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2–6 December 2024
Yokohama, Japan

**DRAFT REPORT OF THE
INTERNATIONAL TROPICAL TIMBER COUNCIL
AT ITS SIXTIETH SESSION**

Yokohama, Japan

2–6 December 2024

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KEY ACRONYMS AND ABBREVIATIONS

AFoCO	Asian Forest Cooperation Organization
APEC	Asia-Pacific Economic Cooperation
BWP	Biennial Work Programme
CAFI	Central African Forest Initiative
CBD	Convention on Biological Diversity
CEM	Committee on Economics, Statistics and Markets
CFA	Committee on Finance and Administration
CFI	Committee on Forest Industry
CIFOR-ICRAF	Center for International Forestry Research–World Agroforestry
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
COP	Conference of the Parties
CPF	Collaborative Partnership on Forests
CRF	Committee on Reforestation and Forest Management
DRC	Democratic Republic of the Congo
EGILAT	Experts Group on Illegal Logging and Associated Trade
EU	European Union
EUDR	EU Deforestation Regulation
FAO	Food and Agriculture Organization of the United Nations
GCF	Green Climate Fund
GEF	Global Environment Facility
IAG	Informal Advisory Group
ITTA	International Tropical Timber Agreement
ITTC	International Tropical Timber Council
ITTO	International Tropical Timber Organization
IUCN	International Union for Conservation of Nature
JICA	Japan International Cooperation Agency
MOU	memorandum of understanding
PEFC	Programme for the Endorsement of Forest Certification
PNG	Papua New Guinea
PWG	Preparatory Working Group
RESTEC	Remote Sensing Technology Center of Japan
SDG	Sustainable Development Goal
TFFF	Tropical Forest Forever Facility
UNCCD	United Nations Convention to Combat Desertification
UNCTAD	United Nations Conference on Trade and Development
UNEP	United Nations Environment Programme
UNDP	United Nations Development Programme
United Kingdom	United Kingdom of Great Britain and Northern Ireland
UNFCCC	United Nations Framework Convention on Climate Change
UNFF	United Nations Forum on Forests
USA	United States of America
USD	United States Dollar(s)
WCO	World Customs Organization

OPENING OF THE SESSION (AGENDA ITEM 1)

1. The 60th Session of the International Tropical Timber Council (ITTC), held in Yokohama, Japan, was opened by the Chairperson, Ms Anna Tyler (New Zealand). She acknowledged, with appreciation, the longstanding support for ITTO from the Government of Japan and the City of Yokohama as hosts of the Secretariat and Council sessions. She thanked the Secretariat for its tireless work in enabling the session. She recognized the presence of several high-level government representatives.
2. Ms Tyler reflected on ITTO's achievements and stressed the importance of maintaining momentum toward sustainable tropical forest management. She outlined three key themes: the crucial role of tropical forests in addressing global challenges; ITTO's leadership in promoting sustainable forest governance; and the necessity of collective member engagement to reshape and strengthen the Organization.
3. Ms Tyler said tropical forests were crucial for planetary wellbeing and achievement of the 2030 Agenda for Sustainable Development. Sustainable forest management, she said, ensures that forests retain their biodiversity and maintain their productive potential while generating a flow of renewable resources. Legal and sustainable timber supply chains link consumers worldwide with the forests in which they are grown. ITTO exemplified how to put sustainable tropical forest management into practice. Under the leadership of the Executive Director, ITTO continued to champion the multiple benefits of sustainable tropical forest management. ITTO field projects continue to have positive impacts at the local level.
4. Ms Tyler highlighted ITTO's recent accreditation by the Green Climate Fund (GCF) as a major achievement that would enable broader climate-resilient forestry initiatives. She praised ITTO's dual mandate—promoting legal, sustainable trade and expanding forest-based development opportunities—and encouraged members to participate more fully in ITTO's work, including committees, working groups, and stakeholder outreach. Ms Tyler noted that one of the agenda items would examine how to support improved payments of contributions and eligibility to submit project proposals. She welcomed Canada's return to the Organization and called on all members to unite in promoting tropical forests in global forums, particularly ahead of the 30th Conference of the Parties (COP30) to the United Nations Framework Convention on Climate Change (UNFCCC), to be held in Brazil in 2025.
5. The Honourable Mr Takinami Hirofumi, State Minister of Agriculture, Forestry and Fisheries of Japan, extended a warm welcome on behalf of the host government. He highlighted the slowing rate of global deforestation but stressed the need for innovative, cooperative approaches to fulfil the Glasgow Leaders' Declaration on Forests and Land Use by 2030. Mr Takinami reiterated Japan's long-standing support for ITTO projects, especially those promoting innovation and advanced technologies in the forest sector. He acknowledged the important role of ITTO in steering international discussions on the future of the International Tropical Timber Agreement (ITTA), which is due to expire in 2029. Mr Takinami invited delegates to return to Yokohama for major upcoming events, including the Ninth Tokyo International Conference on African Development (TICAD 9) in 2025 and Green Expo in 2027.
6. Mr Yamanaka Takeharu, Mayor of Yokohama, welcomed delegates on behalf of Yokohama's citizens and expressed admiration for ITTO's global mission. He emphasized the city's sustainability goals, such as fully decarbonizing the Minato Mirai business district by 2030 and integrating wood use in urban construction. Mr Yamanaka promoted the upcoming 2027 Green Expo, which would focus on nature-based solutions and international collaboration to advance biodiversity and net-zero initiatives.
7. The Honourable Mr Jorge Mario Rodriguez Zuniga, Vice-Minister of Environment of Costa Rica, presented Costa Rica's success story in forest recovery and sustainability. From once being a country with severe deforestation, Costa Rica now boasted nearly 60% forest cover. Mr Rodriguez detailed the implementation of conservation areas and payments for ecosystem services that have contributed to this reversal. He emphasized the necessity of strict controls on illegal logging, the development of forest added-value value chains, and the inclusion of indigenous knowledge in conservation. Mr Rodriguez called for international cooperation, traceability in timber supply chains, and a reaffirmed commitment by ITTO members to good practices in forest governance.
8. The Honourable Datuk Haji Len Talif Salleh, Deputy Minister of Urban Planning, Land Administration, and Environment of Sarawak, Malaysia, reflected on Sarawak's decades-long partnership with ITTO, noting over 20 joint projects totalling approximately USD 16 million. Mr Salleh outlined Sarawak's transformation from reliance on natural forests to forest plantations, and highlighted policy reforms in forest law, certification and forest management. Sarawak aims for net-zero carbon emissions before

2050 and has launched multiple climate initiatives, including carbon credit and offset programmes; carbon capture, use and storage; a transition to renewable energy, including hydropower and hydrogen development; and circular-economy strategies in waste management. Mr Salleh said he welcomed further international collaboration to support Sarawak's ambitious green agenda.

9. His Excellency Mr Roberto Seminario Portocarrero, Ambassador of Peru to Japan, reaffirmed Peru's commitment to ITTO, referencing Peru's long membership since 1986 and its history of hosting two Council sessions and highlighting Peru's rich forest resources, which ranked among the largest in the world. He expressed appreciation for ITTO's support of 62 forest-related projects in Peru worth USD 22 million and appealed for further funding to support the second phase of a timber industry development project and a new concept note on sustainable bamboo utilization. Mr Seminario praised the Executive Director's leadership and reiterated Peru's commitment to ITTO's success.
10. ITTO Executive Director Ms Sheam Satkuru thanked the Government of Japan and the City of Yokohama for their enduring support. She welcomed all delegates and emphasized the strong foundations of the organization built over its 38-year history. She echoed the call to action by the Chair and dignitaries and reaffirmed ITTO's dedication to promoting sustainable forest management and commitment to advancing goals under international environmental conventions. Ms Satkuru said ITTO remained a leader in tropical forestry through its policy and technical expertise, and she emphasized the importance of tropical forests as one of the most cost-efficient nature-based solutions to climate and biodiversity challenges. She acknowledged the dedication of the ITTO Secretariat and expressed hope for a productive session.
11. The opening session concluded with a traditional Japanese taiko drum performance by the Odawara Hayashi Tako Hozonkai.

ASCERTAINMENT OF THE QUORUM (AGENDA ITEM 2)

12. The Secretariat (Dr Mohammed Nurudeen Iddrisu) reported that the quorum for the 60th Session of the Council had been met. The list of participants is contained in Document ITTC(LX)/Info.2.

ADOPTION OF AGENDA AND ORGANIZATION OF WORK (AGENDA ITEM 3)

13. The Chairperson referred to Document ITTC(LX)/1 Rev.2 and invited comments on the provisional agenda.
14. In the absence of objections and comments, the provisional agenda was adopted.
15. The Chairperson also drew the attention of members to the Organization of Work, as reflected in the Provisional Programme of Meetings and Activities proposed by the Secretariat. She informed Members that the schedule would be updated by the Chairperson's Bureau daily or at more frequent intervals as necessary.

REPORT ON MEMBERSHIP OF THE COUNCIL (AGENDA ITEM 4)

16. The Chairperson drew the attention of Members to Document ITTC(LX)/13 and invited the Executive Director to inform Members on the status of membership of the Council.
17. The Executive Director informed the Council that the Organization's membership stood at 76, comprising 39 consumer members and 37 producer members. She informed the Council that Canada re-acceded the ITTA, 2006 on 22 November 2023, becoming ITTO's 39th consumer member.
18. The Chairperson welcomed Canada's re-accession to the ITTA, 2006 and invited a round of applause from the audience. She then invited the delegate of Canada for a short statement.
19. The delegate for Canada expressed his country's appreciation for the warm welcome and its pleasure at rejoining ITTO after a ten-year absence. He reaffirmed Canada's commitment to sustainable forest management and forest conservation. Canada was the third-most forested country in the world, he said, and rejoining ITTO aligned with Canada's environmental priorities and its desire to contribute to dialogue between producers and consumers.

DISTRIBUTION OF VOTES FOR THE 2024-2025 BIENNIUM (AGENDA ITEM 5)

20. The Chairperson drew the attention of the Council to the annex of Document ITTC(LX)/1 Rev.2, which showed the distribution of votes for the 2024–2025 biennium, in accordance with Article 10(7) of the ITTA, 2006.
21. The Chairperson reminded Members that the votes for the 2024–2025 biennium were approved at the 59th Session held in Pattaya, Thailand, and there had been no changes in the votes allocated to producer members since then. The votes for the consumer members had been reallocated as per the provisions of ITTA Article 10(8) to account for the re-accession of Canada reported under Item 4. The Chairperson said that the distribution of votes would remain in effect for the rest of the biennium, unless the membership of the Organization changed or a member had its voting rights suspended or restored, in which case the Council would redistribute the votes within the affected category or categories.
22. In accordance with Article 19(4) of the ITTA, 2006, the approved distribution of votes was used for the assessment of the contribution of each Member to the Administrative Budget for the 2024–2025 biennium.

DISTRIBUTION OF VOTES FOR THE 2024–2025 BIENNIUM

PRODUCER MEMBERS

	<u>2023</u> <u>No. of votes</u>	<u>2024/2025 biennium</u> <u>No. of votes</u>
Africa		
Angola	21	21
Benin	21	20
Cameroon	21	21
Central African Republic	21	21
Congo	21	21
Côte d'Ivoire	21	20
Democratic Republic of the Congo	21	21
Gabon	21	21
Ghana	21	21
Liberia	21	20
Madagascar	21	20
Mali	21	20
Mozambique	21	21
Togo	21	20
Asia & Pacific		
Cambodia	21	22
Fiji	14	14
India	28	28
Indonesia	93	95
Malaysia	72	61
Myanmar	26	25
Papua New Guinea	44	42
Philippines	15	15
Thailand	52	47
Vietnam	16	24
Latin America/Caribbean		
Brazil	122	134
Colombia	23	23
Costa Rica	13	12
Ecuador	19	21
Guatemala	12	12
Guyana	15	15
Honduras	12	12
México	24	24
Panamá	13	13
Peru	27	27
Suriname	15	16
Trinidad and Tobago	10	10
Venezuela	20	20
TOTAL:	1,000	1,000

CONSUMER MEMBERS

	<u>2023</u> <u>No. of votes</u>	<u>2024/2025 biennium</u> <u>No. of votes</u>
Albania	10	10
Australia	16	15
Canada	15	15
China	305	320
European Union	337	318
Austria	10	10
Belgium	15	15
Bulgaria	10	10
Croatia	10	10
Cyprus	10	10
Czech Republic	11	11
Denmark	11	11
Estonia	10	10
Finland	10	10
France	25	22
Germany	19	19
Greece	11	11
Hungary	10	10
Ireland	13	13
Italy	19	19
Latvia	10	10
Lithuania	10	10
Luxembourg	10	10
Malta	10	10
Netherlands	25	21
Poland	11	11
Portugal	13	13
Romania	10	10
Slovakia	10	10
Slovenia	10	10
Spain	13	12
Sweden	11	11
Japan	130	113
New Zealand	11	11
Norway	10	10
Republic of Korea	66	60
Switzerland	11	11
United Kingdom	28	27
United States of America	76	79
TOTAL:	1,000	1,000

ADMISSION OF OBSERVERS (AGENDA ITEM 6)

23. The Chairperson referred to Document ITTC(LX)/Info.3 and Document ITTC(LX)/Info.4. She said that, in accordance with ITTC Decision 3(LI), the Executive Director had reviewed applications for observer status for compliance with requirements. In accordance with that decision, the results of the initial review had been published on the ITTO website two weeks prior to the session.
24. The Chairperson invited comments regarding the admission of observers.
25. In the absence of comments or objections, all observers in compliance with the guidelines according to ITTO rules were admitted as observers to the 60th Session of the Council.

STATEMENT BY THE EXECUTIVE DIRECTOR (AGENDA ITEM 7)

26. The Executive Director welcomed delegates to the 60th Council Session, noting the strong attendance and that, for the first time, the Chairperson and Executive Director were women. She introduced new Secretariat staff in the positions of Director of Trade and Industry, Director of Forest Management, Communications and Outreach Officer and Information Technology Coordinator. She reaffirmed the Secretariat's commitment to strengthening operations and expanding engagement.
27. The Executive Director acknowledged the collaborative nature of ITTO, highlighting the presence of high-level representatives from members of the Collaborative Partnership on Forests (CPF), including the Center for International Forestry Research–World Agroforestry (CIFOR-ICRAF), the United Nations Forum on Forests (UNFF), and the Food and Agriculture Organization of the United Nations (FAO). She emphasized the Organization's purpose and achievements and underscored the importance of continued unity among members.
28. On the review of the ITTA, 2006, the Executive Director said the Secretariat had supported the work of the Preparatory Working Group (PWG) in planning for the future ITTA; key issues would be discussed under agenda item 11. Updates on partnerships with other organizations and collaborative activities would be presented under agenda item 14.
29. The Executive Director said efforts to resolve members' arrears were ongoing. Progress was continuing on the implementation of the Organization's new financing architecture, which would be reported under agenda item 16. Updates on the Biennial Work Programme and the Biennial Review of the World Timber Situation would be presented through the relevant committees and Secretariat reports. She informed the Council that the Secretariat had been engaging with members that had not yet paid their dues or were in arrears and had managed to collect at least 75% of what was due under the Administrative Budget, which was an improvement on previous years. She thanked those members that had made an effort to engage on this matter.
30. The Executive Director reaffirmed ITTO's alignment with the Strategic Action Plan (2022–2026) and ITTA, 2006. She referred to ITTO's enhanced engagement with the Convention on Biological Diversity (CBD) under a renewed memorandum of understanding (MOU), particularly in light of developments at COP16 and the Kunming–Montreal Global Biodiversity Framework. She noted that a record USD 300 billion in climate finance had been announced at UNFCCC COP29. In addition, the USD 500 million United Kingdom-led Forests, Climate, Markets and Governance programme had been announced, and ITTO would be seeking to be involved. Brazil launched the Tropical Forests Forever facility at the G20, and the Executive Director expressed hope that Brazil would be open to discussing it with ITTO members. She called on member support to secure ITTO's involvement in mechanisms such as the Green Climate Fund (GCF), the Global Environment Facility (GEF) and the work of the United Nations Environment Programme (UNEP) and the United Nations Development Programme (UNDP). She praised Canada, Japan and other members for helping raise ITTO's visibility at high-level fora such as the G7.
31. In closing, the Executive Director addressed the matter of her own tenure and expressed her intention to seek an extension of her term as Executive Director. She credited the dedication of her 26-member Secretariat team and the many consultants supporting projects globally.
32. The Chairperson thanked the Executive Director and reminded delegates that further questions could be raised in informal settings during the week.

REPORT OF THE INFORMAL ADVISORY GROUP (IAG) – DECISIONS 3(XXII), 5(XXVI), 2(XLIX) and 2(LI) (AGENDA ITEM 8)

33. The Chairperson presented the IAG report, as contained in Document ITTC(LX)/2 to members. She said that, pursuant to decisions 3(XXII), 5(XXVI), 2(XLIX) and 2(LI) and in order to facilitate the work for the session, the 38th meeting of the IAG had been held virtually on Tuesday 26 November 2024. She drew the attention of members to the draft decisions forwarded by the IAG for the Council's consideration, as annexed in the report of the meeting contained in Document ITTC(LX)/2.
34. The Chairperson invited comments and questions on the IAG report.
35. Referring to draft Decision 4, the delegate of the Philippines inquired whether the proposed one-year extension of the PWG would include a clear wind-down plan. The delegation noted the need for internal diplomatic preparation in the event that this would be the final extension.
36. In response, the Chairperson clarified that the ITTA itself could not be further extended, but the mandate of the PWG could be discussed and potentially extended under the relevant agenda item (item 11). This provided the assurance sought by the Philippines.
37. In the absence of further comments and questions, the report was adopted.
38. IAG report is available here [ITTC\(LX\)/2](#).

REPORT OF THE CREDENTIALS COMMITTEE (AGENDA ITEM 9)

39. Quorum was assessed and obtained prior to the commencement of this agenda item.
40. Ms Cassandra Price (Australia), Chairperson of the Credentials Committee, presented the report of the Credentials Committee, drawing attention to Document ITTC(LX)/3. She said the committee, consisting of Australia, Austria, Canada, Côte d'Ivoire, Indonesia, Malaysia, New Zealand and Panama, had examined and accepted the credentials and attendance of 40 countries and the European Union (EU) participating in the 60th session of the International Tropical Timber Council and Sessions of the Associated Committees.
41. Ms Cassandra Price said the Credentials Committee had also examined the representation of interest and the delegation of voting rights of 23 countries, in accordance with Article 11, Paragraph 2 of the ITTA, 2006. The list of member countries delegating their interests and voting rights was as shown below:

LIST OF MEMBER COUNTRIES DELEGATING VOTES

Country	Delegating votes to:
Bulgaria	European Commission
Croatia	
Cyprus	
Czechia	
Denmark	
Estonia	
France	
Germany	
Greece	
Ireland	
Italy	
Latvia	
Lithuania	
Luxembourg	
Malta	
Netherlands	
Poland	
Slovakia	
Spain	
Finland	Sweden
Portugal	Hungary as President of the Council of EU
Romania	
Slovenia	

42. The Council adopted the report and approved the credentials of delegations.

MATTERS RELATED TO ARTICLE 19 OF THE ITTA, 2006 ON THE ADMINISTRATIVE ACCOUNT – DECISIONS 3(LVII) AND 4(LIX) (AGENDA ITEM 10)

43. The Chairperson drew the attention of members to Decision 4(LIX) on the management of the Administrative Budget and invited the Executive Director to introduce this item.
44. The Executive Director outlined the context and recent developments relating to the Administrative Account. She recalled that three decisions—3(LVII), 3(LVIII) and 4(LIX)—had shaped the approach adopted by the Secretariat to manage financial challenges, especially arrears from member countries. Under Decision 4(LIX), the Finance Working Group formulated a trial mechanism focused specifically on supporting members in addressing their arrears. A key outcome was the introduction of an incentive measure, intended to encourage member countries to engage with and overcome financial obligations that had hindered full participation. One year after adoption of Decision 4(LIX), the Executive Director reported that discussions were ongoing with two member countries that had shown interest in testing the proposed incentive. No formal commitments had been made by the time of the session, however, and therefore no new documentation had been issued for this item.
45. The Executive Director emphasized the importance of discretion and confidentiality in these preliminary stages, especially if the potential uptake did not materialize. She expressed hope that progress could be reported in the following year.
46. The Chairperson thanked the Executive Director and invited interventions from the floor.
47. The delegate of the EU welcomed the Executive Director's update and expressed support for the Secretariat's efforts to undertake appropriate cost-saving and efficiency measures in accordance with

ITTO rules, regulations, policies and decisions. She noted the lack of uptake of the incentive approach but said it was pleasing that two members had expressed interest in it.

48. The delegate of Malaysia reaffirmed its commitment to making its assessed contributions one year in advance and indicated that it supported the Finance Working Group's decision to encourage timely and full payments by all members.
49. With no further requests for the floor, the agenda item was closed.

MATTERS PERTAINING TO ARTICLE 44 OF ITTA, 2006 – DECISIONS 4(LVII) AND 5(LIX) (AGENDA ITEM 11)

50. The Chairperson opened this item by expressing her gratitude to Mr Keiran Andrusko (Australia) and Mr Nurudeen Iddrisu (Ghana, now in the Secretariat) for co-chairing the intersessional working group, which, in accordance with Decision 4(LIX), was made open-ended and renamed the Preparatory Working Group (PWG).
51. She said the co-chairs had subsequently moved to other positions, and the PWG had been without co-chairpersons. Nevertheless, Mr Bjorn Merckell (Sweden) had kindly volunteered to present the report of the PWG to the Council. She encouraged the caucuses to consider and discuss the nomination of co-chairs to ensure the continuation of the PWG's mandate. She invited Mr Merckell to present the report, as contained in Document ITTC(LX)/5.
52. Mr Merckell thanked the PWG for trusting him to present the report, which was divided into two sections—an introduction and outline of the PWG mandate, and recommendations. The PWG, which had been supported by the Secretariat and two consultants, had commenced its work in February 2024 and conducted two virtual meetings in May and November 2024, complemented by communications by email. The work had been guided by the indicative roadmap scenario 1, which had been presented at the previous Council session. Issues raised by the PWG included certain structural aspects of the Organization, as well as project financing and fundraising.
53. Mr Merckell said the consultants had conducted a survey among members of the CPF, which had received 13 responses. The PWG found that some of these responses would be helpful in considering elements for negotiations, but the views of members would be prioritized. The PWG had revised the roadmap, which was now named the PWG ITTA Roadmap, and recommended that the Council consider it for potential adoption. The Government of Japan had generously provided USD 140 000 for the PWG, but additional voluntary contributions of about USD 105 000 would be required to conduct the work specified in the roadmap for 2025. Mr Merckell concluded his presentation by setting out the PWG's six recommendations.
54. The Chairperson thanked Mr Merckell and invited Mr Alexander Knapp to present the report of the consultants assisting the PWG.
55. Mr Knapp said he and his co-consultant had been requested to assist the PWG and the Secretariat to identify elements to consider in the future renegotiation of the ITTA. They had started by reviewing the ITTA 2006 and the guidance provided to members at the time of the negotiation of that agreement. They had then examined other treaties for similar organizations, considered the basis for the structures, voting mechanisms and power-sharing agreements, and formulated recommendations for the Council, which he outlined. These recommendations centred on themes to be considered in the next year for possible inclusion in discussions on a new ITTA, focused on the flow of forest assets, especially timber; the value of forests to people living in or near them, including for employment and as standing assets; the role of forests in climate, including carbon capture, and biodiversity conservation; and the financial health of the Organization.
56. Mr Knapp concluded his presentation by noting strong agreement in the PWG that the Organization needed fundamental changes. ITTO filled a critical need, and so the negotiation of a future ITTA represented an opportunity.
57. The Chairperson thanked Mr Knapp for his presentation and invited comments from the floor.

