due-diligence rules for all operators that place relevant products on the European Union market or export them from the European Union. One of the requirements is strict traceability linking the commodity to the plot of land where it is produced. A benchmarking system will assign risk categories to countries or regions according to the risk of deforestation.

The EUDR entered into force on 29 June 2023, and its obligations for operators and traders will apply from December 2024.

Chandra Silori, Deputy Executive Director of RECOFTC, which works with community forestry groups in the Asia-Pacific region, outlined some of the challenges the EUDR presents to smallholders. For example, they will likely be asked to provide more information than before, such as on the geolocation of their land, and there will be more scrutiny on whether they are complying with national laws and regulations.

“We see this regulation as promising for reducing deforestation and forest degradation and promoting biodiversity conservation and meeting the [Sustainable Development Goals], but there are many challenges on how these will be applied on the ground, especially for smallholders,” Dr Silori said.

Stephen Midgley, a forestry consultant, said the EUDR and other trade-related regulations could cause headaches for small timber growers, burdening them with costs for which they would not be compensated.

Franz-Xaver Kraft and Nils Olaf Peterson of the German Timber Trade Federation presented on the implications of the EUDR for timber importers in Europe. For example, anyone can submit “substantiated concerns” about non-compliance that authorities must investigate. Mr Kraft said this could allow non-governmental organizations to help in detecting actual cases of non-compliance with the EUDR. There was fear, however, that the provision could also be used to hinder imports and disrupt legitimate trade.

Mr Kraft forecast that, for large tropical timber companies, compliance with the EUDR should not present major difficulties but that smallholder producers would struggle to comply.

CSAG and TAG issued statements expressing concern that the EUDR failed to acknowledge that sustainable production and consumption of timber promotes forest conservation and combats climate change. The

legislation risks creating “unnecessary barriers” to the sustainable development of tropical forest resources and trade in tropical timber products, said TAG, while CSAG urged Council members to heed concerns raised by the representatives of Indigenous Peoples, local communities and women’s groups during the session on the unique challenges they face in complying with the new regulation.

ITTO members that made direct interventions on the EUDR during Trade and Markets Day included Brazil, New Zealand, Peru, the United States of America and Viet Nam.

Other topics raised during the Day included challenges facing Thailand’s timber industry, the role of forests and forest products in a bioeconomy transition, community engagement and smallholders as pillars for Southeast Asian forest investment, and the potential of mass timber in the building industry.

Delegates also received reports on market access, forest and timber certification and APEC EGILAT, as well as the final report of the Independent Market Monitor.

Presentations and statements made during Trade and Markets Day are available at <https://www.itto.int/ittc-59/presentations>

## Fellowships

The Council awarded ITTO Fellowships to 16 applicants, including five women, with a total value of USD 107 000. See Chapter 7 for more information.

## Field excursions and new chairperson elected

Delegates to the session participated in excursions to sites of interest near the conference centre in Pattaya—Laem Chabang Port, one of the world’s busiest sea ports; agarwood and teak plantations; and a pallet-manufacturing factory.

Ms Anna Tyler (New Zealand) was elected as incoming chairperson of the Council.

The Council report is available at [www.itto.int/council\\_committees/reports](http://www.itto.int/council_committees/reports).

Daily highlights of the session and presentations are available at [www.itto.int/ittc-59](http://www.itto.int/ittc-59).

Daily independent coverage of the session by IISD reporting services is available at <https://enb.iisd.org/ittc59-international-tropical-timber-council>.





A teak plantation in Bago Yoma, Myanmar. Photo: Y. Trisurat/Kasetsart University

# Field work

This chapter presents examples of ongoing or recently completed ITTO projects and other activities that illustrate how the Organization is working towards the four strategic priorities set out in the ITTO Strategic Action Plan 2022–2026.<sup>3</sup> Many ITTO projects address more than one strategic priority.

STRATEGIC PRIORITY 1

Promote good governance and policy frameworks to enhance financing and investment in sustainable tropical forest management, legal and sustainable forest product supply chains and related trade

## Supporting legal and sustainable teak in Greater Mekong

Title	Enhancing conservation and sustainable management of teak forests and legal and sustainable wood supply chains in the Greater Mekong Subregion
Identifier	PP-A/54-331
Status	Completed
ITTO contribution	USD 1 236 250
Implementing agencies	Kasetsart University, Thailand; Forestry Administration, Cambodia; National Agriculture and Forestry Research Institute, Lao PDR; Forest Department, Myanmar; Vietnamese Academy of Forest Sciences, Viet Nam
Funding	Germany
Relevant SDGs	8, 9, 12, 13, 15, 16 and 17

Building on ITTO-supported teak initiatives implemented across the tropics since the 1990s, the project sought to strengthen regional policy development and cooperation, the conservation and sustainable management of teak

resources, and community-based and smallholder teak forest and agroforestry systems.

The project fostered collaboration among stakeholders in the five participating countries: Cambodia, the Lao People’s Democratic Republic, Myanmar, Thailand and Viet Nam. It facilitated networking and knowledge-sharing among government agencies, research bodies, multilateral and bilateral development partners and non-government organizations on the distribution of teak in the Greater Mekong Subregion, silvicultural practices, research in the in situ and ex situ conservation of teak genetic resources, the sustainable management of teak forests, and teak certification. Training sessions with hundreds of participants were convened to increase the capacity of agencies, communities and individuals.

Other outputs included the establishment of up to six demonstration plots per country on sustainable teak forest management and pilot silvicultural systems to support legal and sustainable supply chains, from seed production and plantation management to timber harvesting and certification. Insights and outputs from the project were compiled in a book, *Teak in Mekong for a Sustainable Future*, to inform the sustainable development of the teak sector in the Mekong region and beyond.

## Improving forest governance in Mozambique

Title	Improve forest governance in Mozambique
Identifier	PD 732/14 Rev.2 (M)
Status	Completed
ITTO contribution	USD 321 138
Implementing agencies	National Directorate of Land and Forest
Funding	Japan
Relevant SDGs	1, 8, 9, 12, 15 and 16

This project designed and piloted a monitoring and control system to prevent illegal logging in Mozambique. It was estimated that half of all logging in the country is illegal, indicating that paper-based control and information

<sup>3</sup> Available at [www.itto.int/council\\_committees/action\\_plans](http://www.itto.int/council_committees/action_plans)



systems are not working properly, undermining efforts to promote SFM and sustainable development.

Under the project, an electronic timber tracking system was designed and piloted in Sofala Province. More than 100 users of the system—forest operators, community members, law enforcement agents and provincial technical staff— were trained in its operation. Checkpoints, including at Beira port, were equipped with software and communication systems to enable monitor of the timber supply chain.

Project outputs included the development of a provincial strategy for the prevention and control of illegal logging and the establishment of an illegal logging control forum in Sofala Province.



A stakeholder meeting on the pilot timber-tracking system in Mozambique. Photo: DINAF

STRATEGIC PRIORITY 2

Increase the contribution of the tropical forest sector to national and local economies and resilient livelihoods, including through the further processing and trade of tropical timber and other forest products and services

Enhancing community forest development in Ghana

Title	Enhancing the capacity of forest communities in forest governance, monitoring and community development projects in Mankraso forest district, Ghana
Identifier	PD 845/17 Rev.3 (M)
Status	Completed
ITTO contribution	USD 120 000
Implementing agencies	Rural Development and Youth Association
Funding	United States
Relevant SDGs	1, 8, 9, 10, 12, 13, 15 and 16

This project enhanced the involvement of communities in forest governance and monitoring in Mankraso Forest District, Ghana. It strengthened legal compliance in the local timber sector and helped communities secure more benefits from timber revenues and development projects in the district.

As a result of project activities, 20 forest communities improved their knowledge of and capacity to participate in forest governance and forest management. Community-led monitoring teams were able to check and control illegal timber operations in the project area, in collaboration with the Ghana Forestry Commission’s Forest Services Division.

Communities also implemented ten development projects with inputs from social responsibility agreements negotiated with timber companies. Another ten communities negotiated development projects with three district assemblies.

Promoting lesser-used timber species in Honduras

Title	Promotion and sustainable management of lesser-used timber species in the moist forests of the departments of Atlantida, Colon and northern Olancho in Honduras
Identifier	PD 770/15 Rev.1 (I)
Status	Completed
ITTO contribution	USD 196 224
Implementing agencies	Instituto Nacional de Conservación y Desarrollo Forestal, Areas Protegidas y Vida Silvestres
Funding	Japan
Relevant SDGs	1, 8, 9, 12, 13, 15 and 16



A training session with forest communities. Photo: S. Sparkler/CSIR-FORIG



Pieces of black laurel (Cordia megalantha) for use in making cigar boxes are laid out to air dry. Photo: Miguel Mendieta/ICF

This project was designed to promote, market and sustainably manage lesser-used timber species in public national forests in northeastern Honduras with the aim of supporting local livelihoods and businesses, reducing pressure on forest ecosystems and facilitating the regeneration of traditional timber species.

Working closely with communities and other stakeholders, the project carried out forest inventories and market studies to identify 12 lesser-used tree species suitable for introduction to local and export markets. It also developed training manuals for the management, harvest and use of the target species, building capacities and improving conditions for the further development of a sustainable and competitive forest sector.



## STRATEGIC PRIORITY 3

Reduce tropical deforestation and forest degradation, enhance forest landscape restoration and the resilience of forest ecosystems to climate change, and conserve forest biodiversity and ecosystem services

### Strengthening landscape management in Indonesia

<i>Title</i>	Enhancing the implementation of landscape management of Giam Siak Kecil-Bukit Batu Biosphere Reserve (GSK-BR) in Riau Province of Sumatra, Indonesia – Phase I
<i>Identifier</i>	PD 712/13 Rev.3 (F)
<i>Status</i>	Completed
<i>ITTO contribution</i>	USD 250 000
<i>Implementing agencies</i>	Forest Research and Development Centre, Forestry and Environment Research, Development and Innovation Agency, Ministry of Environment and Forestry
<i>Funding</i>	Republic of Korea
<i>Relevant SDGs</i>	1, 12, 13, 15 and 17

This project is strengthening management and planning in the Giam Siak Kecil Bukit Batu Biosphere Reserve, which covers 705 000 ha in the province of Riau, Sumatra; the reserve comprises production and plantation forests, croplands, settlements and core conservation areas.

To boost sustainable management and conservation in the reserve, the project's first phase is working to enhance the planning framework, including an integrated management plan; strengthen the capacity of relevant institutions; and increase the participation of local communities and other stakeholders in landscape-scale management. Project activities commenced in April 2023 to engage stakeholders on the planning framework; secure endorsement of the project's initial workplan; and marshal biophysical and socioeconomic data.



Women's farming groups are among the local stakeholders of ITTO project PD 712/13 Rev.3 (F). Photo: ITTO



A sensitization workshop was held in September 2023 at Tambango Village, Togo, as part of ITTO project PD 905/19 Rev.3 (F). Photo: ODEF

### Supporting management of threatened forests in Togo's savanna region

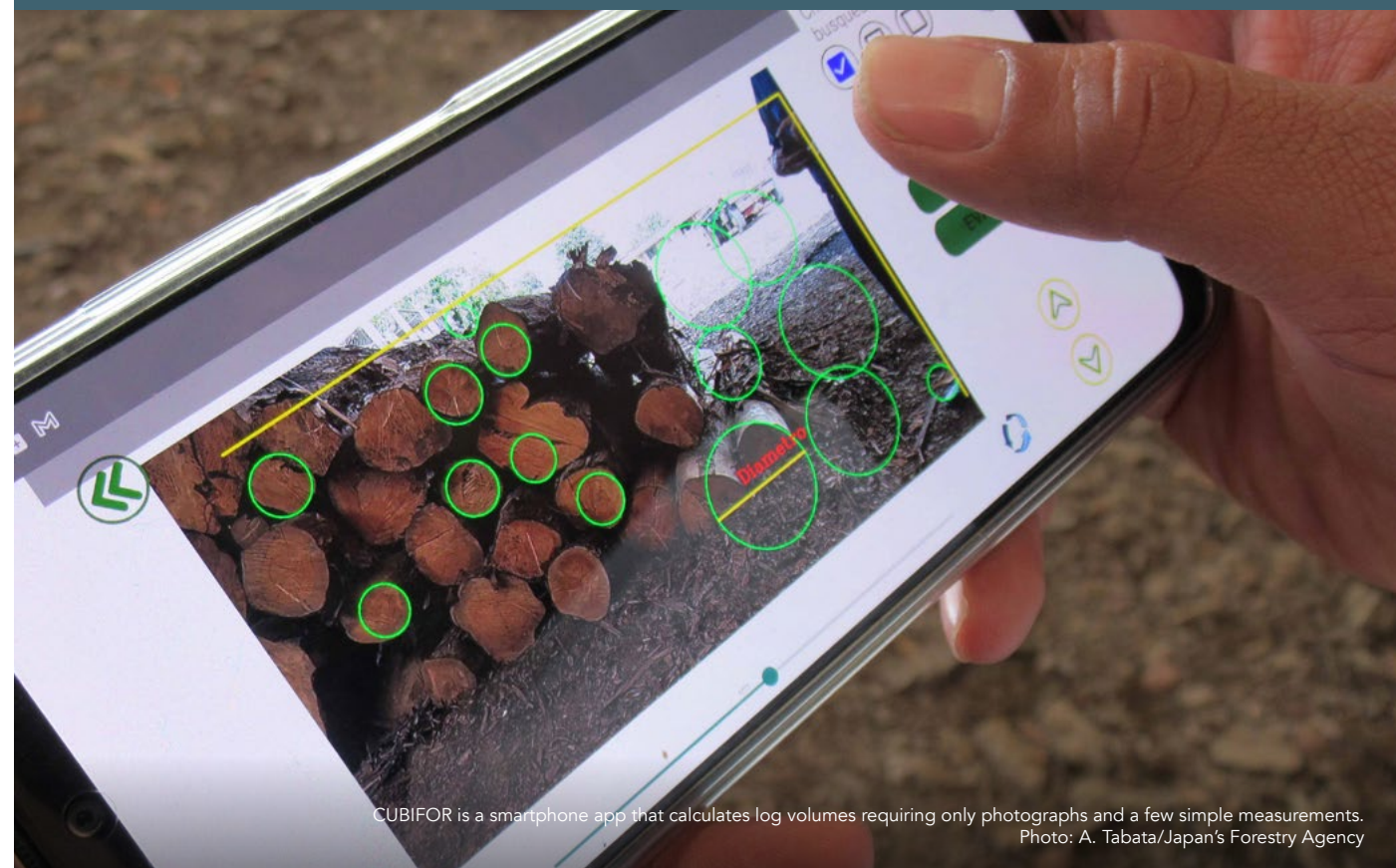
<i>Title</i>	Providing support for the sustainable management of the Fosse-aux-Lions gazetted forest in the Savanna region in Togo – Phase I
<i>Identifier</i>	PD 905/19 Rev.3 (F)
<i>Status</i>	Ongoing
<i>ITTO contribution</i>	USD 200 000
<i>Implementing agencies</i>	Office de Développement et d'Exploitation des Forêts
<i>Funding</i>	Japan
<i>Relevant SDGs</i>	1, 12, 13, 15 and 17

The outstanding Fosse-aux-Lions Gazetted Forest in northern Togo has been encroached on, leading to the degradation of ecosystems and a loss of livelihoods for dependent communities. The aim of this project, which began in August 2023, is to improve people's living conditions by bringing the forest under sustainable management, including by identifying and agreeing boundaries, promoting income-generation activities, and providing training on sustainable farming techniques and forestry regulations. Initial activities have focused on consultation and sensitization campaigns to ensure the involvement of local communities, chieftains, and national and local forestry administrations.



## STRATEGIC PRIORITY 4

Improve the quality, availability and timeliness of information on tropical forest product markets, supply chains and international trade, including challenges and opportunities related to market access, expansion and diversification



CUBIFOR is a smartphone app that calculates log volumes requiring only photographs and a few simple measurements.  
Photo: A. Tabata/Japan's Forestry Agency

### Improving traceability of forest products in Guatemala

<i>Title</i>	Implementing mechanisms to improve traceability in the forest production chain in Guatemala
<i>Identifier</i>	PD832/16 Rev.2 (M)
<i>Status</i>	Completed
<i>ITTO contribution</i>	USD 416 080
<i>Implementing agency</i>	Instituto Nacional de Bosques
<i>Funding</i>	Japan, United States of America
<i>Relevant SDGs</i>	9, 12, 13 and 15

The aim of this project is to improve the traceability of forest products in Guatemala by enhancing institutional and local capacities in the monitoring and control of forest products and strengthening the legal forest production chain.

The project has conducted trainings for forest smallholders in several regions of the country on the development of simplified management plans and promoted the formalization of informal business operators. It is also revising and improving Guatemala's Electronic Forest Enterprises Information System<sup>4</sup> (developed under a series of ITTO projects), which registers, monitors and controls the flow of forest products through legally established and registered companies. The project has developed a smartphone app for calculating log volumes that requires only photographs and a few simple measurements. The app also enables the scaling of logs for products such as sawnwood, rectangular boards, round billets, sawdust, chips, fuelwood, wood pieces and charcoal.

## Crosscutting strategies

As well as four strategic priorities, the ITTO Strategic Action Plan 2022–2026 sets out four crosscutting strategies designed to contribute to the achievement of the Organization's objectives. Efforts under the cross-cutting strategies are embedded in ITTO projects and activities that were completed or in progress in 2023. Examples of how the crosscutting strategies are being pursued are described below.

1

### Help build capacity in member countries to advance the Strategic Action Plan 2022–2026

Capacity building is central to ITTO's activities. Stakeholders—ranging from regional organizations and government authorities to timber operators and community groups—receive training and material support to enhance their capabilities in the sustainable management of tropical forests and the trade of tropical timber and forest products.

For example, ongoing ITTO projects in Panama<sup>5</sup> and Guatemala<sup>6</sup> support the creation in those two countries of the physical and human resources needed to establish and operate timber traceability systems to reduce illegal logging and strengthen the production and trade of sustainably produced and traded timber and wood products. Capacity building, for instance to strengthen policy and institutional frameworks, is also central to ITTO projects in Indonesia,<sup>7</sup> Thailand<sup>8</sup> and Viet Nam<sup>9</sup> designed to enhance the domestic consumption of, and markets for, sustainable timber and wood products.

2

### Enhance ITTO's operational effectiveness

A joint policy report published by the United Nations University-Institute for the Advanced Study of Sustainability and ITTO<sup>10</sup> analyzed case studies of 14 ITTO-funded projects across the tropics to identify lessons regarding the effectiveness of forest landscape restoration in achieving socioecological resilience as well as challenges encountered in its design and implementation. The report also examined how well gender considerations have been included in project activities.

The report identified common implementation challenges, including poverty, a lack of law enforcement, and inadequate capacities, skills and awareness. It also pointed out priorities for improving effectiveness, including investing in education and awareness-raising; community-level consultation to co-design interventions; and building trust and consensus among stakeholders.

3

### Promote integration of the tropical forest sector in COVID-19 recovery plans, measures and investments

ITTO encourages governments and other stakeholders to include the tropical forest sector in plans, measures and investments designed to help economies and societies recover from the impacts of the COVID-19 pandemic. Many ITTO projects that were completed or still ongoing in 2023 were disrupted by the pandemic. Health measures, including quarantining and social distancing, and wider impacts such as disruption to transport networks, hampered the work of the Organization and its partners.

To counter the negative repercussions on its work, ITTO provided support and guidance and granted extensions, as required, to projects to ensure that their objectives could be met and benefits delivered, especially in rural communities where livelihoods have been severely affected.

Some newer ITTO-funded activities have been designed to address the impacts of the pandemic. For example, the aim of a project in Costa Rica that began in 2023 is to enhance the value of sustainable forest use in order to provide economic opportunities in disadvantaged rural communities particularly affected by the pandemic.

4

### Promote gender equality and the empowerment of women

ITTO has a long history of empowering women and promoting gender equality in its field and policy work, and its Guidelines on Gender Equality and the Empowerment of Women, published in 2018 and re-issued in 2023, institutionalize this commitment. The guidelines provide a framework for internalizing gender equality in ITTO policies, plans, programmes, projects, activities and staffing, thus establishing a direct link between ITTO work and Sustainable Development Goal 5, "gender equality".

ITTO's recent work in support of gender equality and women's empowerment is exemplified by a series of activities that have supported women's groups to carry out forest landscape restoration and improved agroforestry practices in Togo.

4 Available at <https://seinef.inab.gob.gt>

5 D 913/20 Rev.4 (M)

6 PD 832/16 Rev.2 (M)

7 PD 928/22 Rev.1 (I)

8 PD 926/22 Rev.1 (I)

9 PD 922/21 Rev.1 (I)

10 The full report, "Advancing Forest Landscape Restoration in the Tropics: Experiences and Lessons for Socio-Ecological Resilience and Empowerment of Women in ITTO Projects", is available at [www.itto.int/other\\_technical\\_reports](http://www.itto.int/other_technical_reports)





Tending seedlings in the village of Agouegan, Togo. Photo: Soka Gakkai

## Policy, analytical and normative work

This chapter highlights some of the policy, analytical and normative work conducted in 2023 under ITTO's Biennial Work Programme.

### **ITTO criteria and indicators for the sustainable management of African tropical forests**

ITTO published criteria and indicators (C&I) for the sustainable management of tropical forests in Africa in 2023 for use in the monitoring and assessment of SFM in tropical Africa. The regional C&I, which resulted from extensive consultations with African forestry experts and ITTO members, were approved at the 58th session of the International Tropical Timber Council and published in ITTO's Policy Development Series.