58. The delegate of the EU noted that the EU and its member states had contributed significantly to the surveys. It was important that ITTO contributed to addressing the triple planetary crisis of climate change, biodiversity loss and pollution. The EU, therefore, found it interesting that the report placed biodiversity under climate, which was a concept with which the EU could not agree because they stood alone. She asked for clarification of why this was done.
59. Mr Knapp responded that the categorization of the terminology was not a recommendation for how the members should structure the ITTA.
60. The delegate of the United States of America (USA) supported the PWG's efforts and encouraged both producers and consumers to put forward nominations for co-chairs, because the lack of co-chairs was not helping the process. The US was hoping that the consultants would speak with the caucuses and regional groups to provide qualitative information that would supplement the surveys. She said it would have been helpful to include in the CPF survey a specific question on the ITTO review of the ITTA, 2006; not including such a question was a missed opportunity. There was also a large amount of information and many good ideas in the surveys that could be lost, and record-keeping to keep track of these would be helpful.
61. Mr Knapp responded that his understanding was that the information gained and discussions held during the present Council session would be brought forward for presentation to the PWG and members for ongoing comments.
62. The Executive Director said she was grateful to those members that had contributed strongly to the PWG and the surveys. She agreed that the lack of co-chairs had hindered the PWG, and the consultants had worked hard to filter the large volume of information received. She indicated that all ideas contained in the survey responses had been captured in the PWG reports. They could also be compiled in a single set. The consultants were available to speak with the caucuses, on invitation.
63. The Executive Director referred to page 5 of the PWG report, which contained a tentative timeline. To progress in this way would require further direction from the Council. The PWG had discussed the CPF survey, and some members had indicated that, although the views of the CPF members would be valuable, the priorities and needs of members should be the focus. Responses had been obtained from 13 of the 15 CPF members (not including ITTO itself). The raw data from the survey had been shared with ITTO members because of the difficulty in averaging the responses received.
64. The delegate of the USA noted that discussions on traceability and transparency aligned with global priorities, including those under UNFCCC and CBD processes. He encouraged inclusion of concrete examples and expressed interest in the models used in other multilateral environmental agreements.
65. The delegate of Malaysia acknowledged the importance of incorporating new variables in the ITTA, including forest asset value, climate, and financial sustainability, but the proposal would require careful consideration to avoid overlaps in elements addressed effectively in other forums and to ensure that ITTO's resources remained focused on its core mandate. Malaysia encouraged continued discussion on matters such as those related to the International Labour Organization and supported continuing the PWG's mandate.
66. The delegate of Brazil supported the EU's comment that biodiversity and climate change were separate matters with separate treaties. He suggested that a solution would be to put both under the heading of "Environment".
67. Resuming later, the Chairperson invited the consultants to supplement their previous presentation.
68. Mr Knapp said the consultants had observed two primary topics from the recent members' survey they considered would be important to be discussed during the Council session, starting with the question of membership itself and how the Organization was structured. Currently, the Organization was split into producer and consumer caucuses. The consultants invited the Council to consider whether this might be changed. For example, the two caucuses could be unified into a single membership of all member countries in the Organization, and there might also be associate members, and advisory members, and non-governmental organizations that could contribute. The second structural issue was about the voting mechanisms and how power-sharing was built into the Organization's governance system. Currently, 2 000 votes were split equally between the two caucuses and then in specific ways within each caucus, as defined in Article 10 of the ITTA 2006. Other topics raised in the surveys that could be considered in

the structure of the next ITTA included natural resource accounting; standing forests; biodiversity; people in forest industries; climate; carbon; and the financing of the Organization. Mr Knapp encouraged the Council to recommend to the PWG which topics it should explore, although it could be that no changes were necessary. With the feedback received during the session, the consultants would continue looking at existing examples in other organizations, including those lodged with the United Nations Conference on Trade and Development (UNCTAD), and their governance and set-up.

69. The Chairperson thanked Mr Knapp and invited interventions from the floor.
70. The delegate of Australia said Australia would support an extension of the PWG, noting that the longer the consumers did not have a co-chair, the more time would be wasted. Australia also considered it crucial that expectations for the work of the PWG and the consultants were clearly defined.
71. The delegate of New Zealand acknowledged the achievement of the Council in taking a decision by correspondence intersessionally on the final extension of the ITTA 2006 to 2029, which meant that more time was available until formal commencement of negotiation of the ITTA in 2026 and that this time should be used effectively. New Zealand supported extension of the PWG. From the collated responses to the survey, it was clear that the issue of membership structure was significant. New Zealand encouraged all members to put thought into how this could be addressed and how it might affect other areas of the Agreement. New Zealand also encouraged members to look at the collated responses and to identify other ideas for further discussion. It was possible to improve the Organization's processes before the negotiation process through its policies, rules and strategic action plan.
72. The delegate of Japan said it would be important to identify the elements to be discussed. Japan supported extending the work of the PWG, which should stay in line with the roadmap. Most importantly, more exchange was needed among the parties.
73. The delegate of the Republic of Korea said that, if new variables were to be considered, the methodology for deriving these was crucial. But developing a methodology was difficult to negotiate.
74. The delegate of Canada said Canada supported the extension of the PWG and asked the consultants whether they had made comparisons with other conventions and how they addressed membership structures, especially related to combining producers and consumers into a single membership group.
75. Mr Knapp said they had summarized how other organizations with similar origins and purposes had structured themselves but, to date, they had not conducted further analysis. Regarding the methodology for determining the variables or issues, it was done based on the frequency with which those issues had occurred in the text-based responses to the surveys. The consultants had made no prioritization or recommendation on whether some issues were more important than others.
76. The Executive Director noted that the issue of looking at the agreements of the other commodity agreements had first been discussed in 2022, and she had noted that these agreements had all been created at around the same time as the ITTA, and all had been under the parentage of UNCTAD. They all had the same kind of membership, being producers and consumers, and they all had the same high threshold of two-thirds majority for taking key decisions. This high threshold might have made sense 40 years ago. If members were willing to consider a single membership type, the method for the calculation of contributions would need to be further thought on.
77. The Chairperson commented that ITTO was unique amongst the commodity organizations with respect to its dual mandate on sustainable forest management and trade. Caution would be advisable in looking too hard at other agreements for models and lessons, given this unique mandate.
78. The delegate of the USA said one of the points the USA had made in the PWG and during the Council session was to ensure that as much information and analysis as possible was available. It would also be beneficial for the PWG to have more specificity around when it would meet, and why; therefore, it would be important to consider how to structure the planned meetings and what their purpose would be. The delegate of the USA encouraged all delegations, including among the producer group, to engage and share their perspectives on the review process in the years ahead.
79. The delegate of Papua New Guinea (PNG) said it needed to be understood that ITTO was an intergovernmental forum, even though other parties played a major role. This has to be considered

carefully. Regarding the ITTA, it would be important to look at the successful parts of the two Agreements to date and also those of other organizations.

80. The delegate of the EU echoed the view of the USA that it would be useful to specify the modalities of the PWG meetings beforehand. The EU believed that the success of the PWG in preparing for negotiations depended on the active engagement of members of both the consumer and producer caucuses. The EU and its member states had given significant input to both surveys and was happy to engage in further work and in discussions based on the survey responses.
81. The producer spokesperson said the producer caucus had discussed the negotiation of the ITTA in the morning, and two basic issues had arisen. One was that there was support from some members for incorporating all the criteria of sustainable forest management, such as timber and non-timber forest products, biodiversity and carbon, while others considered it would be important to focus on timber because other bodies existed for issues such as climate, biodiversity and desertification. The caucus would need more time to discuss these issues.
82. The Chairperson adjourned the session to allow the two caucuses to meet. Reconvening, the spokespersons for the respective caucuses reported that there was agreement to refer the draft decision on the ITTA to the Chairperson's Open-ended Drafting Group.
83. Reconvening again later, the delegate of the USA said his delegation was endeavouring to develop streamlined text for the draft decision, which could be shared with the caucuses. The Chairperson proposed that informal discussions continue and that a text ultimately be referred to the Chairperson's Open-ended Drafting Group. Receiving no objections, she adjourned this item.
84. Reconvening this item later, the Chairperson invited further interventions from the floor.
85. The delegate of the USA said his delegation had reviewed the document with the compiled feedback from informal discussions and created a more streamlined version of it, which had been shared with the consumer and producer caucuses.
86. The Chairperson thanked the USA for its contribution.
87. The delegate of the Philippines said his country appreciated the efforts of the ITTO Secretariat to address fundraising challenges through its new financing, architecture and programmatic approach. He underscored the importance of a strategic, balanced and focused approach to fundraising and its alignment with the renegotiation of the ITTA. Internally, the ITTO should prioritize investments that enhanced institutional capacity for sustainable fundraising, including the allocation of resources to hire specialized fundraising personnel, develop market analysis and strengthen outreach strategies, as recommended in successive evaluations. These steps would be crucial for establishing a robust infrastructure that supported both immediate and long-term financial sustainability. Externally, ITTO should continue to align its fundraising with global priorities such as climate-change adaptation and mitigation, biodiversity conservation and resilient livelihoods. Building partnerships with multilateral donors, such as the GCF and bilateral contributors, was key to diversifying and increasing funding flows. Moreover, ITTO should capitalize on its comparative advantage in promoting legal and sustainable supply chains, which resonated with donor priorities. To maximize limited funds, the Philippines advocated streamlining ITTO's operations by prioritizing projects under programmatic lines that aligned with donor interests and have demonstrated success.
88. The delegate of the Philippines said negotiation of the ITTA was a pivotal moment for the ITTO. The Philippines recommended a balanced parallel process for managing fundraising and negotiations. By doing so, fundraising efforts could support initiatives that demonstrated ITTO's relevance and value, thereby strengthening its negotiating position. Simultaneously, the negotiation process could align ITTO's mandate with contemporary challenges and donor expectations, ensuring long-term financial viability. The Philippines reaffirmed its commitment to supporting ITTO's efforts to secure sustainable financing and modernize its governance through the ITTA negotiation.
89. The Chairperson thanked the delegate of the Philippines and encouraged his delegation to engage with the USA delegation with any specific thoughts on wording or text for the ITTA draft decision. There being no further requests for the floor, she encouraged all delegations to join the Chairperson's Ad Hoc Drafting Group to finalize the relevant decision and then closed this agenda item.

MATTERS RELATED TO THE APPOINTMENT OF THE EXECUTIVE DIRECTOR - DECISIONS 8(LII), 6(LIV), 5(LVI) and 6(LVII) (AGENDA ITEM 12)

90. The Chairperson reminded Council that, pursuant to Decision 8(LII), Annex, paragraph 8, “the Executive Director shall ensure that the issue of appointment of the Executive Director is on the agenda of the Council Session that occurs at least one year before the end of his or her term”. She said the current Executive Director took office on 1 February 2022 and her (4-year) term would end on 31 January 2026. In accordance with Decision 6(LVII), operative paragraph 1, the term of the appointment of the Executive Director may be extended for up to 2 years if approved by Council. The Chairperson drew the attention of members to the letter from the Executive Director to all members, dated 29 October 2024, in which she indicated her intention to seek an extension well ahead of the current session. She invited the Executive Director to make a brief intervention in support of her intention for an extension.
91. The Executive Director said she had been a member of the Secretariat since October 2017, and she expressed gratitude for the trust placed in her when she was elected Executive Director at the 57th Council session in 2021. Although there had been challenges over her time in the Secretariat, she now observed a stronger harmony in the Organization, and her colleagues in the Secretariat were happy in the current working environment. She had informed them that it was her intention to seek a two-year extension and encouraged them to exchange views on this matter freely with delegates. Part of her motivation for seeking the two-year extension, she said, was that she and her colleagues had worked hard in the last three years to bring the Organization almost back to where it should be. They had taken measures to strengthen the Secretariat, which was reflected in the work they were doing and strengthened internal cohesion, visibility, external partnerships, and overall organizational stability. The Executive Director acknowledged that, if extended by two years, her term would end in the midst of treaty negotiations in 2028. She reaffirmed her motivation, availability, and readiness to continue serving for a further two years.
92. The Chairperson informed the Council that the Executive Director had met the requirements of the extension process with her notification in writing, and today’s intervention had been an optional supplement. In the absence of questions for the Executive Director, the Chairperson requested that she leave the room to enable an open discussion among Council members.
93. After the Executive Director left the room, the Chairperson invited Council members to make interventions.
94. The delegate of Malaysia said Malaysia strongly supported the extension. He praised the Executive Director’s leadership, partnerships and increased project funding. Her appointment highlighted the importance of advancing gender equality at the highest decision-making levels.
95. The producer spokesperson said producer members had expressed unanimous support for the extension in caucus discussions. They had commended the Executive Director’s steady guidance through challenging periods, and all producers were extremely satisfied with her performance.
96. Other delegations to express support for extending the term of the Executive Director were those of Brazil, Côte d’Ivoire, India, Peru and the USA. The delegate of New Zealand expressed support for extending the term and suggested that it could be performed as a procedural matter rather than a full recruitment process. The delegate of PNG noted that the Executive Director had led the Organization effectively during a difficult period marked by the COVID-19 pandemic and global economic challenges and indicated that his country supported her continued leadership to maintain momentum. Australia highlighted the Executive Director’s accomplishments since her appointment and the importance of continuity. Australian supported the extension and called for advance planning for the next recruitment process.
97. The EU requested a short recess to consult internally. After reconvening, the EU confirmed its support for the extension, while noting that detailed language for the decision would be addressed during drafting group discussions.
98. The consumer spokesperson delivered a formal endorsement of the extension, highlighting the Executive Director’s creativity during the pandemic, her international visibility, and her strong relationships with stakeholders. He noted that her leadership would be crucial as ITTO entered treaty negotiations and other strategic developments.

99. The producer spokesperson confirmed the unanimous support of the producers, emphasizing her efforts during her term and alignment with the expectations of the caucus.
100. The Chairperson proposed that the extension be adopted by acclamation following the final drafting of the decision text. The item was concluded with strong consensus and appreciation for Ms Satkuru's leadership.

ITTO BIENNIAL WORK PROGRAMME – DECISIONS 9(XXXIV) and 3(LIX) (AGENDA ITEM 13)

Progress Report on the implementation of the BWP 2024-2025

101. The presentation under this agenda item by the Secretariat is available at [BWP 2024-2025](#).
102. The Chairperson invited the Secretariat to present the progress report on the implementation of the Biennial Work Programme (BWP) 2024–2025, as contained in Document ITTC(LX)/6 Rev.1.
103. The Secretariat (Dr Gerhard Breulmann) said he would present a general overview of the progress of the activities approved under the BWP, some of which had already been presented to the Council. The BWP had been adopted under Decision 3(LIX). It contained 37 activities, which were divided into two parts, comprising 21 activities that required financing through voluntary contributions, core budget or other sources, and 16 administrative and financial activities that did not require financing.
104. The total funding sought under the BWP was USD 7 009 585 in voluntary contributions and USD 2 million in core budget contributions. The activities requiring financing were divided into five groups, comprising field-oriented activities; normative work; collaborative activities; communication and the outreach; and analytical, statistical and other recurring work. Mr Breulmann presented an overview table showing the 21 activities that required financing, colour-coded to show those activities that had been fully funded, those that were pending finance, and those for which partial financing had been received. Core budget activities were also indicated as partially funded, and the report contained a chapter on the shortfall in contributions to the Administrative Account, which also meant that a certain percentage of the core budget had not been received in the previous year, which affected the implementation of activities approved and financed in the ITTO core budget.
105. Mr Breulmann said USD 5.2 million had been received in voluntary contributions. He showed a list of donors that had contributed to the implementation of the BWP, including the following ITTO members: Germany, the USA, Japan, Canada and Australia. He said voluntary contributions had also been received from non-members including the Macao Trade and Investment Promotion Institute (IPIM), Soka Gakkai Japan, Dr Hwan Ok Ma and Kisso-an. There had also been a grant for the secondment of the programme officer supported by the Korea Forest Service.
106. Under field-oriented activities, by far the biggest activity was activity 1 on building legal and sustainable forest product supply chains, which had 4 sub-activities and to date had received approximately USD 3.2 million in pledges. The implementation of the sub-activity 'Guidelines and Recommendations on Contracts and Practices for International Trade in Tropical Timber' had been outsourced to ATIBT and it has been completed. The pamphlets developed were launched during the Carrefour International du Bois tradeshow in Nantes, France in July 2024. The implementation of the follow-up activities to the Global Timber Index (GTI) platform and to the Blockchain Technology for Building Legal and Sustainable Supply Chains (BTTS) are both on track and technical and completion reports have been submitted and are under review. Under the fourth sub-activity, ITTO and the Macao SAR Commerce and Investment Promotion Institute (IPIM), in collaboration with the Global Green Supply Chains Initiative (GGSC), co-organized the Global Legal and Sustainable Timber Forum (GLSTF) to improve the legality and sustainability of tropical timber supply chains. The inaugural forum GLSTF2023 and the second forum GLSTF2024 were held on 21-22 November 2023 and 11-12 September 2024 in Macao SAR of China respectively.
107. Mr Breulmann then introduced the status of other field-oriented activities, activities related to normative work, collaborative work, communication and outreach, and statistical and analytical work. He reminded the Council that most activities would be continued in 2025 and beyond under the sub-sequent BWP.

108. Mr Breulmann also informed that the progress of a number of BWP activities was or will be presented under other agenda items, including on the forest fire prevention management, TAG and CSAG, the market discussion, the report of the expert panel or the report of the fellowship panel.
109. The Chairperson thanked Mr Breulmann for his presentation and called on donors to continue to finance this important work.
110. The Vice-Chairperson of the Council, Mr Carlos Espinosa Peña (Panama), presented the report on the ITTO Fellowship Programme. The Fellowship Programme began in 1989 and had enabled more than 1 400 young and mid-career people from 49 countries working for a range of institutions and in the private sector to pursue their professional development. The distribution of funds to date comprised 40% to Africa, 30% to Asia-Pacific and 30% to Latin America/Caribbean. About 40% of the total number of Fellowship recipients were female applicants. The total programme funds distributed to date was about USD 9.8 million, the key donors were Japan, the USA, the Netherlands, Australia and others including Sweden, U.K., Finland, Bali Partnership Fund Sub-Account (b), the private sector and individual donors. The amount available in the present year was USD 145 865. The Fellowship Panel comprised representatives from Congo, Ghana, Japan, New Zealand, Peru and the USA. Mr Espinosa thanked the Panel members for their work and the Secretariat for its support. A total of 91 applications had been screened, of which 19 were shortlisted for consideration by the Panel, comprising five from Africa, seven from the Asia-Pacific region and seven from Latin America. Twelve were in reforestation and forest management, six in forest industry, and one in economics, statistics and markets; eleven of the 19 applicants were female. The panel had applied the standing selection criteria of consistency with the Fellowship Programme's objectives and priority areas, their qualifications, the benefits for the individuals and more broadly, and the reasonableness of the costs of the proposed activities. The Panel also took into account balance among the subject areas and regions and the opportunity to promote the participation of women, and also considered the ITTO Strategic Action Plan.
111. Mr Espinosa said the Panel was pleased to recommend to the Council the awarding of 19 Fellowships with a total budget of USD 131 382 (the recommended applicants are listed in the Panel's report).
112. He also added the following reflections: he was a recipient of the ITTO Fellowship Programme and benefitted from it. He said that the fellowship programme has a huge impact and changes people's lives and that it contributes significantly to reforestation and forest management. He said what he received in 2019 through the fellowship also benefitted other students. While he did his PhD he worked with indigenous communities in Darien, 52% of them women, and the work encouraged two of them to study community development and pursue a master's degree in forest management. They are now analysing changes in Panama's forest management.
113. The Chairperson thanked Mr Espinosa for his report, noting that it was wonderful to hear a personal success story bringing the benefits to life. She thanked the donors who have contributed to the programme and ensuring its continuity. She then opened the floor for any interventions from members.
114. The delegate of Korea thanked the Secretariat for the comprehensive report on the BWP and expressed his special thanks to Dr. Hwan Ok Ma for this service and dedication to the organization. He also expressed his gratitude to the ED and the Secretariat for welcoming Mr Soomin Lee, seconded from the Korean Forest Service,
115. The delegate of the Philippines expressed interest to participate in ITTO's initiative on legal and sustainable supply chains. He recommended the organization of regional workshops specifically focusing on compliance with international timber standards and implementation of CITES regulations. He also underscored the critical need for fire management programs and that ITTO collaborate with regional fire management experts to develop comprehensive training programs and risk assessment tools that fit each country's nuances. He said the Philippines also highly value ITTO's commitment to gender inclusion and advocates for the integration of gender responsive budgeting and impact assessments in future projects.
116. In the absence of further requests for the floor, the Chairperson closed this agenda item.

MATTERS RELATED TO ARTICLE 15 OF THE ITTA, 2006 ON COOPERATION AND COORDINATION WITH OTHER ORGANIZATIONS – DECISION 7(LVII) (AGENDA ITEM 14)

117. The presentation under this agenda item by the Executive Director is available at [Cooperation and Coordination with Other Organizations](#).
118. The Chairperson invited the Executive Director to brief the Council on this item.
119. The Executive Director's presentation canvassed ITTO's cooperation and coordination with other organizations in the period 2022–2024.
120. She provided an update on the proposed regional forest restoration project for Asia-Pacific under GEF-8, involving PNG, Thailand and the Lao People's Democratic Republic. Although the latter was not an ITTO member, the Secretariat had advocated for inclusion as a technical partner given the presence in the proposed project of the other two countries, both of which are ITTO members. She clarified that engagement with national focal points and the implementing agencies (FAO and the International Union for Conservation of Nature—IUCN) was ongoing, and ITTO had offered revised contributions for consideration by the lead GEF agency. ITTO had attended all consultation meetings. Feedback received from the GEF was that the proposal to which ITTO had contributed was too ambitious and would need to be scaled back. The proposal was currently with the GEF Secretariat, and FAO was hoping to receive feedback before end 2024.
121. The Executive Director said ITTO has MOUs with several organizations, including CPF members, and was in the process of operationalizing an MOU with the Asian Forest Cooperation Organization (AFoCO), the CBD Secretariat and the United Nations Forum on Forests (UNFF). Another MOU, with the Japan International Cooperation Agency (JICA), was a work in progress. The MOU with the United Nations Convention to Combat Desertification (UNCCD) was not yet operationalized. The MOU with Institute of Global Environmental Strategies needed to be renewed, and other MOUs under development with organizations based in Japan included the United Nations University and the Remote Sensing Technology Center of Japan (RESTEC); a draft MOU with the latter had been circulated to the Advisory Board, and no objection had been received.
122. The Executive Director said ITTO had received accreditation from the GCF in March 2024, and the next step would be to submit a proposal for approval by the GCF Board. The Secretariat was in discussions to identify two workstreams, for small and medium-sized funding, up to a maximum of USD 10 million, which could be split between the two workstreams.
123. The Secretariat was waiting to receive feedback from the secretariat of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) on whether ITTO would be part of the next phase of the Tree Species Programme. ITTO was also looking for opportunities to collaborate more with CIFOR-ICRAF and the International Union of Forest Research Organizations (IUFRO).
124. Other organizations mentioned by the Executive Director with which ITTO was collaborating included UNEP, the Central African Forestry Commission, Asia-Pacific Economic Cooperation (APEC), the Asian Development Bank (ADB), the Central African Forest Initiative (CAFI) and, through it, the Common Fund for Commodities (CFC). Work to obtain accreditation with CAFI was ongoing. The Secretariat was continuing its efforts to enhance the participation of the private sector and civil society in ITTO's work, which would require financial support.
125. The Executive Director said the Trade Advisory Group (TAG) and the Civil Society Advisory Group (CSAG) had both been advised of the need to look beyond ITTO for financial resources. She mentioned the concept of a youth group, based on discussions held during the 59th session of the Council in 2023. In previous years, ITTO had invited several ITTO Fellowship awardees to attend Council sessions to present on their work, but this was no longer possible due to a decrease in funding. She said the engagement of youth was important, and the ITTO Secretariat was making an ongoing effort to maintain contact with ITTO Fellows; it was not uncommon to meet former ITTO Fellows at conferences who had benefited from fellowships many years ago. Thus, the Fellowship Programme had great value in providing career development opportunities.
126. The Executive Director referred to activities conducted by the Secretariat in Japan in 2024, which included a Japanese version of the ITTO website. There was also close collaboration with a number of local institutions and universities, with ITTO staff frequently giving lectures, a strong presence at various

festivals and exhibitions, as well as strategic engagement with JICA, the Forest Agency, Hokkaido University, the Pacific Regional Wood Anatomy Conference and the Asia Smart City Conference.

127. The Chairperson thanked the Executive Director for her presentation and invited interventions from the floor.
128. The delegate of Japan said cooperation and collaboration with other international organizations was important, both to diversify ITTO resources and to enhance its international presence. He referred to ITTO's work to convene an international seminar at UNFCCC COP29 in November.
129. The delegate of the EU said the Executive Director's report was useful, and she encouraged the Executive Director to continue reporting on cooperation and collaboration. The EU welcomed cooperation and engagement with various organizations, as referred to by the Executive Director. Corporate communication was important, and the EU encouraged ITTO to continue in the way outlined.
130. The delegate of Panama thanked the Executive Director for the excellent work done. Panama had two GEF projects that had been approved and were to be implemented from 2025, with two implementing agencies in the United Nations, and he invited ITTO to work with Panama on the forest-sector component of the projects. There was also an opportunity to develop a plan for forest development in the country. He referred to the Andean Development Bank, which supports governments and the private sector in Latin America. Panama had started developing a forest plan, in which several components would be financed by the bank, and he invited ITTO to be a partner in that work.
131. The Executive Director thanked the EU delegation for supporting continued collaboration. She said she was delighted to hear that Panama had two GEF projects, and ITTO would be happy to see what assistance it could provide on the ground. It would depend on who was implementing the project.
132. The delegate of Canada thanked the Executive Director for her presentation, which provided an impressive list of cooperation. He drew the attention of the Council to the International Network of Model Forests, which comprised more than 60 model forests in 30 countries based on sustainable management partnerships. ITTO had previously cooperated with the Network, particularly in the three basins, and this might be worth looking into again in the future. He said Canada was fully engaged in the Forest Climate Leaders Partnership, which some countries had given a certain degree of political momentum and was reaching a threshold for commitments arising from the Glasgow decision. The framework of that partnership offered many opportunities to contribute to other initiatives, and ITTO's involvement would be appreciated.
133. The delegate of New Zealand welcomed the report and invited the Executive Director to continue her presentation to give a comprehensive account. She commended the Secretariat for their active engagement in the previous year in a broad range of forums, including the CPF and the UNFF. New Zealand encouraged ITTO to continue promoting the role of productive forests and trade into major global processes. It was important to make new connections, maintain existing relationships and be as visible as possible, within the limits of available resources. She expressed interest in an update on ITTO's discussions with CITES, especially on possibilities for showcasing how sustainable tropical forest management practices had enabled the sustainable use of CITES-listed species.
134. The delegate of Brazil commended the Secretariat on the presentation and said that many other opportunities existed for cooperation, which was important to bear in mind during discussions on the review of the ITTA. Brazil was open to discussions on expanding the mandate or scope of the Agreement, but what made international institutions strong was their cooperation. Therefore, it would be better to avoid overlaps with, for example, the CBD and the UNFCCC.
135. The delegate of the USA commended the Executive Director and the Secretariat for the efforts undertaken and would welcome continued updates on this agenda item in the future. He referred to the ITTO Fellowship recipients and suggested inviting them to present on their work and the impacts of their fellowships.
136. The delegate of the Republic of Korea thanked the Executive Director for her presentation, which provided very useful information. His delegation was pleased to hear of ITTO's improved partnership with AFoCO, which was hosted in Seoul. The Republic of Korea also welcomed ITTO's work to promote partnerships with other CPF organizations, which enhanced ITTO's visibility in the CPF. Such efforts

also positioned the Organization to contribute significantly to addressing the triple planetary crisis and supporting the transition to a bioeconomy, and it would support ITTO in obtaining UN observer status.

137. The delegate of PNG thanked the Secretariat and the Executive Director for the presentation. He confirmed that PNG was collaborating with the GEF on a new regional project, with Thailand, under GEF-8. The project's starting date was not yet known but would likely be in 2025 or 2026. PNG would like to see how ITTO could support the project, and the Council would be kept informed of progress. The delegate of PNG said his country had signed an agreement with the Asian Development Bank on a USD 2 million pre-project, which would be followed by a full project, and ITTO would also be kept informed on progress on this work.
138. The delegate of the Philippines said his country affirmed the importance of Article 15 of the ITTA 2006, which emphasizes cooperation and coordination with other organizations to enhance the effectiveness of ITTO's work. It recognized that partnerships were vital for addressing global challenges in sustainable forest management and tropical timber trade. To build on the momentum already gained, the Philippines proposed that ITTO prioritize partnerships that support tropical timber-producing countries in meeting global sustainability standards, such as aligning with the Kunming–Montreal Global Biodiversity (KMGB) Framework and the EU Deforestation Regulation (EUDR). The delegate of the Philippines encouraged ITTO to collaborate with organizations such as FAO and UNDP to deliver capacity-building programmes that address the specific needs of producer countries, including technical training and financial support for compliance with international commitments. Partnerships with multilateral development banks and climate finance institutions should be expanded to support forest landscape restoration, agroforestry, and carbon-credit initiatives in tropical regions. He said the Philippines was committed to supporting ITTO's efforts to leverage strategic partnerships that advance sustainable development, biodiversity conservation and resilient livelihoods.
139. In responding to the comments, the Executive Director said that international collaboration was key, but it was exhausting, given the Organization's small number of professional staff. More financial and human resources were needed, although the Organization ensured that its collaboration was done cost-effectively. She thanked the governments of Japan and the US for providing additional resources to enable ITTO to pursue additional collaborative efforts. Referring to the intervention by the Philippines, the Executive Director said the Organization had been pursuing an MOU with the UNFCCC Secretariat, but this was now redundant in light of the Organization's accreditation with the GCF; she invited the Philippines to speak with the Asian Development Bank about further involving ITTO in its work. ITTO would also be looking at how to re-engage with the International Model Forest Network and exploring further links with the Forest Climate Leaders Partnership. Referring to the intervention by the delegate of the USA, the Executive Director said the Secretariat had previously invited ITTO Fellows to attend Council sessions and speak about their work and would very much like to continue to do so. This has not been possible for more than a decade due to a lack of financial resources to sponsor their travel to Council sessions. The Secretariat also tried to involve past Fellows in other international conferences and events. Referring to the intervention by the delegate of PNG, she invited PNG to involve ITTO in the GEF project through the implementing agencies. She thanked all other delegates for their interventions and invited guests from the UNFF, RESTEC and CIFOR-ICRAF to speak to the Council.
140. Mr Minoru Takada, Deputy Director of the UNFF Secretariat, said the current Council session reflected the Organization's steadfast commitment to the sustainable management, conservation and the use of tropical forests, which aligned deeply with the mission of the UNFF. He commended the Executive Director for her visionary leadership as a champion of tropical forests. Mr Takada said the Pact for the Future adopted at the United Nations Summit of the Future in September warned of rising catastrophic and existential risks driven by human choices. Forests stood as a critical cornerstone of global resilience by sustaining life and livelihoods and playing central roles in combating climate change, biodiversity loss and desertification. They were vital to achieving the Paris Agreement, the Global Biodiversity Framework, and the Sustainable Development Goals (SDGs). There was a need, therefore, to act decisively to protect, restore and sustainably manage forests by elevating forests as a political priority at all levels, dramatically increasing forest financing, bridging data gaps to improve decision-making and resource mobilization, and strengthening partnerships to drive inclusive transformative action. These imperatives demanded collective sustained international cooperation rooted in trust and solidarity. Mr Takada said collaboration between the UNFF Secretariat and ITTO was a model of effective partnership in action and referred to recent cooperative efforts. Guided by the MOU, this collaboration would assist tropical countries and stakeholders in conserving, restoring and sustainably managing their forests. The UNFF Secretariat remained committed to deepening this collaboration. It would be important to seize

momentum to turn dialogue into decisive action at COP29 in Baku. Mr Takada invited delegates to attend the 20th session of the UNFF in May 2025 in New York to help drive collective progress. He encouraged all stakeholders to engage with the Forest Pavilion at COP30 in Brazil. He concluded by reiterating that the path forward required ambitious goals, innovative solutions and unwavering commitment to collective action.

141. Mr Robert Nasi, Director General of CIFOR-ICRAF, said the CPF comprised the most “powerful” organizations working on forests gathered in one collaborative partnership. Given the disparate nature of these organizations, it was not always easy to coordinate and required considerable human and financial resources. CIFOR-ICRAF had 800 people and a budget of about USD 110 million of project funding and no core funding, and the work was scattered across 35 countries; undertaking other activities required capacity and resources. He said the tropical timber business would die unless it changed. There had been a decrease in demand in Gabon, for example, and there was also a need to retain primary forest. On the other hand, the bioeconomy required more timber, not less. This would likely not come from boreal or temperate forests but from a change in the tropical forest business towards more plantations and material such as cross-laminated timber. This was an area in which CIFOR-ICRAF and ITTO could collaborate on—determining where the wood would come from in the future and what was required to move towards a biologically based economy rather than a fossil-fuel-based economy.
142. Ms Yamamoto Aya, Executive Managing Director of RESTEC, showed a short video to introduce her organization. RESTEC had been a pioneer in international geospatial technology research and capacity building since its establishment in 1975, and it was currently engaged in forest monitoring in several ITTO member countries. She highlighted the potential of radar and optical satellite data to support real-time forest monitoring and proposed capacity-building workshops in tropical regions to equip forest officers with remote-sensing tools and knowledge. She noted that ITTO and RESTEC would shortly sign an MOU that would outline collaboration between the two organizations.
143. The delegate of Japan spoke about the role of Japan in obtaining recognition of ITTO by the United Nations General Assembly as an observer. He said that, to move the issue forward, it was necessary for the Council to adopt the draft decision now under consideration. Should the decision be made, Japan would liaise with its permanent mission in the United Nations in New York to submit a request in cooperation with the ITTO Secretariat to include an item in the agenda of one of the General Assembly’s six committees regarding the granting of observer status to ITTO. It would be preferable that, in addition to Japan, the request had co-sponsor countries. The delegate of Japan encouraged all members to communicate with their permanent missions in New York to convey the necessity that ITTO acquire observer status.
144. The delegate of New Zealand thanked the Government of Japan for its effort to progress observer status for ITTO in the United Nations General Assembly. New Zealand had communicated this to its mission in New York, and she encouraged other members to do likewise. Other countries to indicate interest in communicating the importance of this matter were Brazil, Costa Rica, Panama and the Republic of Korea.
145. In closing this agenda item, the Chairperson noted votes of support for the efforts and work of the Executive Director and for ongoing reporting on this item at future Council sessions.

SPECIAL ACCOUNT AND BALI PARTNERSHIP FUND (AGENDA ITEM 15)

(a) Pledges to the Special Account and the Bali Partnership Fund

146. The Chairperson invited members and observers to announce any new contributions they might wish to pledge to the Special Account and the Bali Partnership Fund.
147. The delegate of the USA said the total pledge of the USA was USD 600 000. He announced the following pledges; USD 50 000 for project PD905/19 Rev.3(F), Phase II to support SFM in Togo; USD 95 000 for CN-24033 to support sustainable management of two CITES listed species in Benin; USD 90 000 for CN-24028 to develop supply chain traceability systems in Vietnam; USD 25 000 for BWP Activity 2 to strengthen private sector participation in the work of ITTO; USD 50 000 for BWP Activity 4 to enhance cooperation between ITTO and CITES; USD 25 000 for BWP Activity 5 to support criteria and indicators workshops; USD 30 000 for BWP Activity 7 on forest fire prevention and management; USD 50 000 for BWP Activity 8a to operationalize the ITTO gender equality and empowerment guidelines; USD 20 000

for BWP Activity 8b to disseminate the forest landscape restoration guidelines; USD 10 000 for BWP Activity 10 on the cooperation with CPF members; USD 25 000 for BWP Activity 12 on the ITTO communication strategy; USD 20 000 for BWP Activity 15 to support TAG and CSAG involvement; and USD 20 000 for BWP Activity 18, the ITTO fellowship. He said these pledges would add up to USD 555 000 and the remaining USD 45 000 would remain as a reserve to be flexibly deployed later on.

148. The delegate of Japan said that the Ministry of Foreign Affairs of Japan would pledge around USD 250 000 in voluntary contribution as follows: USD 160 000 for CN-24032 on forestry sector value chains in Costa Rica; USD 20 000 for BWP Activity 6 to support statistical capacity-building workshops; USD 30 000 for BWP Activity 9, conservation and sustainable use of biodiversity in tropical timber production forest; USD 25 000 for activity 14c, translation of the ITTO website and relevant PR materials into Japanese; and USD 11 729 for BWP Activity 18, the ITTO Fellowship Programme. Japan would also provide additional funding from its supplementary budget in the amount of JPY 105 million, which at the current exchange rate was equivalent to approximately USD 750 000.
149. In addition to the amount pledged by the Ministry of Foreign Affairs, the Japan Forestry Agency pledged USD 487 000 in new funding. On top of that, there was a balance of US\$ 85 000 from a project completed in 2022. They pledged USD 296 000 for PD 933/23 Rev.2(M) to promote sustainable teakwood use in domestic markets of India; and USD 246 488 for PD 808/16 Rev.5(F), Phase II, for the conservation of African barwood in gazetted forests in Côte d'Ivoire.
150. The Chairperson thanked the governments of the USA and Japan for their significant contributions and invited further pledges or any reactions from members.
151. The delegate of Costa Rica thanked Japan for its contribution to CN-24032 and also for the support of past projects that have been completed with very successful results and lessons learned.
152. The delegate of Togo thanked the Government of USA for their support to the implementation of project PD905/19 Rev.3(F).
153. In the absence of further interventions, the Chairperson thanked the governments of Japan and the USA for their kind generosity and expressed the need for more contributions.

(b) Report of the Panel on Sub-Account B of the Bali Partnership Fund

154. The Chairperson invited the Chairperson of the CFA, Mr Pyoabalo Alaba, to present the report of the Panel on Sub-Account B of the Bali Partnership Fund, as contained in Document ITTC(LX)/9.
155. Mr Alaba informed members that the panel met on 5 December 2025 during the 61st session of the Council and was composed of representatives from Japan, Malaysia, Panama, Togo, USA and the Executive Director. The panel had, after careful deliberations, agreed with consensus, that the entire amount of USD 107 878, including US\$ 51 708 under BPF sub-account B and USD 56 170 under the Earmarked Fund, should be allocated to the ITTO Fellowship Programme 2025.
156. He thanked the members of the panel and the Secretariat for their support and submitted the report to Council for adoption.
157. The Chairperson thanked Mr Alaba and invited interventions from the floor. There being no comments from the floor, the Council adopted the report.

IMPLEMENTATION OF ITTO'S NEW FINANCING ARCHITECTURE, PHASE II – DECISIONS 4(LVI), 5(LIV) and 8(LVII) (AGENDA ITEM 16)

158. The presentation under this agenda item by the Executive Director is available at [Implementation of ITTO's New Financing Architecture](#).
159. The Executive Director said implementation of the new financing architecture was intended to be carried out as a pilot phase, which, among other things, introduced the submission of concept notes for project proposals to be considered for donor funding. This option would run in parallel with the regular project cycle. The pilot phase began in 2020 with a first call for concept-note submissions and had been running for the last five years. Initially, the Executive Director was asked to review the pilot approach in 2022

and report this to the Council, but the Advisory Board had recommended to the Council that the review be postponed due to the COVID-19 pandemic to allow more time to assess the success or otherwise of the approach. The review would be presented at the present session. The Executive Director said that, in 2020–2024, the Secretariat had received 49 concept-note submissions, of which 31 were published for the consideration of donors, meaning that 18 concept-note submissions did not meet requirements. Of the 31, 13 received donor interest, and these would now be developed into projects. In terms of funding, the amount between 2020 and 2024 was nearly USD 5 million. In terms of funding, the programmatic line to attract most donor interest, by far, was legal and sustainable supply chains (programmatic line 1). Some finance had also been raised for forest landscape restoration (line 2) and biodiversity conservation (line 3). None had yet been raised for programmatic line 4, which was for emerging issues. The total amount received for the pilot programmatic approach in voluntary contributions over a six-year period (2019–2024) was USD 14.8 million, amounting to an average of USD 2.5 million per year.

160. The Executive Director reported that a total of 31 projects, BWP activities and concept notes were pending finance, with a collective value of almost USD 13.7 million. The value of projects and concept notes that had sunset was USD 4.5 million in 2022 and USD 2.3 million in 2023. The value of sunset projects and concept notes between January and October 2024 was USD 4.75 million, for 11 proposals; 16 projects and concept notes were scheduled to sunset in 2025, at a total value of USD 10 million. The Executive Director said the Council might wish to consider whether an agreement could be reached to terminate the pilot phase to allow continuation of the programmatic approach and the four programmatic lines, with a further review to be conducted in three years' time, which would be reported at the 64th Council session in 2027.
161. The Executive Director said another issue the Council might wish to consider was whether to maintain the regular project cycle and the concept-note approach in parallel. The Secretariat advised that it should. If so, a follow-up decision might be required on whether to maintain two cycles per year or to reduce it to once per year and run it in parallel with the concept-note approach, noting that concept notes could be submitted at any time of the year. Donor countries had informed the Secretariat that they had priorities under their national plans and national budgets to fund certain areas of work and that the Secretariat should ensure that ITTO members eligible to receive funding were given priority. There was also a need to ensure that member countries that were eligible for funding were treated in a fair manner.
162. The Executive Director said proposals under the regular project cycle had not been very successful in raising funds. Nevertheless, if headway could be made on alternative sources of funding, these often larger-sized proposals could still serve a purpose. In closing her presentation, the Executive Director noted that the review of the programmatic approach had been made available to members, but the consultant who prepared it could also make a presentation on it, if the Council wished.
163. The Chairperson thanked the Executive Director for her presentation and invited interventions from the floor.
164. The delegate of Australia emphasized the value of the concept-note approach as part of the new financial architecture, which Australia found useful when making ad hoc contributions to the Organization; the approach helped in reaching out to other ministries with available funds in an effort to connect them to those projects. Australia therefore encouraged continuation of the concept-note approach but questioned the value of an additional review in three years; she stated Australia would be comfortable with the scheduling of the next review in 2030.
165. The delegate of New Zealand expressed appreciation for the Executive Director's efforts to seek alternative funding and build partnerships and considered it appropriate to end the pilot phase and continue with the programmatic approach and the four programmatic lines, with another review to be conducted in either three years or six years. New Zealand recommended continuing to maintain the regular project cycle and running the two processes in parallel but supported moving to a single project cycle per year for efficiency.
166. The delegate of the EU thanked the Executive Director and the Secretariat for the work. She said the EU supported the changes made to date and considered that the project cycle should be reduced to one per year to reduce administrative costs; it would also provide an opportunity to communicate with producer members about a single deadline.