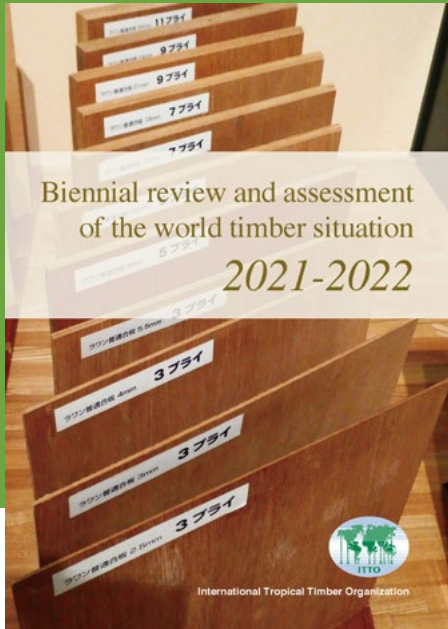
ITTO pioneered the development and use of C&I to monitor, assess and report on tropical forests in the early 1990s. The most recent version of the globally applicable ITTO C&I was published in 2016. African member countries requested support to develop a tailored set of C&I, focusing on lessons learned under an ITTO-funded regional C&I capacity-building programme and the specific needs and characteristics of African tropical forests.

Visit [www.itto.int/guidelines](http://www.itto.int/guidelines)



Acacia mangium sawnwood in Viet Nam. Photo: J.Claudon/ITTO





### Biennial review and assessment of the world timber situation

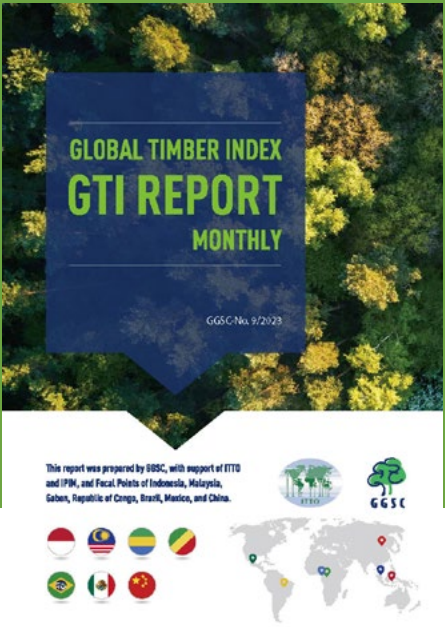
The Biennial Review and Assessment of the World Timber Situation 2021–2022 was published in September 2023 and distributed at the 59th session of the Council. This regular series reports on the production, trade and prices of primary wood products (industrial roundwood, sawnwood, veneer and plywood); trade and prices for secondary processed wood products; major traded tropical wood species; and directions of trade for primary tropical wood products. Data from the series—spanning 1990 to 2022—are included in ITTO’s online statistical database, a valuable tool for analyzing the evolution of, and long-term trends in, the trade of tropical timber and primary tropical timber products, as well as important shifts in timber production and further processing.

The latest edition of the Biennial Review and Assessment of the World Timber Situation reports, for example, that exports by ITTO producer countries of secondary processed wood products soared to USD 36.5 billion in 2022, up by nearly 40% compared with 2020. A large part of this trade comprised wooden furniture exported from Viet Nam to the United States of America.

Visit [www.itto.int/annual\\_review](http://www.itto.int/annual_review)

### Enhancement of statistical work

The Inter-secretariat Working Group on Forest Statistics, which convened at ITTO headquarters in February 2023, resulted in the inclusion of Harmonized System 2022 codes in the Joint Forest Sector Questionnaire. Data harmonization between databases of partner organizations was also discussed.



### Building legal and sustainable forest product supply chains

ITTO completed two activities in 2023 funded by and developed in collaboration with the Macao Commerce and Investment Promotion Institute (IPIM) of Macao SAR, China: the establishment of the Global Timber Index platform; and the piloting of a blockchain-based timber traceability system.

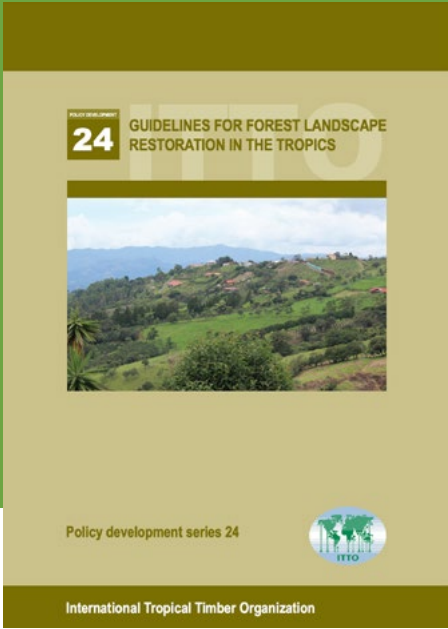
### Global Timber Index

The Global Timber Index (GTI) is a monthly report on tropical timber production and operations. It is designed to facilitate information and data exchange on the timber trade and promote collaboration among stakeholders in a stable, transparent and predictable business environment. The monthly report is part of the GTI platform, which compiles, verifies, processes, analyzes and releases timber-related data from seven pilot countries—Brazil, the Congo, Indonesia, Gabon, Malaysia, Mexico and China— based on mathematical modelling and data provided by about 160 participating enterprises (in the initial phase). The platform was developed as part of a framework of cooperation and collaboration between ITTO and IPIM and implemented by the Secretariat of the Global Green Supply Chains initiative (GGSC).

Visit [www.itto.int/gti](http://www.itto.int/gti)

### Blockchain-based timber traceability system

Under an ITTO activity begun in 2020, a timber traceability system was designed and piloted to explore the potential application of block-chain technology for strengthening legal and sustainable timber supply chains, encompassing production, processing, trade and consumption. Led by the GGSC, the system was piloted in supply chains for logs from Cameroon and for sawnwood from Gabon. Enterprises and other stakeholders who took part in the



project provided valuable feedback on the challenges of implementing the system and how they can be overcome. ITTO and GGSC have subsequently begun work on a second phase of this activity.

### Global Legal and Sustainable Timber Forum

Illustrating another aspect of ITTO’s programme on legal and sustainable supply chains, the Organization and IPIM entered into a collaborative framework agreement to co-host the annual Global Legal and Sustainable Timber Forum.

The Forum provides a platform for the timber industry to intensify cooperation and the exchange of information among producers, buyers, processors and market players, both nationally and internationally, and to address global issues—such as the lingering impacts of the COVID-19 pandemic and the widening gap between the supply of, and demand for, wood products.

The inaugural Forum was held in November 2023 in Macao SAR, China, in collaboration with the GGSC, bringing together nearly 700 participants from 36 countries.

See [www.itto.int/news/2023/11/24/global\\_forum\\_calls\\_for\\_action\\_to\\_sustainably\\_develop\\_timber\\_sector](http://www.itto.int/news/2023/11/24/global_forum_calls_for_action_to_sustainably_develop_timber_sector)

### Analysis of timber legality assurance systems and good practices in China and Viet Nam

ITTO published the results of a study carried out by the Institute for Global Environmental Strategies to assess the status of timber legality assurance schemes in China and Viet Nam. The study identified best practices for operators in various timber sectors and steps that international stakeholders can take to boost the legal and sustainable timber trade.

Another study carried out under the same ITTO project explored how to identify high-risk species in timber products exported from Viet Nam to Japan, including those using timber originating in other countries.

Project findings were presented in a webinar in March 2023 that drew about 190 participants.

Visit [www.itto.int/news/2023/04/05/new\\_analysis\\_of\\_timber\\_legality\\_assurance\\_systems\\_and\\_good\\_practices\\_in\\_china\\_and\\_vietnam\\_released](http://www.itto.int/news/2023/04/05/new_analysis_of_timber_legality_assurance_systems_and_good_practices_in_china_and_vietnam_released)

### Development of guidelines on contracts and practices for international tropical timber trade

In collaboration with the International Tropical Timber Technical Association (ATIBT), ITTO commenced work in 2023 to develop guidelines on rules and regulations in international tropical timber trade and the standard language used in international contracts in various markets. The guidelines are expected to be published in 2024.

### Workshop on Guidelines for Forest Landscape Restoration in the Tropics

ITTO has been convening capacity-building workshops since 2020 to build awareness and knowledge of its Guidelines for Forest Landscape Restoration in the Tropics. In 2023, ITTO convened “Forest Landscape Restoration in the Asia-Pacific Region: Monitoring, Reporting, and Verification in Forest Carbon Assessment”, a virtual workshop to enhance understanding of monitoring, reporting and verification in forest carbon assessment and of the role of Article 6 of the Paris Agreement in promoting forest landscape restoration.

The guidelines are available at: [www.itto.int/guidelines](http://www.itto.int/guidelines)

### Tropical Timber Market Report

Twenty-three editions of ITTO’s Tropical Timber Market Report were published in 2023 and distributed to almost 19 000 readers worldwide, providing news and information on tropical timber market trends and trade from around the globe.

Subscribe to the free report at [www.itto.int/market\\_information\\_service](http://www.itto.int/market_information_service). Back issues are available at [www.itto.int/market\\_information\\_service/back\\_issue](http://www.itto.int/market_information_service/back_issue)