167. The delegate of the USA indicated that the USA considered that the concept-note approach required considerably less work at the beginning and offered a chance for proponents and donors to work together on proposals with a high chance of obtaining funding. The USA also saw value in continuing the hybrid regular project cycle and agreed that the regular project cycle should be reduced to one cycle per year.
168. The delegate of the Philippines reaffirmed the Philippines' commitment to sustainable forest management and recognized the vital role of ITTO in advancing innovative financing mechanisms. The Philippines underscored the importance of equity, inclusivity and effectiveness in shaping the path forward. The programmatic approach had demonstrated its potential to enhance resource mobilization and streamline project implementation, but the pilot phase had highlighted areas that required improvement, particularly to ensure that funding was accessible to all member countries and aligned with their priorities. The Philippines supported continuation of the programmatic approach, coupled with targeted refinements to strengthen its effectiveness and responsiveness to the realities of producer member countries. To enhance the efficiency of ITTO's financing mechanisms, the Philippines encouraged a review of the costs and benefits of maintaining both the regular project cycle and the programmatic approach. Transparency in fund allocation, robust monitoring systems and increased technical assistance must remain central to ITTO's efforts. The delegate of the Philippines urged ITTO to expand partnerships with the private sector and to leverage its GCF accreditation to mobilize additional resources. He said the Philippines supported periodic reviews of the programmatic approach to evaluate its progress and ensure continuous improvement.
169. The delegate of the Republic of Korea said he echoed the opinions expressed by other delegates in favour of the programmatic approach and the advantages of the concept notes.
170. Reconvening later in the Council session, the Chairperson invited the consultant to provide a brief overview of their report.
171. Mr Alexander Knapp said three key questions arose from the report. The first was about what the Council wanted to prioritize internally among the possible options and fundraising needs. Suggestions had included deforestation-free supply chains, training, monitoring and evaluation, resource transparency and traceability, capacity building, the triple planetary crisis, market discussions, and policy frameworks for business. Of these, the issue was how to narrow down to the main priorities. The second question was what the Organization wanted to focus on externally. The global official development assistance budget was approximately USD 220 billion per year, much of which was inaccessible to ITTO, but about USD 128 billion was available through contracts or grants from bilateral and multilateral donors. The consultants' analysis of that money found that approximately 1–2% focused on forestry and trade in commodities from tropical forests, which was a significant amount of funding. Accessing this, however, would require personnel with expertise in raising this type of funding through the contracting mechanisms used by bilateral donors and multilateral donors. The third question was how to use the limited available resources over the next five years. Three models had been discussed during the Council session. One was to tackle ITTA renegotiations and fundraising in parallel, which might overtax the Secretariat. A second model involved a balanced approach that prioritized the ITTA over the next several years, which would provide more clarity on the Organization's priorities, when fundraising activities could be brought in more prominently. A third model would involve focusing the Organization's limited resources on the ITTA itself.
172. The delegate of the USA said information gathered as part of the analysis indicated that many members viewed the key priorities for ITTO to be legal supply chains and restoration, and this was also clearly reflected in donor voluntary contributions. The balance would require careful consideration in the negotiation. In addition, a number of financial aspects were baked into the ITTA 2006, many of which had not stood the test of time. On the other hand, the Council has been quite responsive in exploring other avenues and new approaches to bring donors and projects together. All this would require consideration in the negotiation process in terms of structure, fundraising and financing to enable the Organization to continue to work and to be responsive to emerging trends and new opportunities.
173. The Executive Director reassured members that the Secretariat would continue to pilot the programmatic approach based on the four approved programmatic lines. She invited members to consider seconding members of staff from their organizations, such as a resource person with experience in and exposure to fundraising.
174. There being no further interventions, the Chairperson closed this agenda item.

BIENNIAL REVIEW AND ASSESSMENT OF THE WORLD TIMBER SITUATION 2023-2024 (AGENDA ITEM 17)

175. The Chairperson drew the attention of members to Document ITTC(LX)/12 and invited the consultant, Ms Frances Maplesden, to present an overview and a summary of the elements of the 2023–2024 review and assessment of the world timber situation.
176. Ms Maplesden presented on the draft Biennial Review and Assessment of the World Timber Situation 2023–2024, focusing on country responses and the quality of the 2024 Joint Forest Sector Questionnaire. Responses were received from 23 of 37 producer members and 33 of 37 consumer members in 2023 and from 41 of 75 ITTO member countries in 2024, amounting to 32% of producer members and 76% of consumer members. Ms Maplesden said this was a fairly poor response from producer countries, although she was confident there would be more responses before publication of the final data in 2025. Nine consumer countries had not yet submitted a questionnaire, and three countries had provided no report in either 2023 or 2024. Twenty-five producer countries had not provided data for 2024, and 12 had not provided data for two consecutive years and some for even longer. She reminded delegates that countries that had not submitted questionnaires for more than two years would receive letters from the Executive Director requesting an explanation of the lack of response. There were also concerns about the quality of data received, with the major concern being the non-reporting of production data; less than one-third of production data for producer countries was being obtained from official channels. She urged producer members to work with the Secretariat to provide more timely and regular information, particularly on production.
177. Ms Maplesden said the Secretariat had invested considerable effort into improving the ITTO statistical database and the capacity to generate better-quality data. A statistical training workshop had been held in Mexico in 2024 for Mesoamerican member countries, which had provided insights into the problems and issues faced by member countries in providing accurate data. Another workshop was planned in 2025 for South American countries. Another development towards improving data quality to supplement the Joint Forest Sector Questionnaire was the introduction of reports on specific markets and themes, including most recently a long-term review of the tropical timber trade and an investigation into conversion factors for plywood and veneer. ITTO was also planning to work with CIFOR on a study of the domestic timber market in the Democratic Republic of the Congo (DRC).
178. Ms Maplesden provided observations on production and trade trends in tropical wood products based on the data received to date. Most of the world's tropical log production was in the Asia-Pacific region, where there were several substantial producers, led by Indonesia, which accounted for 83% of tropical log production in 2023. Other key producers were Brazil, India, Malaysia, Thailand and Viet Nam. Production was expected to remain steady in 2024.
179. Trade flows were centred around the Pacific and West Africa in 2023, primarily supplying Asian markets, particularly China and, to a lesser extent, India and Viet Nam. Together, these three countries accounted for over 87% of global tropical log imports. Tropical log exports had been trending downwards but rose in 2021 and 2022. Papua New Guinea and Solomon Islands, two of the largest exporters, had contrasting outlooks: PNG expected to see a 10% drop in exports, but Solomon Islands could register a 13% increase. Malaysia's exports were now significantly below levels seen a decade ago, and Brazil, which exported mainly eucalypt logs to China and Portugal, had seen its exports drop by about one-third in 2023.
180. The export landscape was also shifting in West Africa. Although a regional log export ban for the six Economic and Monetary Community of Central Africa countries had been deferred to 2028, several countries had already introduced export restrictions. The drop in China's import demand—now less than half what it had been at its peak in 2018—had influenced global pricing and trade patterns. India's imports had also declined, while Viet Nam was turning increasingly to temperate hardwoods and domestic plantations. West African log prices had generally trended downward, except for a temporary increase in mid-2022.
181. Regarding tropical sawnwood, available data indicated that Brazil, China, India, Indonesia, Malaysia, Thailand and Viet Nam were the main producers. Unlike the log trade, sawnwood exports had been rising since 2020, possibly reflecting the tighter supply of tropical logs. The trade was still concentrated in Asia, with China importing 58% of global sawnwood—mainly from Thailand, particularly rubberwood used in furniture production. Malaysia had seen a 21% increase in exports in 2023, although volumes

remained below pre-pandemic levels. Imports into China and Viet Nam had grown significantly, while those into the EU had declined.

182. In the tropical plywood segment, global production had fluctuated but trended downward in 2016–2022 before stabilizing. China led production, but India and Viet Nam had shown significant growth over the past decade. In contrast, Malaysia's production had contracted, reflecting declining demand from its main export market, Japan. Malaysia's industry was heavily export-oriented, while China and India were focused largely on domestic consumption. Viet Nam, where plywood production was also export-oriented, had benefited from growing demand in the USA. Rising labour costs, raw material shortages, and the reduced availability of high-quality logs had affected all major producers.
183. The trade patterns for plywood had evolved considerably. The USA had emerged as the largest market, with Japan's importance waning due to a pivot towards domestically sourced plywood and substitutes. Global tropical plywood exports had declined between 2021 and 2023, led by a sharp drop from Malaysia, the exports of which were now only one-third the level in 2014. Indonesia remained the top exporter, although its volumes had decreased slightly. Viet Nam had quickly become the second-largest exporter, with rising shipments to Malaysia spurred by increased construction activity there. USA imports of tropical plywood had grown substantially after the pandemic but had dropped significantly in 2023 amid a slowdown in housing and construction. Japan's economic struggles and a weakening yen had further dampened demand, especially as the cost of imports—denominated in US dollars—rose sharply.
184. Volume data were unavailable for secondary processed wood products (SPWPs), and the review therefore focused on trade value. Most exports from tropical countries were believed to be of tropical wood, and China's exports—particularly furniture—were assumed to contain a large share of tropical material. Nearly two-thirds of global SPWP trade value was in wooden furniture. Export values rose sharply between 2020 and 2022, driven by pent-up consumer demand and high freight costs rather than volume increases. Trade volumes and values fell in 2023, however, as consumer demand weakened across major markets.
185. The USA, the EU and other developed economies remained the primary destinations for these exports. A surge in the US economy had previously driven growth between 2020 and 2022, but imports plunged more than 25% in value in 2023 due to inflation, high interest rates and escalating housing costs. Viet Nam was the leading ITTO producer-country exporter, primarily sending wooden furniture to the USA. Despite a 16% drop in 2023, Viet Nam remained the single-largest player in global furniture trade. Its advantages—stemming from the China–US trade dispute and investment shifts—were now under scrutiny, with new USA anti-dumping inspections set to begin on kitchen cabinets by year-end. Nevertheless, Viet Nam's exports had begun to recover in 2024.
186. Ms Maplesden's report ended with a broader economic perspective. Global growth had slowed in 2023, particularly in the EU, affected by inflation, the war in Ukraine, and China's faltering property sector. Inflation had started to ease, but growth remained uneven. Forecasts for 2024 and 2025 suggested stable global growth, with improvements expected in Asia and the USA but downgrades predicted for several large EU economies. China's growth outlook had improved, thanks to stronger-than-expected net exports.
187. Despite some signs of recovery and a trade rebound in 2024, several risks remained, Ms Maplesden said. Geopolitical tensions continued to affect supply chains and drive-up commodity prices. Protectionist trade policies, especially those proposed by the incoming US administration, could reshape global trade flows. China's domestic consumption and exports of processed wood products had been key to global demand, but further deterioration in its property market could force a pivot to export-oriented production, increasing competition in already-pressured international markets. Other challenges, including sustainability and legality concerns, were relevant but were discussed in other forums.
188. The Chairperson thanked Ms Maplesden and invited interventions from the floor.
189. The delegate of the USA noted a small mistake from the USA regarding the reported volume for tropical plywood imports, with the correct number for plywood imports slightly lower than reported. The USA would correct this error and resubmit the data to the United Nations Economic Commission for Europe by the deadline. The delegate of the USA also noted that a large amount of reported plywood imports were not tropical hardwood species but hardwood plywood coming from a tropical country, such as birch and walnut plywood with a tropical origin. In past years, the USA had reported only on tropical species

but wanted to confirm whether this was correct because, if it was a change in the reporting, it would be notable.

190. The Secretariat (Mr Jean-Christophe Claudon) responded that this was indeed a problem because the definition of tropical timber in the ITTA 2006 was timber from tropical countries. Plywood was a problem because, in the past, non-coniferous plywood produced in tropical countries was considered to be tropical plywood, and this was continuing. Viet Nam was importing large volumes of non-tropical timber from various countries and transforming it into plywood and exporting it to the USA, and maybe the USA did not consider this to be tropical plywood. The only way to resolve this was through special studies. With the ITTA 2006 now under review, it might be a good opportunity to address the definition. ITTO had worked with the World Customs Organization (WCO) over a five-year period to develop a list of tropical timber, and now at least 500 tropical species had been defined. The Secretariat said eucalyptus was also a problem. Eucalypt from Brazil, for example, was considered tropical, but the WCO considered it non-coniferous, non-tropical.
191. The delegate of Brazil said it was difficult to determine how much of the raw material for plywood originated in planted forests. Almost all Brazil's production came from planted forests because little industrial wood was produced in natural forests in Brazil today. Nevertheless, such information was generally difficult to obtain but would be important because of the environmental implications; it was impractical to use wood from natural forests because of the species diversity. The delegate of Brazil commented that the identity of the species could help address the issue because almost all industrial plantations in Brazil were composed of exotic species.
192. The ITTO Secretariat agreed that determining the origin of species—that is, whether from plantations or natural forests—was difficult. It had been a long-standing issue and was not easy to resolve through the questionnaire. Species identity could be added to the questionnaire for production, as suggested by the delegate of Brazil and as already done for trade.
193. The delegate of Viet Nam clarified that the plywood his country was exporting to the USA market mostly comprised plantation acacia for the core layers and potentially imported poplar or birch for plywood surfacing. The latter amounted to just less than 5% of total production cost, and the product could be regarded as tropical plywood or tropical hardwood plywood.
194. Ms Maplesden agreed that there was a definitional problem in the Harmonized System for trade because tropical plywood was defined by the surface layer, but the rest of the panel could be any species. In Viet Nam it was predominantly acacia. In China, it was poplar and eucalypt.
195. The delegate of Viet Nam said Viet Nam was trying to replace imported poplar or birch with rubberwood.
196. The Chairperson said the discussion had indicated that definitions and issues related to trade data should be considered in negotiations for a new international agreement on tropical timber.
197. The Secretariat said it would be increasingly important in the future to clearly define tropical timber. The existing definition in the ITTA was somewhat circular, in that it held that tropical timber was tropical timber from tropical regions. Resolving the issue required species lists from the WCO.
198. The delegate of Indonesia said Indonesia had a system to monitor the circulation of timber and processed wood, and the data were publicly available. The data showed that, in 2024, the top five destination countries for Indonesian exports were China, at 26.9%, followed by the USA (14.9%), Japan (9.3%), the Republic of Korea (5.15%) and India (5.02%).
199. The delegate of the Philippines commented on the proposal to address the definition of timber during negotiations for a new agreement. Two options were available—one based on science, and one based on source, the latter being the existing definition. He said the proposal warranted careful consideration because, for the Philippines, most exports were of non-indigenous species. If species needed to be naturally occurring tropical species, the Philippines would have zero exports of tropical timber. The Philippines would be very willing to participate in discussion on this issue.
200. The delegate of the EU said the EU was unable to agree to anything related to the definition of tropical timber. Further work to examine the issue was warranted in the context of negotiations for a new agreement.

201. The delegate of Brazil said that, in negotiations for a new agreement, a clear differentiation between wood sources from natural forests versus planted forests would be necessary, although difficult.
202. The Secretariat said FAO and the United Nations Economic Commission of Europe had also asked ITTO for clarification on the issue of definitions and had pointed out that the WCO already had a definition of tropical timber in the Harmonized System.

REPORTS OF THE COMMITTEES (AGENDA ITEM 18)

203. The full reports of the Committees are contained in Annex IV.

Committee on Economics, Statistics and Markets (CEM) and Committee on Forest Industry (CFI)

204. Ms Catherine Karr-Colque (USA), Chairperson of the CEM and CFI, presented the report of the 58th Session of the Committee on Economics, Statistics and Markets (CEM) and the Committee on Forest Industry (CFI), as contained in Document CEM-CFI(LVIII)/4.
205. Ms Karr-Colque said the committee had noted the work carried out under two completed projects in Guatemala and Viet Nam. The project in Guatemala was aimed at bringing small forest operators into the formally regulated sector while also developing systems to monitor and trace their production and transport of wood products. For the project in Viet Nam, the main goals were enhancing production, diversifying the domestic consumption of sustainable timber, and promoting local markets for wood and wood products. The committee had reviewed the progress made in implementing one ongoing project and one project pending financing under the CEM and five ongoing projects and one project pending agreement under the CFI. The committee had decided to select the completed project PD 832/16 Rev 2(M), "Implementing mechanisms to improve traceability in the forest production chain in Guatemala", for ex-post evaluation. To allow sufficient time to observe the impacts of the project on the ground, the committee had recommended that the ex-post evaluation be carried out in 2026. The committee had further considered the presentation of the following policy work item, "Promotion of sustainable wood use in domestic markets of Viet Nam, Thailand, Indonesia and Malaysia". Other policy work items, presented and discussed in the joint committee session in conjunction with the Trade and Market Day, were market access, forest and timber certification, and collaboration between ITTO and the APEC Experts Group on Illegal Logging and Associated Trade (EGILAT).
206. Ms Karr-Colque said the committee had decided to include the following policy work items in the CEM agenda at the next session: legality frameworks; forest and timber certification and traceability; and APEC EGILAT and ITTO collaboration. It decided to include the following policy work item in the CFI agenda: promotion of sustainable wood use and domestic markets. The committee had unanimously elected Mr Ray Thomas, of the Philippines, as Chairperson of the CEM-CFI for 2024 and Ms Vata Munda of New Zealand as Vice-chair in 2025. The committee recommended that funding be made available immediately for the project proposals that were pending financing, and it submitted its report to the Council for consideration and approval.
207. The report was adopted.

Committee on Reforestation and Forest Management

208. Mr Jorge Mario Rodriguez (Costa Rica), Chairperson of the CRF, presented the report of the 58th Session of the Committee on Reforestation and Forest Management (CRF), as contained in Document CRF(LVIII)/6.
209. He said the committee had reviewed the work of one completed project and one completed Biennial Work Programme project-based activity. The completed project, which was implemented in Brazil, had contributed to strengthening the adoption of good forest management practices by medium- and large-scale timber enterprises in the Amazon. The committee had noted that the completed Biennial Work Programme activity, carried out in Costa Rica, had helped establish tools to increase the value of secondary forests and their ecosystem services for conservation and development.
210. On policy work, the committee had had productive deliberations on the following subjects: adapting the ITTO criteria and indicators for sustainable forest management to the African context, which would be subject to further dissemination in 2025 and beyond, depending on the availability of funds; fire

management in tropical forests; the dissemination of the ITTO forest landscape restoration guidelines and gender guidelines, including related BWP project-related work on these guidelines in Togo and Benin; continued work on the joint ITTO–CBD Collaborative Initiative for Tropical Forest Biodiversity, including plans to update the ITTO/IUCN Guidelines on Biodiversity in Tropical Production Forests; and collaboration on criteria and indicators for sustainable forest management. Mr Rodriguez said that, despite limited time, the committee had made significant strides in discussing these critical topics, as well as 22 projects and BWP project-based activities, including several presentations and videos created by project implementers. The focus of these projects spanned a range of topics, including the management of a biosphere reserve and surrounding areas; community forest management; agroforestry microcredit schemes; the conservation and sustainable management of African barwood, teak, rosewood and mahogany; the reforestation of degraded landscapes; the development of timber legality frameworks; biodiversity conservation; mangrove rehabilitation; alternative livelihood development to reduce pressure on forest areas; and the empowerment of women's groups living in and managing forest areas. Mr Rodriguez said it was clear from the presentations and comments by members that these projects, although often small, had had significant positive impacts on the communities involved, and they had piloted innovative approaches that could be replicated in other parts of the tropics. He expressed the gratitude of the committee to the executing agencies and communities for their hard work and for the generous support of the donors, Japan, the USA, Germany, the Republic of South Korea and Australia.

211. The report was adopted.

Committee on Finance and Administration

212. Mr Pyoabalo Alaba (Togo), acting Chairperson of the CFA, presented the report of the 39th Session of the Committee on Finance and Administration (CFA), as contained in Document CFA(XXXIX)/7. Mr Alaba said the committee had examined the Organization's administrative budget and management operations and reviewed the assets and liabilities of the Organization and its revenues and the extent to which they constrained the work of the Secretariat. The committee had also reviewed the independent audited statements pursuant to the requirements of the ITTO auditing standard. And, lastly, it had discussed recommendations to the Council on any modifications the committee might judge necessary to the rules of the Organization.

213. Mr Alaba said the committee had decided to make the following recommendations: to approve the financial reports prepared in accordance with the ITTO Financial Rules and Procedures, Annex 4, for the financial year 2023, as contained in Document CFA XXXIX/6; to take note of the list of disclosures required by the financial rules, as contained in Annex 1 of Document CFA XXXIX/4 Rev 1; to endorse the list of sole providers; to approve the list of banks and financial institutions; and to add to the CFA's function a new responsibility to provide oversight of ITTO's internal audit activities and assess the performance of its independent internal audit function.

214. The report was adopted.

ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON OF THE COUNCIL FOR 2025 (AGENDA ITEM 19)

215. The Chairperson invited the consumer spokesperson to nominate the Chairperson of the Council for 2025.

216. The consumer spokesperson nominated Mr Carlos Espinosa Peña from Panama as the Chairperson of the Council for 2025.

217. The Chairperson then invited the producer spokesperson to nominate the Vice-Chairperson of the Council for 2025.

218. The producer spokesperson informed the Council that a nomination had not yet been received for the position of Vice-Chairperson but expected this to be forthcoming.

219. The Chairperson thanked both spokespersons and invited Mr Espinosa to the podium. She proposed, by acclamation, the nomination of Mr Carlos Espinosa Peña from Panama as incoming Chairperson.

220. The Chairperson invited Mr Espinosa as the incoming Chairperson to make an intervention.
221. Mr Espinosa thanked the consumer spokesperson for the nomination and said that it was a great honour for the Republic of Panama and for him to be nominated as the Chairperson of the Council for 2025. He said that the Ms Tyler had been an inspiration for everybody in the current year and expressed his hope that he would be able to offer equally good work and to be of benefit for the organization. He also expressed his hope that the next Council Session would also achieve all its objectives.

DATES AND VENUES FOR THE SIXTY-FIRST AND SIXTY-SECOND SESSIONS OF THE COUNCIL AND THE ASSOCIATED SESSIONS OF THE COMMITTEES (AGENDA ITEM 20)

222. The Chairperson said that, to maintain the established practice of setting session dates and venue at least 18 months in advance to facilitate logistical arrangements, the Council was to set the dates for the next two sessions. She noted that producers had a convention and established practice to rotate hosting of Council sessions among the regions and by that rotation the next session was due to be held in Latin America. She then opened the floor for expressions of interest in hosting the 61st Session of the Council in 2025.
223. The delegate of Panama announced that the Government of Panama was pleased to host the 61st Session of the Council in Panama City.
224. The Chairperson thanked the delegate of Panama for the offer to host the 61st session saying that it was a great show of support and endorsement for Panama and for the work of the organization.
225. The Chairperson then invited the delegate of Japan to take the floor.
226. The delegate of Japan announced that the Government of Japan would be pleased to host the 62nd session of the Council in 2026 in Yokohama.
227. The Chairperson thanked the delegate of Japan for the offer to host the 62nd session of the Council in Yokohama and expressed her special thanks to the Government of Japan and the City of Yokohama for the continued support to the ITTO and the hosting of Council sessions.
228. The delegate of Japan informed that the International Horticultural Expo, or Green Expo 2027, will take place in Yokohama from March to September 2027, as had already been mentioned during the opening speeches on the first day of the session by the State Minister for Agricultural Forestry and Fisheries of Japan, Mr Takinami and the Mayor of Yokohama City, Mr Yamanaka. He said that the Expo will provide an opportunity for the global community to share the importance of plant resources as a foundation of social economic activities and to evaluate the wisdom and the culture relevant to utilizing the diverse functions of the natural environment in daily life. In February 2024, the Ministry of Foreign Affairs had issued a note verbal to international organizations, including ITTO, stating that it was the earnest hope of the Government of Japan that ITTO would give its most favourable consideration to its participation in the Expo. He proposed that ITTO explore the possibility of getting involved in the Expo in some way, including considering the possibility of holding ITTO related meetings in Yokohama in 2027 as appropriate.
229. The Chairperson thanked the delegate of Japan for the intervention and opened the floor for other interventions.
230. The Executive Director proposed to hold the 61st ITTC from 21-24 October 2025 due to other major meetings being held in November and December 2025, including the Asia-Pacific Forestry Commission, UNFCCC COP 30 or the CITES COP 20. *(NOTE: The date was changed to 27-31 October 2025, as informed to all members in writing on 19 March 2025).*
231. The Chairperson thanked the Executive Director highlighting that the proposed dates were significantly earlier than in previous years, leaving less time for the work over the year.
232. In the absence of further interventions, the Chairperson closed this agenda item.

DECISIONS AND REPORT OF THE SESSION (AGENDA ITEM 21)

233. The decisions adopted by the Council are contained in Annex III. The full text of all decisions, including annexes, is available on the ITTO website.
234. The Chairperson introduced draft Decision 1(LX) "Projects, pre-projects and activities". There being no comments, the Council adopted the decision.
235. The Chairperson introduced draft Decision 2(LX) "Matters related to Article 14 of the ITTA, 2006, regarding the extension of the term of appointment of the Executive Director". The Chairperson noted that the Executive Director had excused herself from the drafting of this decision, but that a number of delegations had expressed views and support for the work of the Executive Director. She opened the floor for any delegations who wished to convey their remarks.
236. The delegate of Brazil expressed great satisfaction and compliments for the excellent work carried out by the Executive Director and voiced strong support for the extension of her term for another two years. He said the organization was in very good hands and Brazil would like it to continue in this direction.
237. The delegate of Papua New Guinea joined Brazil in supporting the current Executive Director's extension for another two years in view of the good work she had done over her term.
238. The delegate of India expressed his full agreement with the previous two speakers and said that the Government of India strongly supports the extension of the term of the Executive Director due to the excellent work she had done and her leadership of the organization.
239. The delegate of Korea expressed his great appreciation to the Executive Director for her dedication and efforts and welcomed her two-year extension of term. He said that over the past years she had made substantial efforts in communicating and collaborating with member countries, including Korea.
240. The delegate of Malaysia congratulated the Executive Director for the extension of her tenure. He expressed his deep appreciation of her hard work and invaluable contributions to ITTO, including her support to Malaysia.
241. The delegate of Ghana joined the other delegations in support of the extension of the Executive Director's term for two more years, noting that a winning team should not be changed but continue.
242. The delegate of the USA offered her thanks to the Executive Director for her leadership and her congratulations on her extension. The USA was looking forward to continuing working with her and the Secretariat.
243. The delegate of Peru said that the Peruvian government had supported the extension of the mandate of the Executive Director right from the start. He said she had established bridges of dialogue with many members of the organizations and carried out excellent work with her team.
244. The delegate of Canada expressed his belief that strong consistent leadership and a functional Secretariat were crucial for the work the Secretariat carried out to support members, particularly as key matters such as the renegotiation of the ITTA were under consideration. He expressed concern that leadership transition during such an important period would divert valuable capacity and resources from the Secretariat. He expressed Canada's full support for the extension of the term of the Executive Director by two years.
245. The delegate of New Zealand, echoing all the positive sentiments that other delegates had expressed, congratulated the Executive Director on the extension of her term. She said she was looking forward to her continued enthusiasm in pursuing the promotion of the organization and towards achieving its mandate and all member's collective goals.
246. In the absence of further interventions, the Council adopted the decision.
247. The Chairperson introduced draft Decision 3(LX) "Programmatic approach and programme lines". There being no comments, the Council adopted the decision.

248. The Chairperson introduced draft Decision 4(LX) “Matters pertaining to Article 44 of ITTA, 2006”. There being no comments, the Council adopted the decision.
249. The Chairperson introduced draft Decision 5(LX) “United Nations General Assembly observer status”. There being no comments, the Council adopted the decision.

CLOSING OF THE SESSION (AGENDA ITEM 22)

250. The Chairperson invited closing remarks from the floor.
251. The delegate of Côte d'Ivoire delivered remarks on behalf of Minister Laurent Chabba, who was unable to attend. Forest resources played a critical role in the national economy and the development of the country itself. Côte d'Ivoire was grateful to ITTO for its longstanding technical and financial support, with the successful implementation of more than 20 projects that had helped reverse forest degradation and build sustainable infrastructure that was shared regionally in West Africa. Côte d'Ivoire reaffirmed its commitment to ITTO and its mission of promoting sustainable development and tropical forest management globally. Special recognition was due to the Executive Director for her leadership and to the Government of Japan and other donors for their continued support, particularly for a recent project in northern Côte d'Ivoire. The country's national forest policy, adopted in 2018, included a dual strategy to 2045 aimed at conserving, rehabilitating and expanding forest cover while enhancing the value of forest products. The delegate of Côte d'Ivoire closed his remarks by acknowledging ongoing challenges and the need for continued international support. He congratulated Panama on hosting the next Council session.
252. The delegate of Brazil extended his congratulations to all participants and expressed anticipation for the upcoming UNFCCC COP30, to be hosted in Belém, Brazil, in November 2025. Forests and forest products had a pivotal role to play in global efforts to combat climate change and promote sustainable development. Although deforestation and land-use change accounted for approximately 10% of global greenhouse-gas emissions—less than the three-quarters the volume attributed to fossil-fuel use—forests warranted significant attention. Beyond carbon sequestration, tropical forests were vital reservoirs of biodiversity and played crucial roles in water-cycle regulation, soil protection, and the livelihoods of many communities, including Indigenous Peoples.
253. The delegate of Brazil said UNFCCC COPs had evolved from mostly intergovernmental forums into huge multilateral events with broad action agendas. As COP30's incoming presidency, Brazil was committed to guiding a collaborative and inclusive agenda, with forest-related issues likely to constitute a significant component. He mentioned three key forest-related initiatives. One was the potential to enhance synergies among the three Rio Conventions—the UNFCCC, the CBD and the UNCCD. CBD COP16 in Cali laid groundwork for this convergence, and further action was anticipated in Belém. Another was a recent decision in Baku under the Paris Agreement concerning methodologies for carbon sequestration by forests, with discussions continuing on how to integrate forest-related topics more into the Agreement's framework. And a third was that Brazil was spearheading two significant forest initiatives. The Tropical Forest Forever Facility (TFFF) was an investment-based fund designed to pay for environmental services tied to forest conservation, which distinguished it from traditional grant-based mechanisms such as the GCF and the GEF. Designed in partnership with the World Bank and other stakeholders, the TFFF would provide compensation per hectare of conserved forest under strict compliance conditions, with a governance structure involving 12 countries; the goal was to operationalize the TFFF by COP30. The other forest initiative was the “United for Our Forests” coalition, which was launched in 2023 during the Amazon Summit in Belém and now included 18 countries representing more than half the world's tropical forests. This coalition promoted forest conservation, sustainable use and restoration. It held four events in 2024 to advance its agenda and was preparing a second, more ambitious declaration. The document would address three key dimensions: political consensus, financial mechanisms (including a survey of funding tools such as debt-for-nature swaps and biodiversity credits), and scientific engagement.
254. The delegate of Brazil emphasized the importance of scientific input to address lingering uncertainties surrounding the role of forests in carbon cycling, atmospheric heat circulation, and biodiversity interactions. For example, ongoing severe drought in the Amazon highlighted the complexity of forest-climate dynamics, including instances in which forests might act as carbon sources rather than sinks.
255. In closing, the delegate of Brazil reaffirmed his country's commitment to ensuring that forests and timber-related issues occupied a central position at COP30. He extended an invitation to all stakeholders to

participate actively in the conference in Belém, contributing to the broader agenda of sustainable development and climate action.

256. The Chair thanked the delegate of Brazil for the invitation to COP30 in Belém and for sharing the work that was being done in preparation for it.
257. The delegate of Guatemala thanked the governments of Japan and the USA for their support in financing various forest-related projects in Guatemala through ITTO, which had contributed significantly to the modernization of the country's forest sector. A key achievement was the transformation of Guatemala's National Institute for Forests, which now offered a range of digital services. This modernization had led to increased transparency and operational efficiency and enhanced support for local communities involved in exporting forest products, particularly to the EU. A notable advance had been the implementation of traceability systems that enabled the tracking of forest products from origin to transformation. In addition, the Guatemalan forest sector had obtained ISO 9001 certification, an internationally recognized standard for quality management systems. This had helped standardize processes, reduce opportunities for corruption, and strengthen institutional performance. The delegate of Guatemala extended a warm greeting to colleagues from Panama, who would host the next Council session, and invited the ITTO Executive Director to visit Guatemala to witness firsthand the progress achieved through international cooperation and support.
258. The delegate of Mexico expressed thanks to all for the success of the session, especially the Chairperson for her leadership. He thanked the Secretariat and interpreters, whose work was essential for the Mexican delegation and congratulated the Executive Director for the extension of her mandate. He said Mexico remained committed to the goals of the Organization.
259. The delegate of Panama said the debates held during the Council session had been important for the future of forests and timber and for combating climate change. He congratulated the Executive Director for the extension of her mandate, and commented that membership of the Organization was important for Panama and its sustainable development. He invited all delegations to attend the 61st Council session in his country in 2025.
260. The delegate of the EU thanked the Government of Japan, the chairs and vice-chairs, and the ITTO Secretariat for their organization of the session. The EU acknowledged the contributions of the interpreters and extended best wishes to the newly appointed ITTO staff. She reaffirmed the EU's concern over the global decline of forests and the implications for climate and biodiversity. Forest protection and restoration were essential for achieving the SDGs, the Paris Agreement and the Global Biodiversity Framework. As a major timber consumer, the EU was committed to ensuring that its timber consumption did not contribute to deforestation domestically or internationally, aligning with public expectations and environmental responsibility. She commended ITTO for its role in facilitating member consultations and supporting a sustainable tropical timber trade. Although the Trade and Markets Day was welcome, including the involvement of the Civil Society Advisory Group, the EU was disappointed at not being consulted to provide details on the EUDR. The EU encouraged ITTO to improve member engagement when national policies or legislation were on the agenda to ensure comprehensive and balanced discussions. The EU appreciated ITTO's efforts to raise awareness but was concerned it was conducted under "any other business" rather than as a central topic. Nevertheless, the EU welcomed publication of related content on the ITTO website and social media platforms.
261. Looking ahead, she said the EU endorsed the extension of the Executive Director's term. The EU strongly supported ITTO's bid for observer status at the United Nations General Assembly and pledged to assist in this process. The EU also endorsed the programmatic approach and the adoption of the four-programme lines, which was a constructive path forward. Finally, the delegate of the EU affirmed the EU's commitment to actively participate in the PWG.
262. On behalf of the consumer caucus, the Consumer Spokesperson congratulated the Executive Director for the extension of her term, Ms Tyler for her chairing of the session, and Mr Peña as the incoming Council chair. She thanked Panama for agreeing to host the next Council session and for providing a co-chair for the PWG. She said the consumer caucus announced that Mr Dan Carl of the USA would be the consumer co-chair of the PWG. She thanked Mr Zahrul Muttaqin, the Producer Spokesperson, for his collaboration during the week, as well as the Secretariat, the interpreters and translators, and the host country, Japan, and the host city, Yokohama.

263. The delegate of New Zealand commented on the challenge of communicating better on sustainable tropical forest management and encouraging the use of sustainable forest products. She suggested that ITTO could collaborate with FAO, the Forest Hub and others on such communication. She congratulated ITTO and RESTEC on signing their MOU.
264. The Producer Spokesperson said the decisions adopted during the Council session showed the commitment of Council members. The task of navigating the future direction of the Organization through the negotiation of the Agreement would be challenging. It was necessary to focus on improving members' forest product trade, while also considering social, climate and biodiversity goals associated with managing tropical forests. He said he hoped the PWG would be able to implement its mandate. On behalf of the producer caucus, he thanked consumer countries for their cooperation during the session, especially the Consumer Spokesperson, the Chairperson, the Bureau, the Secretariat, and the interpreters. He thanked the Government of Japan for its continued support for ITTO, ITTO partners, and donors.
265. The delegate of DRC said his country had the second-largest tropical forest in the world and therefore needed to play a fundamental role in biodiversity conservation. DRC wanted to maintain forest monitoring, promote sustainable practices and ensure the inclusion of local communities, but this required support from the international community. He called on consumers to give priority to certified timber and to strengthen monitoring and traceability. The sustainable management of tropical forests was not only a question of environmental protection but also of supporting development, and responsibility for this was shared between producers and consumers.
266. The delegate of Australia said his country's sentiments had been expressed beautifully by all previous delegations. He thanked the Secretariat and the host country, Japan.
267. Ms Makiko Horio, from the Programme for the Endorsement of Forest Certification (PEFC) Japan, delivered remarks on behalf of Mr Shawn Goh, PEFC's Asia-Pacific Value Chain Manager, who was unable to attend the session. In his message, Mr Goh thanked ITTO for the opportunity to participate, marking his first engagement with the Organization, and he thanked FAO for supporting PEFC's involvement. He introduced PEFC's 2030 strategic plan, which focused on promoting sustainable forest management, combating illegal logging and supporting legal and sustainable trade, with an emphasis on climate-change mitigation, biodiversity conservation, restoration, traceability, and the inclusion of smallholders and community forestry. Mr Goh said that although certification processes were inherently time-intensive, particularly for smallholders, today's digital communication tools, including social media and artificial intelligence, offered opportunities to accelerate awareness and adoption. PEFC's chain-of-custody standards were designed to align with current market frameworks, such as the EUDR, the Renewable Energy Directive II, and Japan's Forest and Forestry Basic Plan. With more than 25 years of experience in timber legality assurance, PEFC reaffirmed its readiness to support ITTO's goals and emphasized that forest certification, particularly when driven by communication and engagement, played a vital role in motivating sustainable practices. Mr Goh extended an open invitation to all stakeholders to collaborate in advancing the shared objectives for sustainable forest management.
268. Mr Ewald Rametsteiner, representing FAO, congratulated the Council for extending the appointment of the Executive Director and for the appointment of the next Council Chairperson. He said FAO's Committee on Forestry had endorsed the FAO Forestry Roadmap: From Vision to Action 2024–2031 in July. This foresaw increased support for forestry production with a view to a balance between conservation and restoration on the one hand and production on the other. It also established science-based innovation as a specific objective. The Committee on Forestry recommended that FAO implement this roadmap through impactful partnerships, including the CPF, of which ITTO was an important member.
269. Mr Rametsteiner said FAO and ITTO were lead partners in a range of initiatives, including CPF Joint Initiatives, and he highlighted the long-standing collaboration on harmonizing definitions, data collection, monitoring, assessment and reporting in the context of the Global Forest Resources Assessment and the Collaborative Forest Resources Questionnaire. He reported that data collection for the Global Forest Resources Assessment 2025 had concluded, and the results would be published in the second half of 2025. FAO collaborated closely with ITTO and other partners in the context of the Intersecretariat Working Group on Forest Sector Statistics, including through a joint forest-sector questionnaire on the production and trade of forest products. FAO had worked closely with ITTO and the WCO to revise the scope of tropical wood in the Harmonized System and, as a result, the annex to Chapter 44 of that system had expanded from 408 to over 550 names of tropical wood, which included lesser-known

tropical species. FAO was developing new methodologies and estimates related to woodfuel, which was a major forest product. FAO, ITTO and other partners had launched a CPF Joint Initiative called Sustainable Wood for a Sustainable World in 2018. This initiative would formulate a new workplan in 2025, providing an opportunity to collaborate to identify synergies and opportunities for joint delivery, especially in the context of emerging international cooperation on sustainable wood and sustainable forest-based bioeconomy approaches. FAO and ITTO could also collaborate on a global CPF advocacy initiative called Grow the Solution, which was designed to promote sustainable wood as a climate-neutral solution vis-a-vis consumers and users of wood products.

270. Mr Rametsteiner referred to a CPF Joint Initiative on forest education and announced that FAO would soon launch a multi-country project to strengthen institutional capacities to train the next generation of forest and farm producers and practitioners, funded by Germany's Federal Ministry of Food and Agriculture. He concluded by assuring the Council of FAO's commitment to achieving more impact at scale in areas of relevance to members of both FAO and ITTO, including on the UN Strategic Plan for Forests, the Global Forest Goals and the SDGs, and to do so in collaboration with key partners, including ITTO.
271. Ms Ashley Amidon from the International Wood Products Association, said it had been a pleasure to attend the Council session to feel the passion in the room, to hear the success stories and to see that the industry was committed to doing the best it could to support people, businesses and forest retention. She thanked the Secretariat, the Chairperson and all delegates who had travelled to the session to improve the world and its forests.
272. The Chairperson said that, in her long involvement with ITTO, the present session had been a highlight, and she had been particularly encouraged by the participation and attendance, with all the regions well-represented and engaged. She thanked all members and delegates, the consumer and producer spokespersons, the donors, the Government of Japan and the City of Yokohama. She said the PWG was an important group that was open to all members, and she encouraged timely attention to its work. She wished everyone safe travels home.
273. The Executive Director thanked the Government of Japan and the City of Yokohama for their ongoing commitment to the Organization and its aims. She thanked the Chairperson, all delegates, and the committee chairs and vice-chairs, and she welcomed all incoming committee chairs and vice-chairs. She said the Council should be proud of the key milestones achieved during the session. She thanked delegates for the feedback they had provided and warm sentiments they had expressed, as well as the interpreters, translators and the team in the Secretariat. She invited the incoming Chair of the Council, Mr Espinosa, to present a token of appreciation and gratitude to Ms Tyler, the outgoing Chair.
274. After the presentation, Mr Espinosa said the commitment, dynamism and experience shown at the present session would ensure that the next session would also be a success. He invited the plenary to applaud Ms Tyler for her amazing work as Chair.
275. The Chairperson then closed the session.

ANNEX I

LIST OF PARTICIPANTS

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INTERNATIONAL TROPICAL TIMBER COUNCIL

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Yokohama, Japan

LIST OF PARTICIPANTS

This list is based on communications received to date. The format and data of the entries in this list are as provided to the Secretariat. A final list will be issued in due course and, to facilitate this, delegations are requested to give corrections or additions in writing to the ITTO Secretariat

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LISTE DES PARTICIPANTS

La présente liste a été établie d'après les communications reçues à ce jour. La présentation et le contenu des renseignements sont reproduits tels qu'ils ont été communiqués au secrétariat. Une liste finale des participants sera publiée en temps opportun; à cette fin, les délégations sont priées de communiquer toute correction ou addition par écrit au secrétariat de l'OIBT.

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LISTA DE PARTICIPANTES

Esta lista está basada en las comunicaciones recibidas hasta la fecha. La forma y los datos de las inserciones en la lista son los facilitados a la Secretaría. Oportunamente se distribuirá una lista definitiva de participantes y para poder hacerlo con mayor facilidad se ruega a las delegaciones que proporcionen a la Secretaría sus correcciones o adiciones por escrito.

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- ** Mr. Rajesh S. Kallaje Director, IWST, Bangalore
- ** Mr. Jitesh Kumar Assistant Commissioner (Forestry, Ministry of Environment, Forest and Climate Change, New Delhi

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MYANMAR

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Governmental Organization

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Ms. Cindy Cheng

Regional Director, Asia Pacific

Ms. Jaki Yeung

Membership Manager, Asia Pacific

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Ms. Sydney (Xuting) Gao

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Director for Public Relations

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Executive Director

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Secretary General
Exports & Business Development, Ptc
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Ms. Chai Lai Yee

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Managing Director, MST Export. Sdn. Bhd.
Procurement Manager, Gunung Seraya
Sdn. Bhd.

Mr. Colin Chung Qi Farn
Mr. Ng Kok Shong

Director, Waja Kinrara Sdn. Bhd.
Factory Manager, Maran Timber Sdn. Bhd.