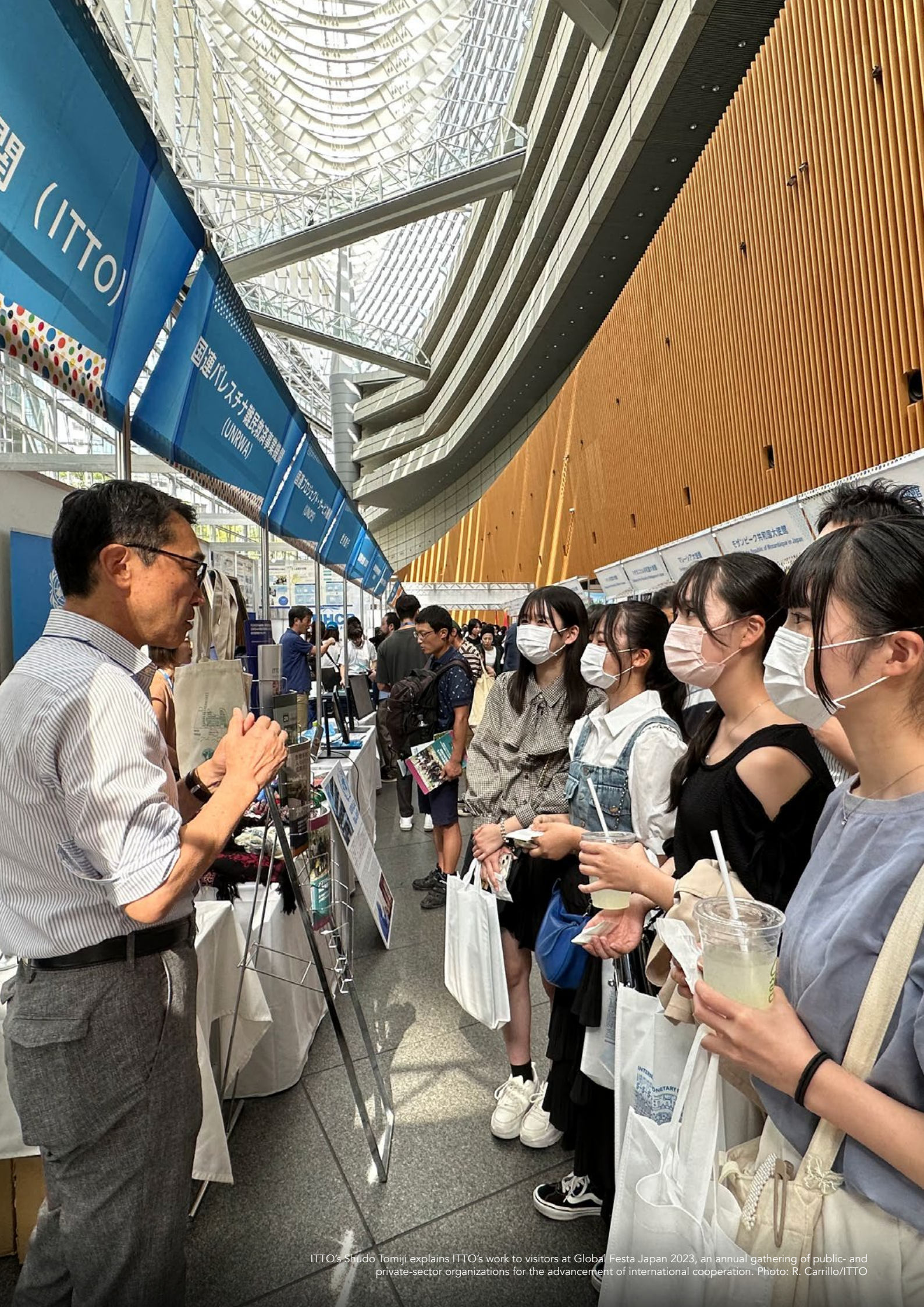


Participants at the 2023 Global Legal and Sustainable Timber Forum.  
Photo: GGSC/IPIM/ITTO



Particle board manufactured in China for domestic and international markets.  
Photo: J. Claudon/ITTO

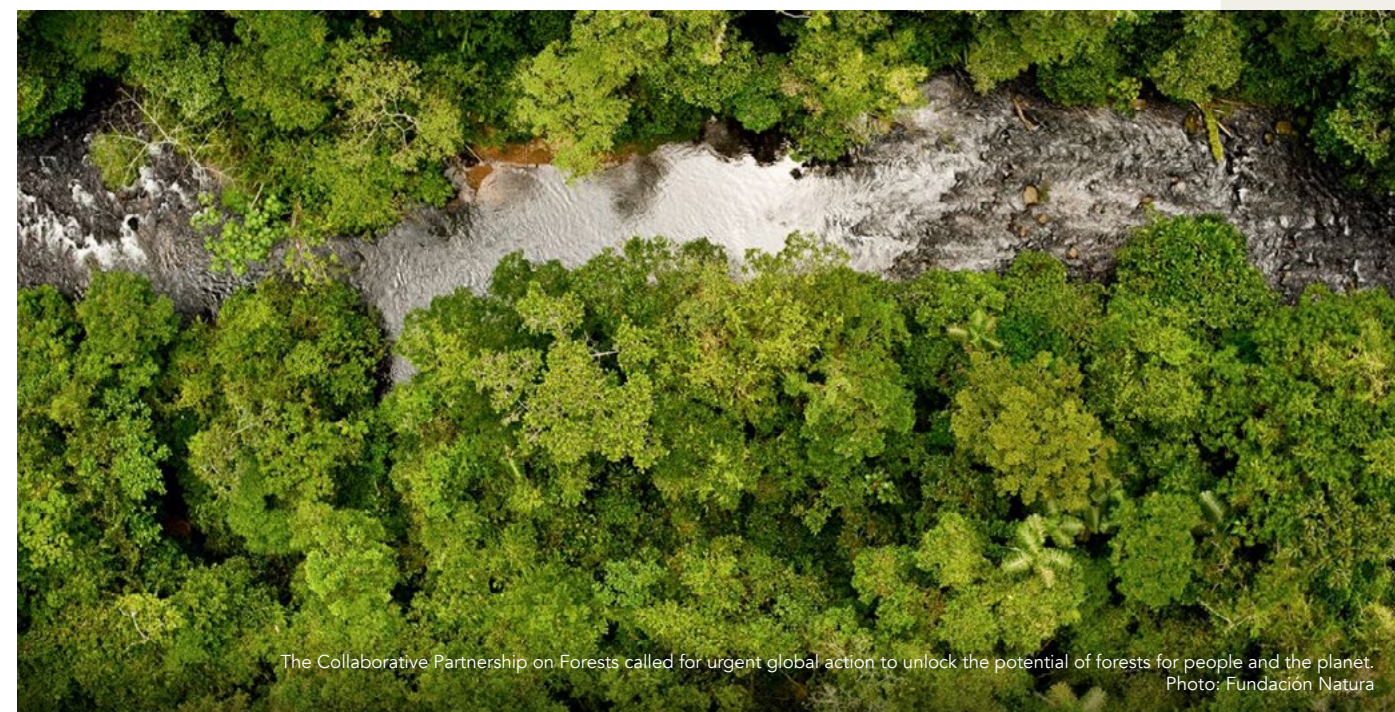




ITTO's Shudo Tomiji explains ITTO's work to visitors at Global Festa Japan 2023, an annual gathering of public- and private-sector organizations for the advancement of international cooperation. Photo: R. Carrillo/ITTO

## Collaborative work

This chapter presents examples of collaborative work undertaken by the Organization in 2023.



The Collaborative Partnership on Forests called for urgent global action to unlock the potential of forests for people and the planet. Photo: Fundación Natura


### Collaborative Partnership on Forests

The Collaborative Partnership on Forests (CPF), a partnership of 16 international bodies, including ITTO, issued the “Joint Call to Action for Forests towards 2030” in September 2023, committing them to increased efforts to unlock the contributions of forests to sustainable development. The CPF issued the statement ahead of a gathering of world leaders for the Sustainable Development Goal (SDG) Summit and the Climate Ambition Summit, held at UN headquarters in New York. Coinciding with the issuing of the CPF statement, ITTO

called for more investment and cooperation in tropical forests. During the launch event, Ms Satkuru said the ability of the CPF and ITTO to increase their impacts was limited by the modest funding available for forestry, especially tropical forestry, and she said “substantive investment and cross-sectoral cooperation” was needed to enable tropical forests to generate more value than other land uses.

See [www.itto.int/news/2023/09/19/itto\\_urges\\_more\\_investment\\_in\\_tropical\\_forests\\_as\\_16\\_agencies\\_commit\\_to\\_action](http://www.itto.int/news/2023/09/19/itto_urges_more_investment_in_tropical_forests_as_16_agencies_commit_to_action)





**Sustainable Forest Management** --  
a nature-based climate solution, the  
impact of which can be enhanced  
through practices such as reduced-  
impact logging and wood-based  
bioenergy

The Congo Basin in Cameroon. Photo: M.Dourojeanni

## Convention on International Trade in Endangered Species

ITTO cooperates with CITES on initiatives that further the conservation of threatened tropical tree species, including through the CITES Tree Species Programme.

For example, ITTO and CITES collaborated on a study in Ecuador to generate baseline information for the formulation of public policies on forest conservation, planning and management, with an emphasis on mahogany. The study, which was carried out by Ecuador's Ministry of Environment, Water and Ecological Transition in cooperation with the San Francisco de Quito University and the National Institute for Biodiversity, was completed in 2023.

ITTO also advanced the shared goals of the two organizations through its work on timber identification and traceability. For example, a new phase of a long-running ITTO project is developing DNA profiling and tracking technologies for the threatened African cherry tree (*Prunus africana*), the bark of which is used in the treatment of prostate disorders.

## Advocacy for tropical forests at the Climate Change Conference

ITTO officials participated in numerous events during the 28th Conference of the Parties (COP) to the UN Framework Convention on Climate Change, which was held in late 2023 in Dubai, United Arab Emirates.

Officials, including Ms Satkuru, used the occasion to call for more public and private funding for SFM to realize the potential of tropical forests for providing nature-based solutions to the challenges of climate change and sustainable development.

At the side-event, "Advancing sustainable forest management: financing mechanisms for carbon and biodiversity", ITTO presented SFM as a nature-based climate solution, the impact of which can be enhanced through practices such as reduced-impact logging and wood-based bioenergy.

At the side-event, "Climate and canopy amplifying action for SDG 13 & 15 through primary forest conservation", ITTO underlined how the wealth of knowledge and experience gained from the implementation of about 1200 field projects since the Organization became operational in 1987 are a valuable resource for accelerating actions that favour the sustainable use and conservation of remaining tropical primary forests.

At a Congo Basin Forest Partnership multistakeholder dialogue, ITTO said it stood ready to strengthen collaboration with the Central African Forest Initiative



A mahogany seed tree in the Elena Andy community, Ecuador, identified during an ITTO-funded study. Photo: Walter Palacios/USFQ



and the Green Climate Fund for the execution of joint projects in support of the Declaration of Commitment of Central African Forest Commission Member States for the Forests of Central Africa and the Call for Equitable Financing.

ITTO also participated in the side-event, “Sustainable Forest Management for the Mitigation and Adaptation against Climate Change”, at the Japan Pavilion; the discussion, “Dialogue and new experiences for climate action and care of the planet”, organized by the UN Development Programme and the non-governmental organization Istituto Buddhista Italiano Soka Gakkai; and the session, “Promoting robust sustainable mangrove ecosystems governance”, at the Indonesian pavilion and jointly organized by ITTO, the Center for International Forestry Research-World Agroforestry Centre, the Ministry of Environment and Forestry of Indonesia and PT. Nusantara Carbon/PT. Kandelial Alam.