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Ms. N'Gbalamou Gnima epsé Kissi

President
Vice president

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Mr. Takeshi Yoshida
Mr. Remi Chandran

President
Executive Managing Director
Manger, Outreach Office
Senior Expert

REFACOF, CAMEROON

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Ms. Ramiaramanana Danièle Marie
Ms. Amah Atutonu

Point Focal, D.R. Congo
Point Focal, Madagascar
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Mr. Tatsuya Kajiya (SGEC/PEFC Japan)
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Mr. Yuji Kamijo
Mr. Alexander Knapp
Ms. Frances Maplesden
Mr. Hiroto Mitsugi
Ms. Siti Syaliza binti Mustapha
Mr. Alastair Sarre
Mr. Yongyut Trisurat

Mr. Braden Milner Jenkin	Market Discussion Speaker
Mr. Ntoutoume Harnold Jean Marie	Market Discussion Speaker
Mr. Alfonso Hernandez Angel	Market Discussion Speaker
Mr. Ivan Tomaselli	Market Discussion Speaker

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Council

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Vice-Chairperson	Mr. Carlos Espinosa Peña

Economic Information and Market Intelligence

Chairperson	Ms. Catherine Karr-Colque
Vice-Chairperson	Mr. Ray Thomas Fernandez Kabigting

Reforestation and Forest Management

Chairperson	Mr. Jorge Mario Rodríguez
Vice-Chairperson	Mr. Bjorn Merckell

Forest Industry

Chairperson	Ms. Catherine Karr-Colque
Vice-Chairperson	Mr. Ray Thomas Fernandez Kabigting

Finance and Administration

Chairperson	
Vice-Chairperson	Mr. Pyoabalo Alaba

Spokespersons

Producers	Mr. Muhammad Zahrul Muttaqin
Consumers	Ms. Aysha Ghadiali

ITTO SECRETARIAT

Ms. Sheam Satkuru
Executive Director

Mr. Gerhard Breulmann
Director, Operations

Mr. Mohammed Iddrisu Nurudeen
Director, Trade and Industry

Ms. Jennifer Conje
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Mr. Tetra Yanuariadi
Projects Manager, Trade and Industry

Mr. Li Qiang
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Mr. Polycarpe Masupa-Kambale
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Ms. Shoko Suzuki
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Mr. Wayne Koay
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Ms. Miwa Tsukui
Assistant, Office of Executive Director

Ms. Manako Hanawa
Secretary

Ms. Marina Furuhashi
Operations Assistant

Mr. Tomoya Inoue
Assistant

* * *

ANNEX II

AGENDA

DOCUMENT: ITTC(LX)/1 Rev.2



INTERNATIONAL TROPICAL TIMBER COUNCIL

Distr.
GENERAL

ITTC(LX)/1 Rev.2
1 December 2024

Original: ENGLISH

SIXTIETH SESSION
2-6 December 2024
Yokohama, Japan

PROVISIONAL AGENDA

1. Opening of the Session
2. Ascertainment of the quorum
3. Adoption of agenda and organization of work
4. Report on Membership of the Council
5. Distribution of Votes for the 2024-2025 Biennium
6. Admission of Observers
7. Statement by the Executive Director
8. Report of the Informal Advisory Group (IAG) – Decisions 3(XXII), 5(XXVI), 2(XLIX) and 2(LI)
9. Report of the Credentials Committee
10. Matters related to Article 19 of the ITTA, 2006 on the Administrative Account – Decisions 3(LVII) and 4(LIX)
11. Matters pertaining to Article 44 of ITTA, 2006 – Decisions 4(LVII) and 5(LIX)
12. Matters related to the Appointment of the Executive Director – Decisions 8(LII), 6(LIV), 5(LVI) and 6(LVII)
13. ITTO Biennial Work Programme – Decisions 9(XXXIV) and 3(LIX)
14. Matters related to Article 15 of the ITTA, 2006 on cooperation and coordination with other organizations – Decision 7(LVII)
15. Special Account and Bali Partnership Fund
 - (a) Pledges to the Special Account and the Bali Partnership Fund
 - (b) Report of the Panel on Sub-Account B of the Bali Partnership Fund (BPF)
16. Implementation of ITTO's New Financing Architecture, Phase II - Decisions 4(LVI) and 8(LVII)
17. Biennial Review and Assessment of the World Timber Situation 2023-2024
18. Reports of the Committees

19. Election of Chairperson and Vice-Chairperson of the Council for 2025
20. Dates and Venues of the Sixty-first and Sixty-second Sessions of the Council and the Associated Sessions of the Committees
21. Decisions and Report of the Session
22. Closing of the Session

ANNOTATIONS TO THE PROVISIONAL AGENDA

Item 1 Opening of the Session

The Sixtieth Session of the Council will be opened by the Chairperson of the Council, Ms. Anna Tyler from New Zealand.

Item 2 Ascertainment of the Quorum

The Executive Director will report to the Council on the state of the quorum requirement for the start of the Session.

Item 3 Adoption of Agenda and Organization of Work [Document ITTC(LX)/1 Rev.2]

The Council may decide to consider and adopt its Agenda. On the schedule of meetings, the Council may consider the draft schedule distributed under Decision 5(XXII), the advice of the Informal Advisory Group (IAG) and the due consultations in the Chairperson's Bureau meetings, which will issue the timetable daily and at more frequent intervals as necessary.

Item 4 Report on Membership of the Council [Document ITTC(LX)/13]

The Executive Director will report on the status of membership of the Council as contained in Document ITTC(LX)/13.

Item 5 Distribution of Votes for the 2024-2025 Biennium [Document ITTC(LX)/1 Rev.2 Annex]

The distribution of votes for the 2024 – 2025 biennium is shown in the Annex of the Provisional Agenda [Document ITTC(LX)/1 Rev.2]. The distribution of votes shall remain in effect for the rest of the biennium, except whenever the membership of the Organization changes or when any member has its voting rights suspended or restored, in which case the Council shall redistribute the votes within the affected category or categories. The distribution of votes for the 2024-2025 biennium was approved by the 59th ITTC in Pattaya, Thailand.

In accordance with Article 19(4) of the ITTA, 2006, the approved distribution of votes will be used for the assessment of the contribution of each Member to the Administrative Budget for the 2024 – 2025 biennium.

Item 6 Admission of Observers [Documents ITTC(LX)/Info.3 and ITTC(LX)/Info.4]

The Council may decide to admit those States and Organizations which request admission to the Session as Observers. Two lists of such applicants will be submitted at the Session for consideration and decision. The first such list shall contain the names of all States and Organizations which have previously been admitted to the Council Sessions and the second those States and Organizations who are applying for admission on the first occasion at this Session.

In accordance with Decision 3(LI), operative paragraphs 2 and 3, the Executive Director has reviewed applications for compliance with respective requirements and the results of the initial review will be published on the ITTO website two weeks prior to the Council Session.

The Council will consider the admission of Observers in accordance with Article 16 of the ITTA, 2006 taking into consideration the initial review.

Item 7 Statement by the Executive Director

The Executive Director will address the Council and report on activities of the Organization and other developments of relevance to the Organization.

Item 8 **Report of the Informal Advisory Group (IAG) – Decisions 3(XXII), 5(XXVI), 2(XLIX) and 2(LI)**
[Document ITTC(LX)/2]

Pursuant to Decisions 3(XXII), 5(XXVI), 2(XLIX) and 2(LI), and in order to organize its work for the Session, the Council may consider the report of the Thirty-eighth Meeting of the Informal Advisory Group (IAG) as contained in Document ITTC(LX)/2. The report will be presented to the Council by the Chairperson.

Item 9 **Report of the Credentials Committee**
[Document ITTC(LX)/3]

The Council may consider and adopt the Report of the Credentials Committee and approve the credentials of delegations.

Item 10 **Matters related to Article 19 of the ITTA, 2006 on the Administrative Account – Decisions 3(LVII) and 4(LIX)**

The Chairperson will draw the attention of members to Decision 4(LIX) on the Management of the Administrative Budget. The Chairperson will then invite the Executive Director to introduce this item.

Item 11 **Matters pertaining to Article 44 of ITTA, 2006 – Decisions 4(LVII) and 5(LIX)**
[Document ITTC(LX)/5]

The Council will receive the report of the Preparatory Working Group on the implementation of Decision 5(LIX) on matters pertaining to Article 44 of the ITTA, 2006, including recommendations from the PWG on the modalities for the ITTA, 2006 review process, including format (including whether virtual or in-person), timing and location/s of proposed meetings guided by the indicative Roadmap Scenario 1.

Item 12 **Matters related to the Appointment of the Executive Director – Decisions 8(LII), 6(LIV), 5(LVI) and 6(LVII)**

Pursuant to Decision 8(LII), Annex, paragraph (8), ‘the Executive Director shall ensure that the issue of appointment of the Executive Director is on the agenda of the Council Session that occurs at least one year before the end of his or her term.’ The end of the current term is 31 January 2026. Pursuant to Decision 6(LVII) the term of the appointment may be extended for up to 2 years if approved by Council.

Item 13 **ITTO Biennial Work Programme – Decisions 9(XXXIV) and 3(LIX)**
[Documents ITTC(LX)/6 Rev.1 and ITTC(LX)/7]

The Council will receive the progress report on the implementation of the ITTO Biennial Work Programme 2024-2025. The Council will also receive updates/reports on selected BWP activities, including the fellowship programme as will be informed in the provisional programme of meetings and activities.

Item 14 **Matters related to Article 15 of the ITTA, 2006 on cooperation and coordination with other organizations – Decision 7(LVII)**

The Council will receive an update on the implementation of Decision 7(LVII) on matters related to Article 15 of the ITTA, 2006 on cooperation and coordination with other organizations.

Item 15 **Special Account and Bali Partnership Fund**
[Document ITTC(LX)/9]

- (a) Pledges to the Special Account and the Bali Partnership Fund.
The Chairperson may invite Members and Observers to announce any new contributions they may wish to pledge to the Special Account and the Bali Partnership Fund.
- (b) Report of the Panel on Sub-Account B of the Bali Partnership Fund.
The Council will decide whether it is necessary for the Panel on Sub-Account B of the Bali Partnership Fund established under Decision 4(XXX) to meet during the session, taking account of the resources available. If the panel does meet during the Session to consider actions/activities, pre-projects and projects that are eligible for funding under Sub-Account B, the Council may consider and adopt the recommendations contained in its report [Document ITTC(LX)/9].

Item 16 Implementation of ITTO's New Financing Architecture, Phase II – Decisions 4(LVI), 5(LIV) and 8(LVII)
[Documents ITTC(LX)/10 and ITTC(LX)/11]

In accordance with Decision 8(LVII), the Council will receive the progress report on the implementation of ITTO's new financing architecture, Phase II as contained in Document ITTC(LX)/10. Council will also receive the report on the review under Decision 5(LIV) of the effectiveness of the operation of ITTO's financing architecture (Programmatic Approach and Lines), as contained in Document ITTC(LX)/11.

Item 17 Biennial Review and Assessment of the World Timber Situation 2023-2024
[Document ITTC(LX)/12]

The Council may wish to base its discussion on this item on the following:

- (a) Elements for the 2023-24 Biennial Review and Assessment of the International Timber Situation
The Secretariat will present the draft Review as contained in Document ITTC(LX)/12, comprising statistics and available data on production, imports and exports of timber products, emphasizing tropical timber products, and an analysis of economic and market developments. The Elements for the 2023-24 Biennial Review will be partly based on information extracted from national responses to the ITTO/UNECE/FAO/EUROSTAT Joint Forest Sector Questionnaire and partly from other sources.
- (b) A presentation by the Secretariat
Using various sources of information including the Elements for the 2023-24 Biennial Review, the presentation will give an overview of the world timber situation, focusing on tropical timber, including recent market developments and the short-term outlook based on available forecasts.

The Council may also decide after due discussions the type of statistics and information (and its format of presentation) that members shall furnish on timber, its trade and the activities aimed at achieving sustainable management of timber producing forests as stipulated in Article 27(3) of the ITTA, 2006.

Item 18 Reports of the Committees

The Council will have before it the Reports of the Associated Sessions of the Committees presented by the respective Chairpersons. The Council may consider and adopt the recommendations contained in each of the Reports.

Item 19 Election of Chairperson and Vice-Chairperson of the Council for 2025

The Council may decide after due consultations, to elect a Chairperson and Vice-Chairperson for 2025. Under Article 8 of the ITTA, 2006, the Council is required to elect a Chairperson and Vice-Chairperson for each calendar year, one from among the representatives of producer countries, and the other from among the representatives of the consumer countries. Under Article 8, paragraph 3, these offices are required to alternate each year between the two categories of Members, provided, however, that this shall not prohibit the re-election of either or both, under exceptional circumstances by the Council.

Item 20 Dates and Venues of the Sixty-first and Sixty-second Sessions of the Council and the Associated Sessions of the Committees

In order to maintain the established practice of setting Session dates and venues eighteen months or more in advance to facilitate logistical arrangements, the Council may wish to reconfirm/set the dates and venues of its Sixty-first and Sixty-second Sessions.

Item 21 Decisions and Report of the Session

The Council shall consider the proposed Decision(s) and adopt it/them in accordance with the procedures and modalities governing the Fifty-eighth Session of the Council in line with the ITTA, 2006 and the ITTO Rules of Procedure, as adopted under Agenda Item 10. In accordance with Rule 33 of the Rules of Procedure, a report on the proceedings shall be prepared by the Secretariat and shall be circulated to all Members as soon as possible.

Item 22 **Closing of the Session**

Following any final statements by Delegates, the Chairperson will close the Sixtieth Session of the Council.

Annex

DISTRIBUTION OF VOTES FOR 2024-2025 BIENNIUM

PRODUCER MEMBERS

	<u>2023 No. of Votes</u>	<u>2024/2025 Biennium No. of Votes</u>
Africa		
Angola	21	21
Benin	21	20
Cameroon	21	21
Central African Republic	21	21
Congo	21	21
Côte d'Ivoire	21	20
Democratic Republic of the Congo	21	21
Gabon	21	21
Ghana	21	21
Liberia	21	20
Madagascar	21	20
Mali	21	20
Mozambique	21	21
Togo	21	20
Asia & Pacific		
Cambodia	21	22
Fiji	14	14
India	28	28
Indonesia	93	95
Malaysia	72	61
Myanmar	26	25
Papua New Guinea	44	42
Philippines	15	15
Thailand	52	47
Vietnam	16	24
Latin America/Caribbean		
Brazil	122	134
Colombia	23	23
Costa Rica	13	12
Ecuador	19	21
Guatemala	12	12
Guyana	15	15
Honduras	12	12
México	24	24
Panamá	13	13
Peru	27	27
Suriname	15	16
Trinidad and Tobago	10	10
Venezuela	20	20
TOTAL:	1,000	1,000

<u>CONSUMER MEMBERS</u>	<u>2023 No. of Votes</u>	<u>2024/2025 Biennium No. of Votes</u>
Albania	10	10
Australia	16	15
Canada	15	15
China	305	320
European Union	337	318
Austria	10	10
Belgium	15	15
Bulgaria	10	10
Croatia	10	10
Cyprus	10	10
Czech Republic	11	11
Denmark	11	11
Estonia	10	10
Finland	10	10
France	25	22
Germany	19	19
Greece	11	11
Hungary	10	10
Ireland	13	13
Italy	19	19
Latvia	10	10
Lithuania	10	10
Luxembourg	10	10
Malta	10	10
Netherlands	25	21
Poland	11	11
Portugal	13	13
Romania	10	10
Slovakia	10	10
Slovenia	10	10
Spain	13	12
Sweden	11	11
Japan	130	113
New Zealand	11	11
Norway	10	10
Republic of Korea	66	60
Switzerland	11	11
United Kingdom	28	27
United States of America	76	79
TOTAL:	1,000	1,000

ANNEX III

TEXT OF THE DECISIONS

ADOPTED BY THE COUNCIL AT ITS SIXTIETH SESSION

DOCUMENT: ITTC(LX)/14
DOCUMENT: ITTC(LX)/15
DOCUMENT: ITTC(LX)/16
DOCUMENT: ITTC(LX)/17
DOCUMENT: ITTC(LX)/18



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SIXTIETH SESSION
2 - 6 December 2024
Yokohama, Japan

DECISION 1(LX)

PROJECTS, PRE-PROJECTS AND ACTIVITIES

The International Tropical Timber Council,

Having considered at its Sixtieth Session the recommendations of the three Committees on Projects, Pre-Projects and Activities and the Report of the Expert Panel for Technical Appraisal of Project Proposals for the 2024 project cycle, as contained in documents CEM-CFI(LVIII)/4, CRF(LVIII)/6 and ITTC/EP-59, respectively;

Noting that the time-bound electronic no objection procedures to approve relevant projects taking into account Expert Panel Ratings for Projects and Pre-Projects were conducted during the project cycle for 2024;

Welcoming the expression of interest by donors in several concept notes submitted under the programmatic approach and to be developed into full project proposals for future Council approval and funding, as listed in the annex to this decision;

1. Decides to:

- (i) Endorse the approval obtained through the time-bound electronic no objection procedure for the following Projects and Pre-Projects for the project cycle of 2024:

PD 936/24 Rev.1 (F)	Protection and Restoration of Forest Lands for Water Catchment, Regulation and Recharge in the Upper Salinas River Watershed, Guatemala, as a Climate Change Adaptation Measure to Ensure Water Supply for the Guatemalan Population (Guatemala) ITTO Budget \$496,959.10
PD 938/24 Rev.1 (F)	Sustainable Management of Production Forests Driven by Traditional Communities in the Brazilian Amazon (Brazil) ITTO Budget \$678,531
PD 940/24 Rev.1 (F)	Strengthening Effective Forest Area Designation and Customary Rights in East Nusa Tenggara Province as a Precondition of Achieving Sustainable Forest Management (Indonesia) ITTO Budget \$599,555
PD 941/24 Rev.1 (F)	Capacity Building for Private and Community Tree Farmers in Relation with the Sustainable Management of Forest Plantations in Southern Benin (Benin) ITTO Budget \$537,712

- (ii) Authorize the financing for immediate implementation of the Projects, Pre-Project and Activities as listed in the Annex to this Decision; and

- (iii) Authorize the financing for immediate implementation of all the other approved Projects, Pre-Projects and Activities as soon as earmarked funds are available in the Special Account or in the Bali Partnership Fund Account.
- 2. Urges Members to consider financing those approved Projects, Pre-Projects and Activities for which funds are not immediately available,
- 3. Appeals to Members to make unearmarked contributions to the Thematic Programmes Account and the Special Account,
- 4. Further appeals to Members to also make voluntary contributions to the Bali Partnership Fund, particularly to the Sub-Account B of this Fund to finance Projects, Pre-Projects and Activities, and
- 5. Requests the Executive Director to continue consultations with potential donors in order to secure financing for those Projects, Pre-Projects and Activities for which funds are not immediately available.

ANNEX

Financing during 2024 for Projects, Activities and Concept Notes

(i) Projects:

PD 712/13 Rev.3 (F) Phase II Enhancing the Implementation of Landscape Management of Giam Siak Kecil-Bukit Batu Biosphere Reserve (GSK-BR) in Riau Province of Sumatra Island, Indonesia (Indonesia) – Partial funding [Outstanding balance \$148,154] [Australia \$100,000 (Note 2)]	\$100,000.00
PD 808/16 Rev.5 (F) Phase II Conservation of African Barwood (Pterocarpus Erinaceus Poir) in the Gazetted Forests of La Palee and Boundiali in Northern Côte d'Ivoire with the Participation of Local Communities (Côte d'Ivoire) [Japan \$246,488 (Notes 4 & 5)]	\$246,488.00
PD 905/19 Rev.3 (F) Phase II Providing Support for the Sustainable Management of the Fosse-aux-Lions Gazetted Forest in the Savanna Region in Togo (Togo) – Partial funding [Outstanding balance \$232,624] [USA \$50,000 (Note 4)]	\$50,000.00
PD 912/20 Rev.3 (I) Phase II Strengthening Technical and Business Management in the Timber Forest Industry of Peru (Peru) [Korea \$60,000 (Note 2)]	\$60,000.00
PD 933/23 Rev.2 (M) Promotion of Sustainable Teakwood Use in Domestic Markets of India [Japan \$296,000 (Note 2)]	\$296,000.00
PD 935/23 Rev.1 (I) (CN-23025) Promoting Sustainable Wood Use for Domestic Market in Malaysia [Korea \$19,032 (Note 2)]	\$19,032.00

(ii) Activities approved through Decision 2(LIX) Biennial Work Programme for the Years 2024-2025:

PP-A/53-323K Co-hosting the Global Legal & Sustainable Timber Forum (GLSTF) (ITTO Biennial Work Programme 2024-2025 Activity: 1) [IPIM of Macao SAR, China \$75,000 (Note 2)]	\$75,000.00
PP-A/53-323L Enhancing and Improving the Global Timber Index (GTI) Platform for Promoting the Legal and Sustainable Timber Supply Chains – Phase III (ITTO Biennial Work Programme 2024-2025 Activity: 1) [IPIM of Macao SAR, China \$1,140,215 (Note 1)]	\$1,140,215.00
PP-A/53-323M Upgrading the Platform of Blockchain-based Timber Traceability System (BTTS) and Conducting Application Tests in Practical Operation Scenarios of Legal and Sustainable Timber Traceability – Phase III (ITTO Biennial Work Programme 2024-2025 Activity: 1) [IPIM of Macao SAR, China \$325,353 (Note 1)]	\$325,353.00

PP-A/59-357 Strengthening Participation of the Private Sector in the Work of ITTO: Industry-led legality compliance/due care training (ITTO Biennial Work Programme 2024-2025 Activity: 2) [USA \$25,000 (Note 4)]	\$25,000.00
PP-A/52-320 Enhance Cooperation between ITTO and CITES (ITTO Biennial Work Programme 2024-2025 Activity: 4) [USA \$50,000 (Note 4)]	\$50,000.00
PP-A/60-373 Criteria and Indicators Workshops (ITTO Biennial Work Programme 2024-2025 Activity: 5) [Japan \$5,181.90 (Note 3), USA \$25,000 (Note 4)]	\$30,181.90
PP-A/59-358 Statistical capacity building workshops (ITTO Biennial Work Programme 2024-2025 Activity: 6) [Canada \$18,493.73 (Note 2), Japan \$20,000 (Note 4)]	\$38,493.73
PP-A/59-359 Prevention and management of fire in tropical timber-producing forests (ITTO Biennial Work Programme 2024-2025 Activity: 7) [USA \$30,000 (Note 4)]	\$30,000.00
PP-A/59-360 Operationalizing the ITTO Policy guidelines on gender equality and empowering women (ITTO Biennial Work Programme 2024-2025 Activity: 8(a)) [USA \$50,000 (Note 4)]	\$50,000.00
PP-A/59-361 Disseminating the ITTO Guidelines for Forest Landscape Restoration in the Tropics (ITTO Biennial Work Programme 2024-2025 Activity: 8(b)) [USA \$20,000 (Note 4)]	\$20,000.00
PP-A/56-341C Support for women's groups with gender empowerment and forest landscape restoration in Benin (Phase I) (ITTO Biennial Work Programme 2024-2025 Activity: 8(c)) [Soka Gakkai \$64,180.73 (Note 1)]	\$64,180.73
PP-A/59-362 Conservation and sustainable use of biodiversity in tropical production forests (ITTO and CBD) (ITTO Biennial Work Programme 2024-2025 Activity: 9) [Japan \$60,000 (Notes 3 & 4), Canada \$18,493.72 (Note 2)]	\$78,493.72
PP-A/59-363 Cooperation and consultation with the CPF, UNFF and others (ITTO Biennial Work Programme 2024-2025 Activity: 10) [USA \$10,000 (Note 4)]	\$10,000.00
PP-A/59-364 ITTO communication strategy (ENB 2025) (ITTO Biennial Work Programme 2024-2025 Activity: 12) [USA \$25,000 (Note 4)]	\$25,000.00

PP-A/59-365	\$25,000.00
Translation of the ITTO website and relevant public relations materials into Japanese (ITTO Biennial Work Programme 2024-2025 Activity: 14 (c)) [Japan \$25,000 (Note 4)]	
PP-A/59-366	\$20,000.00
Trade (TAG) and Civil Society (CSAG) Advisory Group involvement (ITTO Biennial Work Programme 2024-2025 Activity: 15) [USA \$20,000 (Note 4)]	
PP-A/52-319	\$193,818.74
ITTO Fellowship Programme (ITTO Biennial Work Programme 2024-2025 Activity: 18) [Kisso-an (Private) \$2,193.47 (Note 2), Japan \$48,291.14 (Notes 2 & 4), USA \$20,000 (Note 4), Australia \$5,456 (Note 2), Dr. Hwan Ok Ma \$10,000 (Note 2), BPF-B \$51,707.68 (Note 4), Unearmarked Fund \$56,170.45 (Note 4)]	
(i) Other activities	
PP-A/53-323H	\$1,420.10
Policy briefs on 3 Sustainable Wood Use (SWU) projects in Southeast Asia [Japan \$1,420.10 (Note 3)]	
PP-A/60-367 (CN-24031)	\$139,039.24
Critical Upliftment of Local Livelihoods: Urgent Actions for Community-Based Conservation and Development in Upper Baram, Sarawak, Malaysia [Japan \$139,039.24 (Note 2)]	
PP-A/60-368 (CN-22022)	\$227,097.43
Enhancing Resilience of Mayan Communities in the Tropical Forests of the Yucatan Peninsula through the Sustainable Use of Biodiversity at the Maya Train Juncture [Japan \$227,097.43 (Note 2)]	
PP-A/60-369	\$278,078.48
Strengthening Surveillance and Monitoring to Tackle the Surge in Forest Loss and Land Degradation, Induced by Intensifying Conflict in Thailand's Border Areas [Japan \$278,078.48 (Note 2)]	
PP-A/60-370 (CN-24030)	\$166,847.09
Integrated Project to Strengthen Sustainable Management Systems and Monitoring the Miombo Forest against Degradation Processes for Food Security, Rural Employment and Climate Mitigation Action [Japan \$166,847.09 (Note 2)]	
PP-A/60-371	\$50,000.00
Ex-post Evaluation of PP-A/56-340: Capacity building on forest and land fire management in Indonesia / Forest fire prevention and response in tropical forests and forest plantations in Peru [Japan \$50,000 (Note 3)]	
PP-A/60-372	\$68,504.74
Matters Pertaining to Article 44 of ITTA, 2006 [Decision 5(LIX)] [Japan \$68,504.74 (Note 2)]	

PP-A/60-377	\$45,000.00
Matters Pertaining to Article 44 of ITTA, 2006 [Decision 4(LX)]	
[USA \$45,000 (Note 4)]	
Total pledges to Projects and Activities confirmed after the Fifty-ninth Session of the Council to-date:	\$3,948,243.90

(ii) Expressions of interest in financing Concept Notes (Note 6):

CN-21009	\$40,000.00
Strengthening and consolidating the national process for controlling illegal logging and associated trade in Cameroon (Cameroon)	
– Partial funding [Outstanding balance \$316.00]	
[Korea \$40,000 (Note 2)]	
CN-24028	\$90,000.00
Establishing a Pilot Plantation Forest Information Sharing and Wood Supply Chain Traceability System in Vietnam (Vietnam)	
– Partial funding [Outstanding balance \$296,280.00]	
[USA \$90,000 (Note 4)]	
CN-24032	\$160,000.00
Strengthening the forestry sector value chain through sustainable forest management and utilization in Costa Rica (Costa Rica)	
– Partial funding [Outstanding balance \$352,960.00]	
[Japan \$160,000 (Note 4)]	
CN-24033	\$95,000.00
Conducting Studies in relation with the Sustainable Management of Afzelia africana and Pterocarpus erinaceus in Benin (Benin)	
– Partial funding [Outstanding balance \$26,520.00]	
[USA \$95,000.00 (Note 4)]	
Total expressions of interest in financing Concept Notes:	\$385,000.00
Grand total of pledges confirmed and expressions of interest in financing Concept Notes after the Fifty-ninth Session of the Council to-date:	\$4,333,243.90

- Note 1: Inter-sessional pledges received after the Fifty-ninth Session of the Council through a funding agreement or Memorandum of Understanding.
- Note 2: Inter-sessional pledges received after the Fifty-ninth Session of the Council (new cash).
- Note 3: Inter-sessional pledges received after the Fifty-ninth Session of the Council by allocating balance funds from completed projects returned to the donor.
- Note 4: Pledges received during the Sixtieth Session of the Council (new cash).
- Note 5: Pledges received during the Sixtieth Session of the Council by allocating balance funds from completed projects returned to the donor.
- Note 6: This list is included hereby to provide an official record of donor expressions of interest in Concept Notes made during 2024.



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2 - 6 December 2024
Yokohama, Japan

DECISION 2(LX)

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

The International Tropical Timber Council,

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

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

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

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

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

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

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

Decides:

1. To extend the term of appointment of Ms. Sheamala Satkuru as the Executive Director with effect from 1 February 2026 until 31 January 2028.

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2 - 6 December 2024
Yokohama, Japan

DECISION 3(LX)

PROGRAMMATIC APPROACH AND PROGRAMME LINES

The International Tropical Timber Council,

Recalling Decision 5(LIV) which requested the Executive Director to undertake a review of the implementation of a pilot fundraising approach, which was later postponed under Decision 8(LVII) to 2023 by Council, and later postponed by the Advisory Board to 2024;

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

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

Noting that to date thirteen concept notes have been developed into approved projects and funded under the pilot programmatic approach following the initial and subsequent open calls for proposals that commenced in December 2020;

Decides to:

1. Terminate the pilot phase and continue with the Programmatic Approach and four Programme Lines;
2. Request the Secretariat to continue to provide annual updates on the programmatic approach to the Advisory Board and to the Council; and
3. Run one Regular Project Cycle per year and the Concept Note approach in parallel.

* * *



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2 - 6 December 2024
Yokohama, Japan

DECISION 4(LX)

MATTERS PERTAINING TO ARTICLE 44 OF ITTA, 2006

The International Tropical Timber Council,

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

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

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

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

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

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

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

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

Recognizing the voluntary contribution of Japan to date supporting the preparatory work;

Decides to:

1. Extend the mandate of the Preparatory Working Group (PWG) until the 61st Session of the Council in 2025.
2. Request the PWG work in line with the Roadmap in Document ITTC(LX)/5 to finalize the identification of elements to consider for the future negotiation based on discussions among Members and through analysis, in close collaboration with the Secretariat and supported by independent consultants, including:
 - Conducting a comparative analysis of structural and functional aspects of other

commodity organizations such as membership, missions, committees, dues assessments, and voting procedures as appropriate;

- Undertaking a mapping of the global institutional landscape to identify how ITTO fits into ongoing and emerging economic, social, climate and biodiversity goals for tropical forests;
 - Developing discussion questions to guide the consultation meetings with Regional groups and Caucuses noted in the Roadmap and to share those questions with Members no less than four weeks prior to planned meeting dates;
 - Producing a summary of elements to consider for the future negotiation shared to date to help Members conduct their national preparations and reviews, with balanced representation of the perspectives of all Members;
3. Request the Secretariat to share proposed Terms of Reference for the consultants' work with the PWG for its feedback and input;
 4. Request the Secretariat to post the minutes of PWG meetings, within 4 weeks of each meeting, on the ITTO member portal for transparency and awareness for all Members;
 5. Request the PWG to submit a report, including all the deliverables, to the ITTC61;
 6. Encourage all Members to be actively engaged in the open-ended PWG to enhance inclusivity in the preparatory work for the future negotiation; and
 7. Noting the estimated costs of US\$220,000 for the implementation of this Decision, request the Executive Director to seek voluntary contributions to meet these requirements, and authorize the Executive Director to use funds from the Working Capital Reserve in the absence of sufficient voluntary contributions.

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2 - 6 December 2024
Yokohama, Japan

DECISION 5(LX)

UNITED NATIONS GENERAL ASSEMBLY OBSERVER STATUS

The International Tropical Timber Council,

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

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

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

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

Decides to:

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

* * *

ANNEX IV

REPORTS OF THE ASSOCIATED SESSIONS OF THE COMMITTEES

**Documents: CEM-CFI(LVIII)/4
CRF(LVIII)/6
CFA(XXXIX)/7**



**INTERNATIONAL TROPICAL
TIMBER COUNCIL**

**COMMITTEE ON ECONOMICS,
STATISTICS AND MARKETS**

COMMITTEE ON FOREST INDUSTRY

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CEM-CFI(LVIII)/4
6 December 2024

ENGLISH ONLY

FIFTY-EIGHTH SESSION
2-6 December 2024
Yokohama, Japan

REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL

**FIFTY-EIGHTH SESSION OF THE
COMMITTEE ON ECONOMICS, STATISTICS AND MARKETS
AND THE COMMITTEE ON FOREST INDUSTRY**

Table of Contents

Report

Appendix A: Report on the ITTO Annual Market Discussion – 2024

Appendix B: Statement of the Trade Advisory Group (TAG)

REPORT

1. Opening of the Session

The Fifty-eighth Session of the Committees was opened on 2 December 2024 at the Joint Session of the Committee on Economics, Statistics and Markets (CEM) and the Committee on Forest Industry (CFI), chaired by Dr. Catherine Karr-Colque (USA), Chairperson of the Committee on Economics, Statistics and Markets (CEM) and the Committee on Forest Industry (CFI). The list of participants is presented in document ITTC(LX)/Info. 2.

2. Adoption of Agenda and Organization of Work

The Agenda for the Joint Session of the CEM and the CFI as contained in document CEM-CFI(LVIII)/1 Rev.1 was duly adopted. The CEM and the CFI met on 2, 4 and 6 December 2024 to consider items 1, 2, 3, 6, 8B, 9, 10, 11, 12, 13, and 14 of the Agenda. The Joint Session of All Committees met on 3 December 2024 to consider items 4, 5, 8A and the three policy work items of the CEM under item 9 of the Agenda. Mr. Carlos Espinosa Peña, Panama, Vice-Chairperson of Council, chaired the Joint Session of all Committees.

3. Admission of Observers

The Committees admitted the observers listed in document ITTC(LX)/Info.3 Rev.1 as approved by the Council.

4. ITTO Annual Market Discussion – 2024

The Committees noted the summary of the ITTO Annual Market Discussion – 2024, held in the Joint Session of All Committees as part of the Trade and Markets Day on 3 December 2024, as contained in Appendix A. The theme of the Market Discussion was “Production and Trade - Rising Costs and Weakening Demand”. Mr. Barney Chan (TAG Coordinator) moderated the Market Discussion.

The following feature presentations were made during the Market Discussion (available at <https://www.itto.int/ittc-60/presentations/>):

Dr Ivan Tomaselli
Brazilian Mechanically Processed Wood Industry
Association (ABIMCI)

Past and Future of Tropical Timber

Mr. Jean Marie Ntoutoume
Union des Forestiers et Industriels du Bois du
Gabon

Production et Commerce du Bois – Cas du Gabon

Mr. Alfonso Hernández Ángel
National Association of Importers and Exporters of
Forest Products, Mexico

Mexico Tropical Timber Overview

Mr. Ngo Sy Hoai
Vietnam Timber & Forest Product Association

*Vietnam Forestry and Wood Industry amid Global
Economic and Trade Uncertainties*

Mr. Braden Jenkin
Sylva Systems Pty Ltd (Australia)

*Using natural forest and plantation grown trees;
different but complementary*

Dr. Luo Xinjian
Global Green Supply Chains Initiative (GGSC)

*Global Green Supply Chain & GLSTF – An
Introduction*

The Committees further noted the statement of the Trade Advisory Group (TAG) presented during the Market Discussion as contained in Appendix B.

5. Report of the Expert Panel for Technical Appraisal of Project Proposals

The Joint Session of All Committees considered the report of the Fifty-ninth Virtual Expert Panel for Technical Appraisal of Project Proposals. With the absence of the panel members attending the Council Session, Dr. Gerhard Bruelmann from the Secretariat presented the report, as contained in document ITTC/EP-59 (presentation available at <https://www.ito.int/itc-60/presentations/>).

The Fifty-ninth Panel appraised five (5) proposals. The Panel noted that:

- Four (4) Project Proposals (80 percent of the total) were commended to the Committee for final appraisal with minor modifications required (category 1); and
- One (1) Project Proposal (20 percent of the total) will be sent back to proponent for essential revision, rated as category 2.

6. Review of Projects and Pre-projects in Progress

The Committees considered the Report of Projects and Pre-projects in Progress as contained in document CEM-CFI(LVIII)/2 and took note of progress in the implementation of the following projects and pre-projects.

(A) Projects and Activity under implementation

Committee on Economics, Statistics and Markets

1. PD 913/20 Rev.4 (M) Strengthening Forest Monitoring and Extending the Coverage of the Traceability System in Panama
2. PD 933/23 Rev.2 (M) Promotion of Sustainable Teakwood Use in Domestic Markets of India

Committee on Forest Industry

1. PD 912/20 Rev.3 (I) Strengthening Technical and Business Management in the Timber Forest Industry of Peru
2. PD 926/22 Rev.1 (I) Promotion of Sustainable Domestic Wood Consumption of Wood Products in Thailand
3. PD 928/22 Rev.1 (I) Development of Sustainable Domestic Market for Wood Products (Indonesia)
4. PD 935/23 Rev.1 (I) Promoting Sustainable Wood Use for the Domestic Market in Malaysia
5. PP-A/60-369 Strengthening Surveillance and Monitoring to Tackle the Surge in Forest Loss and Land Degradation, Induced by Intensifying Conflict in Thailand's Border Areas

(B) Project pending agreement

Committee on Economics, Statistics and Markets

1. PD 933/23 Rev.2 (M) Promotion of Sustainable Teakwood Use in Domestic Markets of India

The delegate of India informed the Committee that the Project Agreement is still under active consideration by the authorities and is expected to be cleared for signing within a month or so. The delegate of Japan, as the donor country, requested the signing of the Project Agreement be finalized as soon as possible.

(C) **Project pending financing**

Committee on Forest Industry

1. PD 912/20 Rev.3 (I) Strengthening Technical and Business Management in the Timber Forest Industry of Peru

The Peru delegation took the floor to express their gratitude to the Government of Japan for fully funding the Phase 1 and to the Government of the Republic of Korea for partially funding the Phase 2 of the project. The Secretariat responded that effort to get additional project funding will be discussed with potential donors.

The Committees took note of the updates provided by the Secretariat on satisfactory progress in all the above projects.

7. Report on Completed Projects

The Committees considered the Report of Completed Projects and Pre-projects as contained in document CEM-CFI(LVIII)/3 and additional information presented during this Session as follows:

Committee on Economics, Statistics and Markets

- PD 832/16 Rev.2 (M) Implementing Mechanisms to Improve Traceability in the Forest Production Chain in Guatemala

The Committees took note of the completion report contained in document CEM-CFI (VLIII)/3.

The Secretariat informed the Committees that the completion report, the technical report and the final audit report has been delivered by the executing agency in accordance with the project agreement. The Committees duly declared the project complete.

The delegate of the United States took the floor to thank Guatemala and the Secretariat for the briefing on the successful completion of the project. The delegate congratulated Guatemala on producing positive results on timber traceability, despite delays due to the COVID-19 pandemic. The delegate requested to learn more about the simplified forest management plans and how INAB and others will help ensure this assistance doesn't unintentionally result in greater forest degradation and deforestation or negatively impact the role of women, restoration, markets, and land tenure. The delegate requested the Secretariat to provide the project completion report.

The Japan delegate took the floor to express its appreciation for the efforts of the Secretariat and the implementing agency to successfully complete the project. The project has made a significant contribution to the establishment of the legal and the sustainable timber supply chain in the country, promoting the involvement of a wide range of the stakeholders, including local governments, small timber-related businesses, and small forest owners.

The Guatemala delegation took the floor and expressed that the Government of Guatemala and the National Forest Institute are very pleased with the funding support from the donor countries and ITTO to enable the implementation of the project to improve the traceability and enhance transparency in the production chain of forestry products in Guatemala.

The Secretariat informed the Committees that the completion report, the technical report and the final audit report have been delivered by the executing agency in accordance with the project agreement. The Committees duly declared the project complete.

Committee on Forest Industry

- PD 922/21 Rev.1 (I) Promotion of Sustainable Domestic Wood Consumption in Vietnam

The Committees took note of the completion report contained in document CEM-CFI (VLIII)/3.

The Secretariat informed the Committees that the completion report, the technical report and the final audit report have been delivered by the executing agency in accordance with the project agreement. The Committees duly declared the project complete.

The delegate of Vietnam thanked the Government of Japan for providing the valuable funds and support for the implementation of the project in Vietnam. He further explained that Vietnam has been emerging as a very top wood product producer and exporter worldwide, but sometimes did not give enough attention to local market, especially during and after the pandemic. In many cases, the wood-processing industry of Vietnam has to rely on the domestic market and there is a need to promote the domestic market for wood products, because Vietnam is a developing country and has over 100 million population with immense demands for wood products.

The delegate of Japan appreciated the efforts of the ITTO Secretariat, the executing agency, and all other parties involved in the project and was very pleased that the project has been successfully completed. Japan is currently working on a concept note to be developed into a full proposal for phase two which will build on the outcomes of this project and focus on urban wood construction. Japan will further discuss the details of the project with the Secretariat and the executing agency (VIFORES) and hope to contribute to the establishment of a decarbonization society in the producer countries by leveraging the knowledge and technologies of the Japanese wood industry.

The delegate of Vietnam was very much inspired to hear that Japanese government, through the Japan Forestry Agency, has considered to provide further support for promotion of sustainable wood use in the domestic market. Vietnam's Concept Note will be submitted to the Japanese Government. If it is approved, it will give special attention to housing/building construction, which will make better use of wood and will significantly contribute to emissions reduction.

The Secretariat informed the Committees that the completion report, the technical report and the final audit report have been delivered by the executing agency in accordance with the project agreement. The Committees duly declared the project complete.

8. Ex-post Evaluation

(A) Ex-post Evaluation Reports

To facilitate the sharing of experiences and lessons learned from ex-post evaluation of projects among members, the consideration of ex-post evaluation reports is undertaken in a Joint Session of All Committees. There were no ex-post evaluation reports on projects under CEM and CFI at this Session.

(B) Selection of Projects for Ex-post Evaluation

The Secretariat informed the Committees that the current balance available following consultation with donors on remaining monitoring and evaluation funds from completed projects for CEM is approximately US\$139,837, while all CFI pooled funds have been depleted. It recommended that members review the table of recently completed projects contained in document CEM-CFI(LVIII)/1 Rev.1 with a view to making recommendation(s) for ex-post evaluation(s). The Chairperson informed the Committees that PD 832/16 Rev.2 (M) Implementing Mechanisms to Improve Traceability in the Forest Production Chain in Guatemala is eligible for the ex-post evaluation. The Secretariat made a proposal that the project be selected for the ex-post evaluation at this session with execution in 2026 to allow more time to realize the project's impacts. The delegation of Guatemala agreed with said proposal to carry out the ex-post evaluation in 2026.

9. Policy Work

Three issues/activities under the CEM were considered by the Joint Session of All Committees. One issue under the CFI was considered by the Joint Session of the CEM and the CFI.

Committee on Economics, Statistics and Markets

(i) Market Access

The Joint Session of All Committees considered this item. The Secretariat reported on developments relating to market access for tropical timber in 2023-2024, including on four major legislative

instruments: the EU Deforestation Regulation (EUDR), the U.S. Lacey Act Amendments, the Illegal Logging Prohibition Act of Australia and the Clean Wood Act of Japan, which are regulating timber entering into these markets. In addition, the update also covered legislative developments in other important timber markets, namely: the Korean Revised Sustainable Use of Timber Act, Vietnam Timber Legality Assurance System (VNTLAS) and Chinese Forest Law Amendment, as well as the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

The delegate of Cote d'Ivoire informed the Committees that Cote d'Ivoire has signed the Voluntary Partnership Agreement (VPA) in February 2024, which has been ratified by its Parliament in September 2024. Cote d'Ivoire is trying to finalize its national system for traceability and legality as the EUDR recognizes timber which is already in accordance with EU-VPA legality requirements.

The delegate of New Zealand updated that its government has been progressing work to strengthen the integrity of the forestry and wood processing supply chain through developing a legal harvest assurance system, which will help reduce illegal logging, facilitate exporters to sell timber overseas, reduce the risk of timber being illegally harvested, and ensure that timber products imported into New Zealand come from legally harvested forests. From 29 November 2024 to 28 February 2025 New Zealand has been seeking feedback on regulatory proposals to help provide clarity on obligations such as information, record keeping and reporting requirements.

The delegate of Malaysia informed the Committees of its efforts in fostering international cooperation. Malaysia has actively participated in two Phases of ITTO activity of establishment and operation of the Global Timber Index platform as part of the ITTO Legal and Sustainable Supply Chain (LSSC) Program, which will strengthen the competitiveness of Malaysian timber industry globally and open new market opportunities for tropical wood products in countries that prioritize sustainability and legality standards.

The delegate of Papua New Guinea appreciated an ITTO-supported project in 2010-2011 promoting forest law enforcement and governance which enabled PNG over many years to develop a timber legality standard. Based on project implementation, the standard has been approved by the government and is being piloted in a number of timber concession areas with auditing by international certification bodies.

The delegate of Indonesia said they have made information on deforestation publicly accessible through a dedicated map available online called Simontana, a national forest monitoring system that utilizes remote sensing and terrestrial data to provide accurate, transparent, integrated and up-to-date forest information and changes.

The delegate of Panama commented on EUDR that there should be an exchange so that EU can clarify to the producing countries how this new regulation is going to be applied and what will be the processes, so that the producing countries can respond to the new regulation with their own legal frameworks, systems, and processes.

The Secretariat further added that Ghana has set 30 June 2025 as the date to deliver the first consignment of FLEGT licensed timber. This was confirmed during the EU-Ghana Joint Monitoring and Review Mechanism held on 7 November 2024. This will be the first in Africa and second in the world for FLEGT licensed timber.

(ii) Forest and Timber Certification

The Joint Session of All Committees considered this item. The Secretariat reported on recent developments in forest certification in ITTO producer member countries. As of mid-2024, the total area of certified forests (FSC + PEFC) in ITTO producing member countries was 42.8 million hectares, representing 9.4% of the world total. The number of chain of custody (CoC) certificates in ITTO producer countries was 7,674 certificates, which is more than 10% of the world total. The FSC certified forest areas in ITTO producer countries reached 24.2 million hectares which was 15% of global FSC certification, while the PEFC certified area reached 18.6 million hectares, accounting for about 6.3% of the world total of PEFC. About 10 national certification schemes were endorsed by PEFC as of 2024 namely: CERFLOR of Brazil, MTCC of Malaysia, IFCC of Indonesia, PAFC of Gabon, NCCF of India, VFCO of Vietnam, PAFC of Cameroon, PAFC of Republic of Congo, F.T.I. of Thailand and GFC of Guyana.