See [www.itto.int/news/2023/12/10/itto\\_executive\\_director\\_warns\\_of\\_perils\\_of\\_underinvestment\\_in\\_tropical\\_forests](http://www.itto.int/news/2023/12/10/itto_executive_director_warns_of_perils_of_underinvestment_in_tropical_forests)

## Cooperation with the United Nations Forum on Forests

ITTO and the UNFF signed a memorandum of understanding to work more closely together in assisting tropical countries and stakeholders to conserve, restore and sustainably manage their forests and to promote the sustainable production of timber, non-wood forest products and ecosystem services. The memorandum was signed by Ms Satkuru and UNFF Director, Ms Juliette

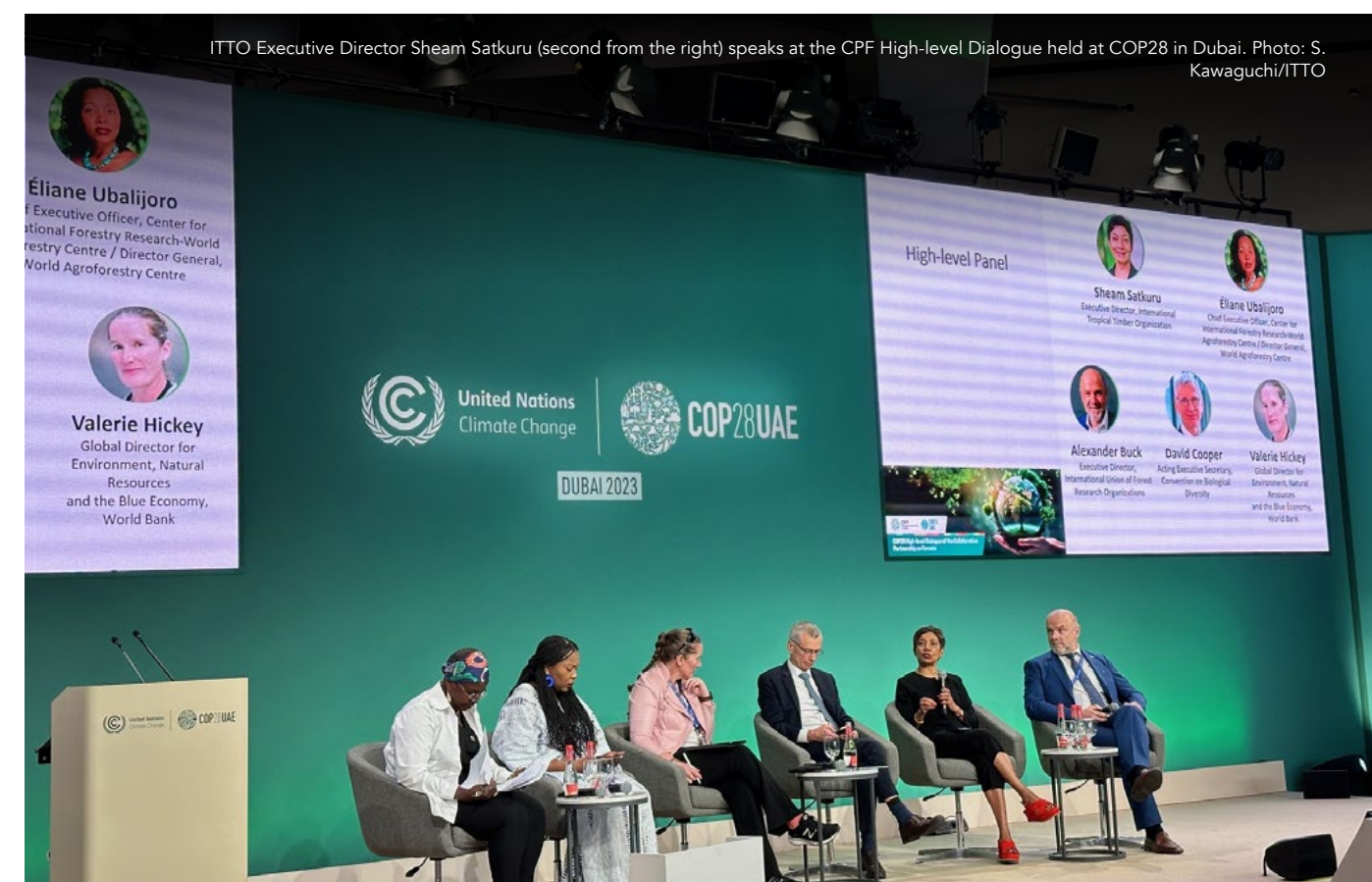
Biao, on the sidelines of the 59th session of the ITTC in November 2023.

The overall objective of the joint initiative is to support Member States of the UNFF and ITTO member countries to restore, maintain and sustainably manage tropical forests and further encourage the sustainable production of timber, non-wood forest products and ecosystem services.

The two organizations agreed to identify, develop and implement joint actions to support the achievement of the six Global Forest Goals and the sustainable development of ITTO producer members, promote capacity building in ITTO producer countries, enhance collaboration with other partners, and increase forest cover in the tropics.

ITTO was also active in the 18th session of the UNFF in May 2023. Ms Satkuru spoke at several events during the session, which was held at UN headquarters in New York. The Organization hosted the side-event, “Enriching biodiversity in tropical production landscapes through sustainable forest management”, to review lessons learned from the implementation of the ITTO–CBD Collaborative Initiative for Tropical Forest Biodiversity and to share best practices for integrating biodiversity conservation into sustainable forest management, based on field ITTO projects in productive forest landscapes in the Amazon and Indonesia.

Ms Satkuru also participated in a side-event organized by the CBD and the UNFF Secretariat that explored interlinkages between the Kunming–Montreal Global Biodiversity Framework and the Global Forest Goals and







associated targets in the UN Strategic Plan for Forests 2017–2030.

ITTO participated in a panel discussion on the forests–energy–livelihoods nexus, in which it stressed how wood-based energy is well-suited to small and community-scale projects.

Visit [www.itto.int/top\\_stories/2023/11/15/itto\\_and\\_un\\_forum\\_on\\_forests\\_strengthen\\_cooperation\\_on\\_tropical\\_forests](http://www.itto.int/top_stories/2023/11/15/itto_and_un_forum_on_forests_strengthen_cooperation_on_tropical_forests)

[www.itto.int/news/2023/05/17/itto\\_projects\\_feature\\_in\\_unff\\_event\\_on\\_biodiversity\\_conservation\\_in\\_tropical\\_production\\_forests](http://www.itto.int/news/2023/05/17/itto_projects_feature_in_unff_event_on_biodiversity_conservation_in_tropical_production_forests)

[www.itto.int/news/2023/05/18/sustainable\\_tropical\\_forest\\_use\\_essential\\_for\\_biodiversity\\_conservation\\_itto\\_executive\\_director](http://www.itto.int/news/2023/05/18/sustainable_tropical_forest_use_essential_for_biodiversity_conservation_itto_executive_director)  
[www.itto.int/news/2023/05/19/itto\\_executive\\_director\\_calls\\_for\\_increased\\_contribution\\_of\\_sfm\\_for\\_wood\\_based\\_bioenergy](http://www.itto.int/news/2023/05/19/itto_executive_director_calls_for_increased_contribution_of_sfm_for_wood_based_bioenergy)

### Partnership with the Republic of Korea

Ms Satkuru met with leaders of the Korea Forest Service (KFS), the National Institute of Forest Science and the Asian Forest Cooperation Organization (AFoCO) in a series of meetings in July 2023 with the aim of strengthening cooperation on sustainable tropical forest management, forest landscape restoration and community development.

In a meeting with the KFS Deputy Minister, Ms Satkuru expressed appreciation for the successful implementation of the secondment programme established six years ago between ITTO and the KFS, which has helped strengthen ties between the two organizations. KFS and ITTO have cooperated under a memorandum of understanding since 2016, which was renewed during Ms Satkuru’s visit in July 2023.

Visit [www.itto.int/news/2023/08/14/itto\\_strengthenes\\_partnerships\\_on\\_sustainable\\_tropical\\_forest\\_management\\_in\\_korea](http://www.itto.int/news/2023/08/14/itto_strengthenes_partnerships_on_sustainable_tropical_forest_management_in_korea)

### Asia-Pacific Economic Cooperation Experts Group on Illegal Logging and Associated Trade

ITTO participated in the 23rd meeting of APEC EGILAT held in February 2023 in Palm Springs, United States of America. ITTO projects manager Tetra Yanuariadi delivered a video presentation to the meeting, which took place on the margins of an APEC First Senior Officials’ Meeting.

Dr Yanuariadi told the gathering that increased backing for community forest enterprises would enhance the production, trade and distribution of legally harvested timber and timber products in the domestic markets of APEC economies and help advance APEC’s 2022–2024 policy theme, “Advancing the trade and distribution of legally harvested forest products: Navigating to legal timber”. He described ITTO’s substantial field work to build capacity in community forest enterprises, including initiatives in Indonesia, Thailand and Viet Nam to promote domestic markets for sustainable wood use.

At the 24th meeting of APEC EGILAT in July 2023, ITTO presented a further update of its work to promote sustainable wood use in domestic markets in member economies. Dr Yanuariadi briefed participants at the meeting, which was held in Seattle, United States of America, on how ITTO projects contribute to Sustainable Wood for a Sustainable World, an initiative of CPF members to enhance the value of sustainable wood supply chains as well as their social and environmental benefits.

ITTO participated in a workshop on tools and technologies for timber legality, part of an APEC project to advance the trade and distribution of legally harvested forest products that is overseen by the US Department of State and the US Department of Agriculture Forest Service. Dr Yanuariadi shared information on the findings of an ITTO project to analyze timber legality assurance systems in China and Viet Nam.

Visit [www.youtube.com/watch?v=8NXk8qsHWN0](https://www.youtube.com/watch?v=8NXk8qsHWN0)

[www.itto.int/news/2023/02/20/support\\_community\\_enterprises\\_to\\_increase\\_legal\\_timber\\_supply\\_says\\_itto](http://www.itto.int/news/2023/02/20/support_community_enterprises_to_increase_legal_timber_supply_says_itto)

[www.itto.int/top\\_stories/2023/08/17/itto\\_encourages\\_sustainable\\_wood\\_use\\_at\\_meeting\\_of\\_apec\\_expert\\_group](http://www.itto.int/top_stories/2023/08/17/itto_encourages_sustainable_wood_use_at_meeting_of_apec_expert_group)

### ITTO presents on global timber situation in webinar for Ecuador timber industry

ITTO provided insights into the supply and demand dynamics of tropical wood in international markets in a webinar convened by the Ecuadorian Association of Teak and Tropical Timber Producers in late October 2023.

### Three Basins Summit

ITTO virtually attended the Three Basins Summit Brazzaville, the Congo, in October 2023 an event aimed at building a global coalition to support the UN Decade on Ecosystem Restoration 2021–2030, promote the integration of climate and biodiversity issues, and exert influence in multilateral climate and biodiversity bodies. ITTO, which has a long history of working with its tropical member countries to encourage sustainable forest management and a legal and sustainable tropical timber trade, is a natural partner for the Three Basins initiative.

### One Forest Summit

ITTO attended the One Forest Summit, in Libreville, Gabon, in March 2023. This meeting brought together heads of state and ministers, as well as leaders of business and civil society, to address issues related to forest conservation and sustainable development in Southeast Asia and the Congo and Amazon basins. Its aim was to demonstrate that both forest protection and economic development are reconcilable through sustainable forest management.



## Address at the ANZIF Conference

In a video-recorded keynote address at the ANZIF Conference in October 2023, Ms Satkuru stressed the importance of legal and sustainable tropical timber supply chains and called for more investment in sustainable tropical forestry and forest enterprises to promote inclusive and resilient solutions for people and the environment in a more circular bioeconomy.

## ITTO and Asian Development Bank explore collaboration

ITTO and the Asian Development Bank (ADB) agreed to explore opportunities to work more closely together in encouraging sustainable tropical forest management and the trade of legal and sustainable tropical forest products, after Ms Satkuru met with ADB officials at the Bank's headquarters in Manila in July 2023.

Discussions revealed several potential avenues for collaboration, reflecting the shared commitment of the two organizations to environmental conservation and sustainable development. They include trade regulations; forest carbon sequestration and carbon credits; sustainable wood use; forest landscape restoration; coastal protection; innovative forest fire management approaches; sustainable wood use; integrated water management; and the use of artificial intelligence in remote sensing.

## 8th International Wildland Fire Conference

ITTO contributed to the 8th International Wildland Fire Conference held in Porto, Portugal, in May 2023 by co-hosting a workshop to showcase the outcomes of three ITTO projects on fire prevention and response and the Organization's guidelines on fire management in tropical forests. The workshop also discussed the importance of involving social scientists in integrated forest management, the need for stronger enforcement of forest laws to reduce the risk of wildfire, and the role of international cooperation in addressing tropical forest fires.

The conference adopted the Landscape Fire Governance Framework to promote collaboration on fire management.

A fire-prone landscape in the mountainous area of Huanuco, one of five departments in Peru where an ITTO project on fire management was implemented. Photo: SERFOR



ITTO Executive Director Sheam Satkuru delivers a keynote presentation at the International Conference on Timber Certification: Exploring Future Frontiers. Photo: MTCC

Visit [https://www.itto.int/news/2023/05/26/itto\\_fire\\_guidelines\\_and\\_projects\\_featured\\_at\\_8th\\_international\\_wildland\\_fire\\_conference/](https://www.itto.int/news/2023/05/26/itto_fire_guidelines_and_projects_featured_at_8th_international_wildland_fire_conference/)

## International Conference on Timber Certification

Ms Satkuru delivered a keynote address at a conference held in Kuala Lumpur, Malaysia, in March 2023 that addressed the mainstreaming of forest certification through greater adoption and acceptance by industries in domestic and global timber trade and markets.

In her address, Ms Satkuru described ITTO's vast programme of work to promote SFM, develop incentives for sustainable forestry, encourage legal and sustainable supply chains and timber certification, collaborate with diverse national and global institutions, boost transparency and data quality in the tropical timber trade, and increase awareness of the potential of sustainable tropical forestry to address global challenges.



ITTO participated in the G7 agriculture ministers' meeting in Miyazaki, Japan. Photo: A. Tabata/Japan's Forestry Agency



Courtesy call by members of Yokohama City Council and Diet to ITTO headquarters to discuss collaboration on increasing outreach to the Japanese private sector. Photo: S. Kawaguchi/ITTO



A poster produced by ITTO in collaboration with Japan's Ministry of Foreign Affairs and Forestry Agency displayed in the Tokyo Metro to raise awareness of the importance of conserving tropical forests. Photo: Y. Kamiyo/ITTO



Orangutan poster on display at Yokohama City Hall by City of Yokohama. Photo: City of Yokohama

## Cooperation with Japan, ITTO's host country

Many activities were conducted in 2023 as part of the Organization's collaborative work with its host country Japan. These include high-level outreach meetings, lectures on sustainable forestry in the tropics, production of outreach material, and participation in exhibitions and conferences.

ITTO took part in the international conference, "Blue carbon ecosystems for sustainable development with special emphasis to mangrove ecosystems", which was held at Yokohama National University in January. The Organization also participated at the G7 agriculture ministers meeting held in Miyazaki in March, with Ms Satkuru moderating the seminar, "Toward net zero and circular economy with sustainable wood use".

ITTO produced three posters in collaboration with Japan's Ministry of Foreign Affairs and Forestry Agency that were displayed in stations in the Tokyo Metro in April to raise awareness of the importance of tropical forest conservation. ITTO, the City of Yokohama and the Ministry of Foreign Affairs also produced a poster on the importance of tropical forests for planetary well-being, which was distributed to more than 330 elementary schools in the city.

ITTO and the City of Yokohama co-hosted the Kodomo Adventure College in August. The event delivered lectures and learning exercises for fifth- and sixth-grade elementary-school students aimed at raising awareness on environmental issues and the importance of tropical forests in healthy and sustainable societies.

ITTO hosted a gathering of about 60 dignitaries from the Government of Japan, the City of Yokohama, foreign missions in Japan, private associations and non-governmental organizations in July 2023 to enjoy the Minato-Mirai Smart Festival, including its famous display of fireworks.

Visit [www.itto.int/activities](http://www.itto.int/activities)





2023 ITTO Fellow Julio Salas-Rabaza (Mexico) at the 2024 IUFRO World Congress with an infographic showing his research findings, which won the award for best poster at the week-long event. Photo: Julio A. Salas-Rabaza

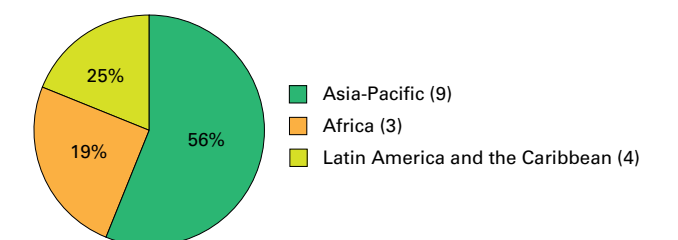
## Fellowships

The ITTO Fellowship Programme promotes human-resource development and strengthens professional expertise in member countries in tropical forestry and related disciplines. Since its establishment in 1989, the programme has enabled more than 1400 young and mid-career professionals from 49 countries working for governments, universities, research institutions, civil society and the private sector to pursue professional development opportunities and improve their career prospects.

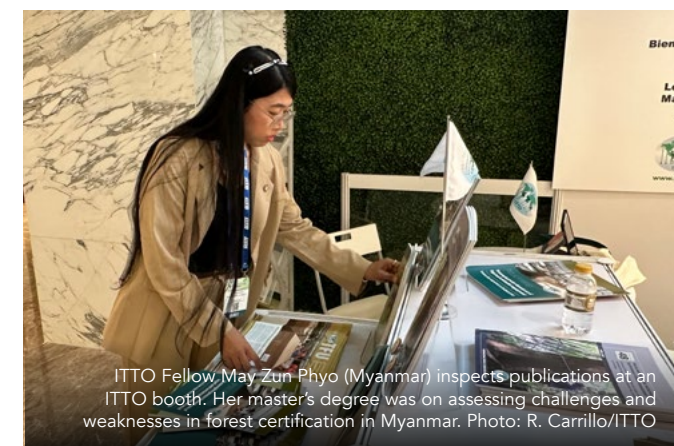
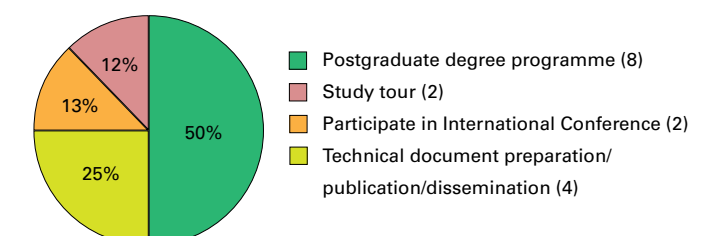
The programme mainly supports activities such as short training courses; internships; study and demonstration tours; the preparation, publication and dissemination of technical documents; participation in conferences, seminars and workshops; and post-graduate studies. Funds are provided to individuals of ITTO member countries from a wide range of geographic regions, taking into account gender balance and encouraging capacity development among women foresters.

The value of the Fellowships awarded to date amounts to about USD 9.8 million. Funding has been provided through generous voluntary contributions from Japan (68%), the United States of America (19%), the Netherlands (7%), Australia (2.5%) and others (3.5%), including Sweden, the United Kingdom, Bali Partnership Fund-B, and private companies. In 2023, the International Tropical Timber Council awarded Fellowships to 16 professionals, including five women, from nine producer member countries, at a total budget cost of about USD 107 000 based on the recommendations of a selection panel convened virtually prior to the Council's 59th session. The charts show how these Fellowships are distributed by region and purpose.

ITTO Fellowships awarded in 2023, by region



ITTO Fellowships awarded in 2023, by purpose







Common squirrel monkey, Tambopata reserve, Peru. Photo: T.Lostaunau (ITTO Fellow)

## Outreach

The aim of ITTO's outreach is to elevate the Organization's role in the forest dialogue and provide thought leadership on policies, practices and innovations for sustainable development through SFM and a vibrant trade of forest goods and services. ITTO's outreach also contributes to larger conversations on economic development, climate change, biodiversity, and other topics.

Much of the Organization's outreach is achieved through personal engagements, field projects, activities and normative and collaborative work, as outlined in other sections of this report. This section presents outreach activities conducted mainly by the ITTO Secretariat.

### Awareness-raising campaigns

ITTO released outreach materials to raise public awareness on the value of tropical forests. Together with the City of Yokohama, ITTO produced three posters that were displayed in Tokyo Metro stations in April 2023. In collaboration with Japan's Ministry of Foreign Affairs

and Ministry of Agriculture, Forestry and Fisheries, ITTO produced a poster that was displayed in Yokohama City Hall and distributed to around 500 schools.

ITTO works closely with schools and universities to inform students about ITTO's work. In 2023, ITTO welcomed students from the International Christian University and Tsukuba University to ITTO headquarters. ITTO was also active at the event, "Blue carbon ecosystems for sustainable development with special emphasis to mangrove ecosystems", which was held at the Yokohama National University.

ITTO provides its technical expertise to development partners. An ITTO official was a resource speaker at training on sustainable forest management with community participation hosted by the Japan International Cooperation Agency in November.



From the offices to the fields, ITTO is an action-oriented organization. Photo: ITTO





## Tropical Forest Update

ITTO published three editions of the Tropical Forest Update (TFU)—a newsletter promoting the conservation and sustainable use of tropical forests—in 2023 (Volume 32):

- No. 1 — Many issues, one solution: tropical forests
- No. 2 — Tropical forests: relief for a scorched Earth
- No. 3/4 — Strengthening tropical timber supply chains

Hard copies of the TFU are distributed free of charge in three languages — English, French and Spanish—to about 13 400 individuals and organizations in 145 countries. The TFU is also available electronically on the ITTO website<sup>13</sup> and via the TFU app (which can be obtained from the App Store and Google Play<sup>14</sup>).

## Tropical Forest News

ITTO published ten editions of its e-newsletter, Tropical Forest News, in 2022, providing subscribers with insights into ITTO’s work and other relevant news and events. Additionally, five issues were released during the 59th session of the International Tropical Timber Council to provide subscribers with daily highlights of the session. Subscriptions to Tropical Forest News can be obtained on the homepage of the ITTO website.

## ITTO website

The ITTO website<sup>15</sup>, available in English, French and Spanish and with extensive coverage in Japanese, received over 570 000 views in 2023, representing an increase of 22.4% compared with 2022. The website contains a wide range of information on ITTO’s work, including news; calls for proposals; information on the International Tropical Timber Council and its committees; a list of ITTO members and contact points; publications, including the TFU, the Policy Development Series and the Technical Series; the statistical database; the Market Information Service; information on ITTO Fellowships; a list of forthcoming events; a project and concept-note search engine; project and concept notes for donor consideration; a photo gallery; and quick links to various areas of the website. It is continually updated with new content.

Stories on international days relevant to ITTO’s work were also published on the website in 2023, showcasing how SFM and a sustainable tropical timber trade help address global challenges.

## Social media

ITTO has a presence on Facebook, Instagram, X (formerly Twitter), YouTube and LinkedIn. ITTO made regular postings in 2023 across all these platforms to promote the latest news, events and publications.

- 13 [www.itto.int/tfu](http://www.itto.int/tfu)
- 14 Keywords = TFU ITTO
- 15 [www.itto.int](http://www.itto.int)
- 16 [facebook.com/ittosfm](https://facebook.com/ittosfm)
- 17 [instagram.com/itto\\_sfm](https://instagram.com/itto_sfm)
- 18 [x.com/itto\\_sfm](https://x.com/itto_sfm)
- 19 [youtube.com/@ittosfm](https://youtube.com/@ittosfm)
- 20 [linkedin.com/company/itto-sfm](https://linkedin.com/company/itto-sfm)

## Videos

As of December 2023, 139 videos on various aspects of the Organization’s work were available on ITTO’s YouTube channel. The following videos were added to the channel in 2023:

- COP28 Event Advancing Sustainable Forest Management: Financing Mechanisms for Carbon & Biodiversity
- 2023 Annual Market Discussion at ITTC 59
- *Compras de madera responsables*
- *Gestión Productiva Forestal*
- *Aspectos Juridicos en al aprovechamiento y comercio de madera (Colombia)*
- *Equidad De Genero en el sector forestal*
- How sustainable forestry works (*Manejo florestal*)
- Enhancing landscape restoration and women’s empowerment in Togo
- Smallholder community forest management initiatives in Para State, Brazil. ITTO side-event at UNFF18
- *Los Guardianes de Machu Picchu*
- The Peoples’ Forest Amazonia, Brazil
- ITTO presentation on Strengthening Community Forest Enterprises for Sustainable Tropical Wood Use

## Coverage of the 59th session of the ITTC

A dedicated webpage<sup>21</sup> provided comprehensive reporting of the 59th session of the International Tropical Timber Council, including daily news and developments, presentations, photos and insights.

ITTO engaged the services of the Earth Negotiations Bulletin (ENB) to cover the 59th session.<sup>22</sup> ENB is an independent reporting service on environment and development negotiations delivered by the International Institute for Sustainable Development, a Canada-based non-profit organization.

## ITTO in the media

ITTO’s work appeared in several media outlets in 2023:

- A chapter on ITTO’s work was published in A Better World (volume 9).<sup>23</sup>
- The June issue of Forestry Agency’s information magazine, RINYA,<sup>24</sup> and the Forestry Agency’s website,<sup>25</sup> featured an introduction to ITTO.
- The Borneo Post published “Forest Dept inks

agreements for Upper Baram Forest Area projects costing over US\$1.8 mln”.<sup>26</sup>

- Seikyo, a Japanese newspaper, promoted ITTO and its mission<sup>27</sup>

ITTO regularly appeared and was referenced in the platforms of partners, such as newsletters, technical bulletins and social media:

- TEAKNET Bulletin Volume 16 issues 1<sup>28</sup> and 3<sup>29</sup>
- Yokohama International Exchange Association brochures and website
- Website and social media of the Japanese Embassy in Panama (April 2023 on the ITTO timber-tracking project, 913/20 Rev.4 (M)<sup>30</sup>)
- UNFF: Message from the UNFF Director (May 24, 2023)
- IUFRO News Vol. 52, issue 6, double issue 7 & 8, and issue 12
- ATIBT newsletters
- Congo Basin Forest Partnership newsletters
- European Sustainable Tropical Timber Coalition and Fair & Precious Newsletter 2023 #1<sup>31</sup>

## Events

ITTO participated in various events and activities in 2023 that helped elevate ITTO’s brand and engagement with its audience. The Organization’s participation ranged from presenting its work to organizing side-events and meetings during the following:

- Analysis of timber legality assurance systems and good practices in China and Viet Nam for sustainable timber trade—Japan national webinar
- G7 Agriculture Ministers’ Meeting
- 18th Session of the UNFF
- 8th International Wildland Fire Conference
- IUFRO All Division 5 Conference 2023
- Global Festa Japan 2023
- 28th Conference of the Parties to the United Nations Framework Convention on Climate Change in Dubai, United Arab Emirates
- Wood Tech Leadership (Linkiwood) Summit



Inside: Japan’s Clean Wood Act LSSC training in Congo Basin · Biomass in Indonesia · more

21 [itto.int/itc-59](https://itto.int/itc-59)  
22 <https://enb.iisd.org/itc59-international-tropical-timber-council>  
23 [https://www.itto.int/top\\_stories/2023/09/29/itto\\_s\\_work\\_showcased\\_in\\_new\\_publication](https://www.itto.int/top_stories/2023/09/29/itto_s_work_showcased_in_new_publication)  
24 <https://www.rinya.maff.go.jp/j/kouhou/kouhousitu/jouhoushi/0506.html>  
25 <https://www.rinya.maff.go.jp/j/boutai/yunyuu/itto.html>  
26 <https://www.theborneopost.com/2023/03/21/forest-dept-inks-agreements-for-upper-baram-forest-area-projects-costing-over-us-1-8-mln/>  
27 <https://www.seikyoonline.com/article/44E37A56BF942E1EB67629DF6440E359>  
28 <https://teaknet.org/system/files/Volume%2016%281%29.pdf>  
29 <https://teaknet.org/system/files/Volume%2016%283%29.pdf>  
30 [https://www.itto.int/project/id/PD913\\_20-Rev.4-M](https://www.itto.int/project/id/PD913_20-Rev.4-M)  
31 <https://mailchi.mp/e43a632ff43b/sttc-and-fairprecious-newsletter-2021-20202065?e=6d0a261c8f>





Biomass energy production in Brazil using *Araucaria* sp. Photo: F. Zequinão

# Financial highlights

This chapter consists of two main sections: an executive summary of ITTO’s financial statements prepared by the ITTO Secretariat, and an extract of ITTO’s audited financial statements. Both sections are part of the financial reports prepared in accordance with ITTO’s Financial Rules and Procedures to be considered by the International Tropical Timber Council at its 60th session.

## Executive summary of ITTO’s financial statements for the year ended 31 December 2023 prepared by ITTO Secretariat

The audited financial statements provide information on the financial position and performance of the International Tropical Timber Organization (ITTO) for the fiscal year ended 31 December 2023 (FY2023).

For ITTO’s project accounts in FY2023, new voluntary contribution pledges of USD 6.2 million were announced at the 59th Session of the International Tropical Timber Council, and total project cost expenses during this period were USD 4.7 million for projects mostly funded prior to FY2023. Total Administrative Account assessed contribution revenues were USD 7.2 million, of which USD 1.4 million was not received during FY2023 and were accounted for as assessed contributions receivable (arrears). Actual costs for the FY2023 Administrative Account budget were USD 4.9 million, therefore creating

a cash surplus of USD 0.9 million for the Administrative Account budget for the year. The International Tropical Timber Council (ITTC) adopted Decision 4(LIX) in November 2023 to further improve the management of the Administrative Budget by adopting a trial measure that allows members that are in arrears and ineligible to submit project proposals/concept notes to be allowed to submit one project proposal/concept note for every two years of arrears paid, provided that a payment plan for the total arrears owed is submitted at the same time. The trial measure is for a 4-year period and the progress of its implementation will be reported at each Council Session during this period.

The Council adopted Decision 5(LIV) at its 54th Session in November 2018 to enhance the financing architecture and fundraising of the Organization. In accordance with operative paragraph 8 of that decision, the Secretariat is including here the revenue and direct and indirect costs associated with implementing the pilot of “an additional fundraising approach focused on pro-active development of proposals with potential sources of funding and /or participate in tenders which address/contribute to the objectives of the International Tropical Timber Agreement (ITTA) and the strategic priorities of the Organization, taking into consideration the need for transparency, and opportunities for member engagement”.

Costs associated with implementing the pilot		2023
Costs charged to the Administrative Budget		
Staff Time *		250 000
Sub-total		250 000
Costs charged to the Working Capital Reserve in accordance with Decision 9(LIII) and Decision5(LIV)		
Outreach		17 369
Consultancies and data collection		5 981
Sub-total		23 350
Total Costs		273 350
* Estimated based on time spent on brainstorming, meetings and implementing fundraising initiatives as well as time spent on implementing the resulting activities not explicitly budgeted for in those activities.		



Required disclosures in accordance with ITTC Decision 5(LIV) - Enhancing the Financing Architecture and Fundraising of the Organization

ITTC Decision 5(LIV), operative paragraph 9 requests the Secretariat to include in the annual financial report for calendar years 2019, 2020 and 2021 the revenue, direct and indirect costs associated with implementing the pilot for an additional fundraising approach focused on pro-active development of proposals with potential sources of funding and/or participate in tenders which address/contribute to the objectives of the ITTA and the strategic priorities of the Organization, taking into consideration the need for transparency, and opportunities for member engagement.

Pledges associated with implementing the pilot	2023
<i>Pledges in ITTC Decision 1(LVII) associated with implementing the pilot</i>	
<i>Pledge by China, Macao SAR for PP-A/53-323I "Supporting the Establishment and Operation of the Global Timber Index Platform for Building Legal and Sustainable Forest Products Supply Chains - Phase II"</i>	1 140 685
<i>Pledge by China, Macao SAR for PP-A/53-323J "Supporting Pilot Collaborative Operation of the Blockchain-based Timber Traceability System (BTTS) for Building Legal and Sustainable Forest Products Supply Chains - Phase II"</i>	326 370
<i>Pledge by China, Macao SAR for PP-A/53-323K "Global Legal &amp; Sustainable Timber Forum (GLSTF)"</i>	62 000
<i>Pledge by Germany for PP-A/54-331A "Promoting Quality Timber Production in Smallholders and Community-based Teak and Other Valuable Species Plantations in the Tropics"</i>	1 413 449
<i>Pledge by Soka Gakkai for PP-A/56-341B "Support for Women's Groups with the Restoration of Forest Landscapes in the Prefectures of Blitta and Lacs, Togo" – Phase 3</i>	75 160
<i>Pledge by Japan for PP-A/59-351 "Community-based Restoration of Cyclone-Affected Vulnerable Mangrove Forests through Empowerment of Coastal Communities and Women in the Rewa Delta, Fiji"</i>	350 000
<i>Pledge by Japan for PP-A/59-353 (CN-21004) "Post-COVID Recovery in Costa Rica – Enhancing the Value of Secondary Natural Forests through Sustainable Use and its contribution to Climate Change Mitigation while Generating Rural Employment"</i>	250 000
<i>Pledge by Japan for PD 935/23 (I) (CN-23025) Promoting Sustainable Wood Use for Domestic Market in Malaysia</i>	212 089
<i>Pledge by USA for CN-21009 "Strengthening and consolidating the national process for controlling illegal logging and associated trade in Cameroon"</i>	41 265
<b>Total Pledges</b>	<b>3 871 018</b>

For the eighth successive year, the 2023 financial statements have been prepared based on the International Public Sector Accounting Standards (IPSAS) and in accordance with the Financial Rules and Procedures adopted by the Council, disclosing additional information on actual assets and liabilities and enabling the improved management of ITTO's resources and internal control. Highlights include the following:

1. The surplus for the FY2023 Statement of Financial Performance was USD 1.5 million, due mainly to differences in the timing of recognizing revenue and expenses (i.e. the entire Administrative Budget is recognized as revenue in the year that the assessments are due, but only expenses incurred in the same year are recognized as expenses in that year's budget), and reduced personnel costs due to a number of vacancies.
2. The new IPSAS 41 standard for Financial Instruments was implemented as of 1 January 2023 which replaces IPSAS 29. The impact of applying the new standard in 2023 mainly consists of an increase of \$1.1 million in accumulated loss allowance for expected credit losses for assessed contributions, and an increase of USD 0.2 million in allowance expenses for debt in the Administrative Account.

ITTO is committed to enhancing its solid foundation for transparent and effective financial management and reporting. In addition to the best practices for internal control implemented under the Financial Rules and policy documents adopted and revised in recent years, the ITTC in November 2023 updated its project audit framework to improve usability and efficiency, based on feedback received from the executing agencies and auditors. ITTO will continue to implement and strengthen its internal controls and accountability measures by proactively evaluating and improving its systems where appropriate by adopting best practices from organizations that are similar in nature. Simultaneously, the Council will play a crucial role as the governing body by receiving regular reports of the Organization's finances and providing oversight of these.

Extract of ITTO's Audited Financial Statements for the year ended 31 December 2023

Statement of financial position as of 31 December (United States dollars)		
	31 December 2023	31 December 2022
<b>Assets</b>		
<i>Current assets</i>		
<i>Cash and cash equivalents</i>	20 376 300	17 925 090
<i>Investments</i>	-	-
<i>Assessed and voluntary contributions receivable, net</i>	5 119 393	5 066 863
<i>Other accounts receivable, net</i>	34 697	49 502
<i>Advance transfers – projects</i>	1 249 626	1 154 682
<i>Advance transfers – other</i>	271 309	137 611
<i>Total current assets</i>	27 051 325	24 333 748
<i>Non-current assets</i>		
<i>Property and equipment</i>	201 592	115 225
<i>Intangible assets</i>	-	1 366
<i>Other assets</i>	-	-
<b>Total non-current assets</b>	<b>201 592</b>	<b>116 591</b>
<b>Total assets</b>	<b>27 252 917</b>	<b>24 450 339</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
<i>Accounts payable – members</i>	241 943	66 025
<i>Voluntary contributions advance receipts – allocated</i>	1 606 781	1 558 696
<i>Voluntary contributions advance receipts – unallocated</i>	1 266 630	1 630 379
<i>Assessed contributions advance receipts</i>	371 261	349 459
<i>Other liabilities</i>	683 146	764 392
<b>Total current liabilities</b>	<b>4 169 760</b>	<b>4 368 951</b>
<b>Non-current liabilities</b>		
<i>Voluntary contributions advance receipts – allocated</i>	8 503 153	6 985 396
<i>Other liabilities</i>	1 055 600	1 080 481
<b>Total non-current liabilities</b>	<b>9 558 752</b>	<b>8 065 876</b>
<b>Total liabilities</b>	<b>13 728 512</b>	<b>12 434 827</b>
<b>Net of total assets and total liabilities</b>	<b>13 524 405</b>	<b>12 015 512</b>
<b>Net assets</b>		
<i>Accumulated surplus – restricted</i>	8 407 722	7 568 284
<i>Accumulated surplus – unrestricted</i>	2 616 682	1 947 228
<i>Reserves</i>	2 500 000	2 500 000
<b>Total net assets</b>	<b>13 524 405</b>	<b>12 015 512</b>



**Statement of cash flows for the year ended 31 December**  
(United States dollars)

	2023	2022
<b>Cash flows from operating activities</b>		
<i>Surplus/(deficit) for the year</i>	1 508 893	1 728 287
<i>Adjustments to reconcile deficit/surplus to net cash flows</i>		
<i>Increase/(decrease) in allowance for doubtful receivables</i>	992 602	666 961
<i>Depreciation and amortization</i>	58 458	69 340
<i>Unrealized (gain)/loss on foreign exchange</i>	110 566	377 184
<b>Changes in assets</b>		
<i>(Increase)/decrease in assessed contributions receivable</i>	(228 033)	(1 157 702)
<i>(Increase)/decrease in voluntary contributions receivable</i>	(817 099)	(546 568)
<i>(Increase)/decrease in other accounts receivable</i>	6 795	11 803
<i>(Increase)/decrease in advance transfers – projects</i>	(94 944)	(48 934)
<i>(Increase)/decrease in advance transfers – other</i>	(133 698)	130 538
<b>Changes in liabilities</b>		
<i>(Decrease)/increase in accounts payable – members</i>	175 918	57 084
<i>(Decrease)/increase in other liabilities</i>	(216 069)	27 139
<i>(Decrease)/increase in voluntary contributions advance receipts - allocated</i>	1 565 842	(2 018 839)
<i>(Decrease)/increase in voluntary contributions advance receipts - unallocated</i>	(363 750)	740 214
<i>(Decrease)/increase in assessed contributions advance receipts</i>	21 801	24 212
<b>Net cash flows from operating activities</b>	<b>2 587 282</b>	<b>60 720</b>
<b>Cash flows from investing activities</b>		
<i>Purchases of property and equipment</i>	(3 608)	(4 099)
<i>Purchases of intangible assets</i>	-	-
<b>Net cash flows from investing activities</b>	<b>(3 608)</b>	<b>(4 099)</b>
<b>Cash flows from financing activities</b>		
<i>Net proceeds from/(payment of) finance lease liabilities</i>	<b>(29 909)</b>	<b>(32 361)</b>
<i>Net cash flows from financing activities</i>	(29 909)	(32 361)
<i>Effect of exchange rate changes on cash and cash equivalents</i>	(102 555)	(377 184)
<b>Net (decrease) in cash and cash equivalents</b>	<b>2 451 210</b>	<b>(352 923)</b>
<i>Cash and cash equivalents — beginning of year</i>	17 925 090	18 278 014
<b>Cash and cash equivalents — end of year</b>	<b>20 376 300</b>	<b>17 925 090</b>

**Statement of financial performance for the year ended 31 December**  
(United States dollars)

	2023	2022
<b>Revenue</b>		
<i>Administrative account</i>		
<i>Assessed contributions</i>	7 179,897	7 064 768
<i>Host country contributions</i>	736 150	1 182 441
<i>Financial revenue</i>	21 415	810
<i>Other income</i>	827	41 852
<i>Project accounts</i>		
<i>Member states voluntary contributions</i>	4 477 330	4 321 392
<i>Other voluntary contributions</i>	-	-
<i>Programme support revenue</i>	792 689	546 360
<i>Ex-post evaluation revenue</i>	12 177	93 805
<i>Financial revenue</i>	16 008	976
<i>Other income</i>	-	-
<b>Total revenue</b>	<b>13 236 494</b>	<b>13 252 404</b>
<b>Expenses</b>		
<i>Administrative account</i>		
<i>Employee benefits</i>	3 911 258	3 919, 507
<i>Operating expenses</i>	1 942 397	1 993 344
<i>Project accounts</i>		
<i>Project expenses</i>	4 705 045	4 500 351
<i>Depreciation and amortization</i>	58 458	69 340
<i>Other expenses</i>	1 110 444	1 041 576
<b>Total expenses</b>	<b>11 727 601</b>	<b>11 524 117</b>
<b>Surplus/(deficit) for the year</b>	<b>1 508 893</b>	<b>1 728 287</b>

**Result of the internal audit procedures of the Anti-money Laundering and Counter Terrorism Financing Programme, in accordance with Decision 3(LIV) of the International Tropical Timber Council**

Takeshi Tanaka, Certified Public Accountant licensed in Japan with the Forvis Mazars Japan, as part of ITTO's internal audit programme, performed the relevant internal audit procedures, instructed by ITTO, on ITTO's implementation of its Anti-money Laundering and Counter

Terrorism Financing Programme ("the Programme"). The objective of the internal audit by ITTO was to assess whether ITTO complied with the Programme. The procedures covered the period from 1 January 2023 through 31 December 2023.

As a result of the procedures performed for the internal audit, no significant issues were detected that could bring into doubt ITTO's compliance with the Programme. Findings and recommendations have been reported separately to the management of ITTO.





Mahogany Madre de Dios, Peru. Photo: Walter H. Wust

# Membership

Canada rejoined ITTO in 2023, bringing the membership of the Organization to 76, as of 31 December 2023.

## Producer members (37)

### Africa (14)

Angola, Benin, Cameroon, Central African Republic, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Gabon, Ghana, Liberia, Madagascar, Mali, Mozambique, Togo

### Asia and the Pacific (10)

Cambodia, Fiji, India, Indonesia, Malaysia, Myanmar, Papua New Guinea, Philippines, Thailand, Viet Nam

### Latin America and the Caribbean (13)

Brazil, Colombia, Costa Rica, Ecuador, Guatemala, Guyana, Honduras, Mexico, Panama, Peru, Suriname, Trinidad and Tobago, Venezuela (Bolivarian Republic of)

## Consumer members (39)

Albania, Australia, Canada, China, European Union [Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden], Japan, New Zealand, Norway, Republic of Korea, Switzerland, United Kingdom of Great Britain and Northern Ireland, United States of America



ITTO flag at the 59th Session of ITTC. Photo: Diego Noguera/ENB









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