The delegate of Malaysia provided an update that, as of October 2024, a total of 6.4 million ha of natural forests and 148,000 hectares of forest plantation has been certified under the Malaysia Timber Certification Scheme (MTCS). Additionally, 369 companies currently hold chain of custody certification under the MTCS reflecting the Malaysian steadfast dedication to sustainable forest management and responsible timber practices.

The delegate of Papua New Guinea stated that they are developing a timber legality verification standard through a project funded by the EU on Timber Legality Verification System that will strengthen forest certification in Papua New Guinea. For Papua New Guinea, a number of timber companies have already been certified.

The delegate of Panama informed that they have 65% of their territory covered by forests and also have plantations for commercial purposes. Around 40,000 hectares forest area have achieved FSC certification in Panama. However, as a producing country, even though there's a traceability system funded by different phases by ITTO projects, Panama still needs to extend the traceability system to cover the entire country.

The delegate of India briefly updated that they have the forest and wood certification scheme since December 2023, covering natural forest and the trees grown by farmers outside the forest areas.

The delegate of Indonesia also updated that there is a mandatory national system in Indonesia for forest certification which is known as the Timber Legality and Sustainability System (SVLK), and at present time, Indonesia is continuously improving its SVLK by its rebranding to be SVLK+ to enhance the traceability in SFM in Indonesia and its global market. Currently there are approximately 12.9 million hectares of natural production forests that have been certified under the system.

(iii) APEC EGILAT and ITTO collaboration

The Joint Session of All Committees considered this item. The Secretariat reported the participation of ITTO in the following APEC-EGILAT activities:

- i) Online Focused Group Discussion, organized by the APEC EGILAT Indonesia Project Team of Developing Integrated Timber Data for Xylaria Networking on 16 January 2024. ITTO made a presentation entitled 'Sustainable Pathway of Traded Tropical Timber in APEC Economies';
- ii) Workshop on Wood Identification Technologies for APEC Members, organized by the APEC EGILAT Indonesia Project Team of Developing Integrated Timber Data for Xylaria Networking on 23-25 April 2024. ITTO made a presentation entitled 'ITTO's responses to emerging timber market requirements'; and
- iii) The 26th APEC EGILAT Plenary Meeting and its associated workshop organized by Peru's National Forestry and Wildlife Service (SERFOR) held in Lima, Peru, on 12–15 August 2024. At the workshop, ITTO made a presentation entitled 'Innovation in information system in APEC Economies for traceability and ensuring the legal origin of timber'. At the Plenary meeting, ITTO made a presentation to update on ITTO's efforts to support the use of sustainably produced tropical timber in domestic markets of member countries through projects implementation in Vietnam, Thailand, Indonesia, Malaysia and India.

(iv) Items for CEM Policy Work for 2025

The Committee considered and agreed on the following items for discussion under its policy work agenda in 2025:

- Legality frameworks;
- Forest and timber certification and traceability; and
- APEC EGILAT and ITTO collaboration;

Committee on Forest Industry

(i) Promotion of Sustainable Wood Use in Domestic Markets

The Joint Session of the CEM and the CFI considered this item. The progress of the sustainable wood use (SWU) projects, funded by the Government of Japan, implemented in Vietnam [PD 922/21 Rev. 1

(I)], Thailand [PD 926/22 Rev. 1 (I)]; Indonesia [PD 928/22 Rev.1 (I)]; and Malaysia [PD 935/23 Rev. 1 (I)] were reported to the Committees by the respective project coordinators.

The US delegate thanked all presenters and the Secretariat for putting together an interesting set of projects and descriptions and it is informative to see them all back-to-back sharing their work. She further thanked the presentation from Vietnam that reflected the timber legality assurance steps the US and Vietnam have worked on together for many years. The United States has supported capacity building on design for wood buildings and additional activities such as a contest for young designers to design tall wood buildings which led to new creative sustainable constructions in Portland, Oregon and in New York City. Wood is an important material that is now being used in some of these tall buildings. She noted work in the Forest and Climate-Leaders Partnership (FCLP) along these lines and the potential for ITTO to discuss projects and implementation with them. She thanked the presenter from Indonesia for mentioning the work on gender and social inclusion mainstreaming. This is a very important topic given ITTO gender guidelines, which need to be applied and operationalized.

The Chairperson of the Committees thanked the US delegate who brought in the importance of FCLP in which the initiatives on green buildings/construction have been accommodated. She mentioned that a number of member countries have also been quite engaged in the initiatives and might facilitate connections between the FCLP and the ITTO Secretariat.

Mr. Ngo Sy Hoai of Vietnam thanked the US for comment and for congratulations to Vietnam, Indonesia, Malaysia and Thailand. The projects that have been implemented in these countries are for domestic markets to promote sustainable wood use, but the implication is beyond the domestic market.

The Japan delegation thanked all the presenters and ITTO Secretariat. He said, Japan believes that for forests, not only conservation is important, but also sustainable wood use. Japan has a long history of using wood. Long ago Japan produced the samurai sword from iron, sand and charcoal. He recommended the participants visit Kyoto to see the oldest wooden building in the world. ITTO or JICA projects help disseminate Japanese knowledge on wood.

ITTO Secretariat encouraged donor countries to expand the implementation of sustainable wood projects in different ITTO regions.

(ii) Items for CFI Policy Work for 2025

The Committee considered and agreed on the following item for discussion under its policy work agenda in 2025:

- Promotion of sustainable wood use in domestic markets.

10. Election of Chairpersons and Vice-Chairpersons for 2025

Following the usual consultations undertaken by the producer and consumer groups, Mr. Ray Thomas Fernandez Kabigting (Philippines) was elected as the Chairperson of the CEM and CFI for 2025 and Ms. Rata Muda (New Zealand) was elected as the Vice-Chairperson of the CEM and CFI for 2025.

11. Dates and Venues of the Fifty-ninth and Sixtieth Sessions of the Committees

The Fifty-ninth Session of the Committees will be held in conjunction with the Sixty-first Session of the International Tropical Timber Council in 2025.

The Sixtieth Session of the Committees will be held in conjunction with the Sixty-second Session of the International Tropical Timber Council in 2026.

12. Other Business

None.

13. Recommendations to the International Tropical Timber Council

- (i) The Committees recommended that funding be made immediately available for the following project approved and partially funded by the Republic of Korea at an earlier Session:

Committee on Forest Industry

PD 912/20 Rev.2 (I)
Phase II

Strengthening Technical and Business Management in the Timber
Forest Industry of Peru [US\$145,706]

14. Report of the Session

The Committees adopted this report for submission to the Council, with due acknowledgement to the work of the Secretariat under the able guidance of the Chairperson of the Committees.

APPENDIX A

REPORT ON THE ITTO ANNUAL MARKET DISCUSSION – 2024 “Production and Trade - Rising Costs and Weakening Demand” 3 December 2024, Yokohama, Japan

The theme of the 2024 Annual Market Discussion organized by the ITTO Trade Advisory Group (TAG) was: “Production and Trade - Rising Costs and Weakening Demand”. The Market Discussion was chaired by Mr. Barney Chan (TAG Coordinator).

The speakers, and the titles of their presentations, were as follows:

Dr. Ivan Tomaselli Brazilian Mechanically Processed Wood Industry Association (ABIMCI)	<i>Past and Future of Tropical Timber</i>
Mr. Jean Marie Ntoutoume Union des Forestiers et Industriels du Bois du Gabon	<i>Production et Commerce du Bois – Cas du Gabon</i>
Mr. Alfonso Hernández Ángel National Association of Importers and Exporters of Forest Products, Mexico	<i>Mexico Tropical Timber Overview</i>
Mr. Ngo Sy Hoai Vietnam Timber & Forest Product Association	<i>Vietnam Forestry and Wood Industry amid Global Economic and Trade Uncertainties</i>
Mr. Braden Jenkin Sylva Systems Pty Ltd (Australia)	<i>Using natural forest and plantation grown trees; different but complementary</i>
Dr. Luo Xinjian Global Green Supply Chains Initiative (GGSC)	<i>Global Green Supply Chain & GLSTF – An Introduction</i>

The presentations were followed by a question-and-answer session with members of the Council. Following the event, Mr. Barney Chan (TAG Coordinator) presented the TAG Statement (Appendix B). Presentations made during the 2024 ITTO Annual Market Discussion and the TAG Statement are available at <http://www.itto.int/itc-60/presentations>.

Summary of Presentations

Dr. Ivan Tomaselli, Brazilian Mechanically Processed Wood Industry Association (ABIMCI) **Past and Future of Tropical Timber**

In the early part of the presentation Ivan Tomaselli crisscrossed the tropical world revealing production and trade trends over the past decade. He observed that tropical timber harvested for export, now and in the past, has always been a fraction of the total forest harvest. Most wood harvested is consumed in-country

He presented data to show there has been a steady decline in raw material exports from the largest producers such as Brazil, Indonesia and Malaysia whereas primary product exports from West and Central African countries remains only slightly down. The situation in PNG is different, over the past decade there has been an upward trend in raw material exports. In some countries where there has been a decline in raw material exports there has been a welcome rise in trade in finished products.

In the second part of the presentation Ivan Tomaselli asks, has ITTO fulfilled its two overarching objectives? which he paraphrases as “to promote sustainable management and legal harvesting of forests that produce tropical timber and to promote expansion and diversification of international trade in tropical wood products”.

He challenges, have we failed? No, saying ITTO has made great progress in fostering sustainable management of tropical forests and has firmly established sustainability as an integral feature in the actions of the tropical timber industry and trade. He also challenges, are we failing? Saying Yes - and identifies the immediate challenges.

Tropical timber is being replaced by other woods and products, market share has been eroded as costs soar undermining competitiveness. High forest management standards, certification, market impediments, social and environmental demands, reporting requirements, logistics and disruptive policies are driving up costs and driving down confidence in investment and modernisation.

Looking at options for the future Ivan Tomaseli believes “consumers (buyers of tropical timber) in our traditional markets are not receiving information about the progress tropical timber producers have made and are continuing to make”

Mr. Jean Marie Ntoutoume, Union des Forestiers et Industriels du Bois du Gabon
Production et Commerce du Bois – Cas du Gabon

Before the discovery of petroleum in the mid-20th century, forestry was the leading foreign exchange earner in the country. Today, even with the emergence of the oil industry, forestry remains a major foreign exchange earner and accounts for around 17,000 direct and indirect jobs in the private sector. Since 2021, each year log production has far exceeded its level reached 3 years before the ban on the export of logs.

Today, the log production is completely processed locally. Gabon produces mainly sawnwood, veneer and plywood. Now, our industry needs to improve the competitiveness of its products. This requires working mainly on the supply chain and energy to lower production costs and reduce the response time to an order. We also need to develop new products to reach new markets.

Challenges remain in the forestry and wood processing sectors and these include the need for accurate monitoring of production and trade, the impact of logistic issues on trade, how to achieve sustainable development goals, addressing climate change, protecting biodiversity, seizing opportunities in carbon markets and achieving widespread certification.

Mr. Alfonso Hernández Ángel, National Association of Importers and Exporters of Forest Products, Mexico
Mexico Tropical Timber Overview

Roundwood production in the latest year for which full data is available amounted to 8.8 million cubic metres and on average, during the period 2013-23, the value of timber and non-timber forest products was just over 71 billion pesos (US\$3.9 billion dollars) however, Mr. Hernandez stated production levels remain well below the potential for processing and commercialization. He added, in 2023 the forestry sector generated 266,336 jobs.

Forests are important for the people of Mexico, he said, with almost 12 million people living in or dependent on forest ecosystems. The forests of Mexico extend over some 138 million ha. and there are almost 17 million ha. of communal land used for agriculture in which community members have usufruct rights (Ejidos). The geographical location and climatic conditions support a wide range of ecosystems, home to an extensive biodiversity.

Mr. Hernandez enumerated some of the challenges in the forestry sector, the main being deforestation. He said the permanent loss of forest cover is a serious problem and identified clearing for livestock grazing, agricultural crop production and infrastructure and real estate developments as the main causes.

Additional issues for the traditional timber sector include competition from wood substitutes such as plastic and aluminum and from composite wood products. In his opinion, Mr. Hernandez emphasised the sector has great potential but investment in forest plantations is handicapped by the land ownership system (Ejidos) which does not provide legal certainty and this limits sourcing investment funds. As a result few Ejidos are interested in long-term investment. To conclude Mr. Hernandez provided his suggestions on desirable policy directions that would enable the forestry and wood processing sectors to contribute more to the national economy.

Mr. Ngo Sy Hoai, Vietnam Timber & Forest Product Association
Vietnam Forestry and Wood Industry amid Global Economic and Trade Uncertainties

In his presentation Ngo Sy Hoai provided a wealth of data illustrating the success of both the forestry sector and the wood processing industries which is the result of supportive government interventions on land reform, a good understanding of international market demand, effective R&D and tree seed selection, innovative forest management models and government policy on industrial privatization.

He explained the supply of domestically produced wood is increasing due to the expansion of plantations and the application of science and technology to improve planting materials and forest management. Harvests from commercial plantations increased 4.3 times, from 5.2 million m³ in 2011 to 22.4 million m³ in 2023.

In Vietnam Acacia is king, providing 80% of raw material for domestic processing. Remarkably, 70-80% of the acacia logs are supplied by small households who achieve harvests of 20 - 30 m³/ha/year. This raw material is used for the manufacture of indoor and outdoor furniture (70%), wood-based panels (7%), woodchip (17%) and wood pellet (5%).

It has been realised that the cutting cycle of acacia plantations is too short (4-6 years) as the logs have a high proportion of juvenile wood and the small diameter limits processing options. For long term sustainability of Vietnam's processing industries, there is the need to produce more larger diameter and higher quality logs and to upgrade the efficiency of wood industries.

There are many challenges ahead said Hoai and these can be summed up as Volatility, Uncertainty, Complexity and Ambiguity (VUCA). He added there are too many varying regulations which push up production costs and disruption of trade due to geopolitical conflicts, tariffs and volatile freight and logistics costs lead to high transaction costs. Also, competition is tough and market demand has weakened. He concludes by asserting industries in Vietnam cannot remain competitive relying on low cost inputs (labour and raw material) hence there is the need to advance with the help of ITTO through leveraging markets and advocating for fair trade and development of the sustainable wood industry.

Mr. Braden Jenkin, Sylva Systems Pty Ltd (Australia)
Using Natural Forest and Plantation Grown Trees; Different but Complementary

This presentation addresses utilising timber sourced from plantation grown trees. It explores wood properties and differences in wood properties between a species in plantations and the same species from the natural forests.

This narrative is set against the background where “global industrial roundwood production is projected to grow by 45% by 2050, to 2.8 billion cubic metres, but tropical production is projected to increase by only 24%, to 533 million cubic metres.

The properties of a species grown in plantations are different from those of the same species harvested in the natural forest and examples of density differences are presented for a range of native PNG hardwoods. Mr. Braden Jenkin points out that “the wood is not bad it is just different”.

This difference, he pointed out, requires a mind-reset so product and market development is based on knowledge of the characteristics of the ‘new’ raw material without reference to what is the norm for the same timber from the natural forest. He added “while plantation wood differs from natural forest trees of a same species it is generally more uniform between trees which is an advantage when processing.

In conclusion, Mr. Braden Jenkin said “plantations offer an opportunity to produce new products in their own right and in combination with natural forest sourced wood.

Dr. Luo Xinjian, Global Green Supply Chains Initiative (GGSC)
Global Green Supply Chain & GLSTF – An Introduction

Dr. Luo provided an overview of the Global Green Supply Chain (GGSC) initiative, an International platform dedicated to advancing timber industry sustainability. She pointed out the mission of the GGSC is to “Work together with multiple parties to create a global ecosystem that translates corporate social and environmental responsibility into a competitive advantage”.

The GGSC was launched in 2018 by 12 leading Chinese enterprises in forest products industry, and became an international initiative in 2019 during the International Forum hosted by ITTO and other organizations on “Together Towards Global Green Supply Chains –A Forest Products Industry Initiative” held in Shanghai with more than 370 participants from 36 countries.

The GGSC initiative is part of the Legal and Sustainable Supply Chains (LSSC) Programme of activities, which was approved at the 53rd session of the ITTC for being included into the Biennial Work Programme (BWP) of ITTO . Since then, GGSC has been acting as a global platform for serving the sustainable development of the forest products industry.

Dr, Luo then introduced the Global Legal & Sustainable Timber Forum 2024 held on 11-12 September 2024 in Macao SAR, China, which was co-hosted by ITTO and IPIM and organized by GGSC. She specified the achievements released of the Forum such as the Action Framework for Promoting Legal & Sustainable Timber Supply Chains, the Full Operation of Global Timber Index (GTI) Platform(10 pilot countries), the Completed Simulation of a Block-chain-based Timber Traceability System, Action on Integration of Green Finance and Green Supply Chains (GF&GSC), Collaboration on Central Africa-China Timber Industrial Clusters and Parks and the successes achieved in business to business matching.

Discussion and interventions

The delegate from Togo raised two questions on balsa wood which was mentioned by the speaker Braden Jenkins, specifically asking what is the rotation cycle, how long does it take until the trees are ready for harvesting and what is the density of this species?

In response Mr. Jenkins informed that balsa is quite a remarkable crop. Originally from Ecuador it has been grown in Papua New Guinea since German colonial times. In the post second war era balsa has been grown on short rotations in PNG. He added that after four to five years the harvest volume would be around 200 to 300 cubic metres per hectares. Six year old trees can reach a height of 35 to 38 metres with a diameter of 50 centimetres.

It's quite a remarkable crop said Mr. Jenkins. However, if balsa is left for longer than five to six years it develops a red heart, a stain in the wood that is not accepted in the market. Most balsa wood goes into industrial uses especially wind turbine blades. It is also used by the military in a range of vehicles.

Balsa requires deep, well drained fertile soils. It also needs uniform rainfall throughout the year, conditions that exist in Papua New Guinea. On the question of density Mr. Jenkins said the oven dry weight of balsa is between 110-150kg per cubic metre.

The delegate from Malaysia asked, can the GTI and GGSC help participating members meet the requirements of the EUDR?

Dr. Luo explained there are ten pilot countries working with the GTI team. A focal point in each country compiles a questionnaire every month based on the response of participating timber companies on the trends in the sector.

She explained the GTI is an information platform and it is planned to arrange meetings between focal point to discuss the challenges members are facing and it is also planned that GTI focal points will visit associations such as the European Timber Trade Federation to better understand and address importer requirements. Also, there will be efforts to expand B2B matching in order for participating companies to better meet the requirements of the EUDR. Finally, EU timber associations will be invited to provide training to the GTI focal point enterprises.

An Observer from the Malaysian Wood Industries Association (MWIA) commented that many speakers mentioned forest plantations in producer member countries but did not address the challenges to trade in wood products from plantation raw material created by so-called 'gate-keepers', specifically mentioning the various cut-off dates set as a reference point in determining whether commodities taken from any part of a given plot of land are linked to deforestation or forest degradation.

The Observer said Malaysia plans to expand plantations and asked what is the future market for plantation wood, are we planting for the sake of planting?

Dr. Tomaselli, in response, said if you know your plantations are sustainable and provided they are not established on land cleared of natural forest but are established on degraded forest areas I do not see a problem.

Mr. Jenkin commented that maybe the challenge is that plantations for wood production are being captured by the EUDR that is intended primarily for something else.

Contributing to the discussion, the speaker from Vietnam said there are three main commodities from Vietnam that fall under the EUDR. The EU imports around 45% of coffee produced in Vietnam, it imports a large amount of pepper and it imports huge quantities of wood products. He said with wood products Vietnam does not see

much difficulty. After almost one year of preparing he said Vietnam is confident it can meet EUDR requirements in terms of due diligence and geo-location.,

He added, his Association has been guiding different groups of stakeholders and they are quite confident. Many European buyers visit Vietnam and they are confident to sign contract. That the EU has postponed EUDR implementation gives Vietnam enough time to be prepared he said.

The delegate from the USA said the update on the GTI and the GGSC meetings and activities was appreciated and asked for some background on the relationship between ITTO and the GGSC and what are the next steps.

In response, the ITTO Executive Director said the work with the GGSC initiative began in 2018 and was spearheaded by the previous Executive Director. The intention, at that time, (between 2017 and 2018) was to identify the strengths of ITTO and what could be done to enhance the trade portfolio of the Organization. While there were many projects on forest management aspects and biodiversity some members called for a focus on assisting members to establish legal and sustainable supply chains in view of the EU timber regulation.

During that time exports from Africa to the EU began to decline as they were being diverted to China where there was a huge demand for production of manufactured items for export and to meet growing domestic consumption.

The intention for the ITTO's trade portfolio at that time was to try and strengthen the legal and sustainable supply chain from Africa to China with the hope that this would lead to a recovery of consumption of tropical wood products in the EU and the US.

Through the collaboration with the GGSC initiative under the Chinese Academy forests, with which ITTO has a very close relationship with spanning decades, it was hoped that the Chinese government would become even more interested in supporting the work of the ITTO to try and complete circularity of the supply chains. The first event of significance was the international conference that ITTO organized in Shanghai in 2019. Through the ITTO trade network an international group of stakeholders from Europe, Latin America, Africa and Asia convened in Shanghai.

Then came Covid-19 so there was no opportunity for the follow up conference scheduled for either 2021 or 2022 for which funding was requested. During that time the Administration in the Macau SAR made it known they had a policy to diversify its economy. This resulted in ITTO being offered sufficient funding to hold a second international conference to follow through on what was discussed and the commitments that were made in 2019.

Initially Macau SAR requested a focus only on Portuguese speaking ITTO member countries but later agreed, since there were few such ITTO members, it should be open to all ITTO members. This is how the GGSC and the ITTO, together with our partners from the Chinese government, worked out a plan on how we carry the initiative forward.

This is the background to how the first global legal and sustainable timber forum was held in Macau in 2023 as a follow through from ITTO's work in 2019 and this year (2024) the second edition was arranged. The event was well attended with private and public sector delegations from many ITTO member countries.

Turning to the question from the delegate from Malaysia on how the GTI would help members meet the requirements of the EUDR, the Executive Director pointed out that is not the intention of the GTI and that Dr. Luo, in her presentation, correctly explained it is more an information exchange platform in order to update parties who are not yet part of the GLSTF to be able to go to the website and see what information is available on efforts within those countries, what they are doing in terms of putting in place either chain of custody or legality assurance systems, what level of credibility claims they can make and how much stronger they can become with the information through the sub Forums.

As a final point, the Executive Director reported the Administration in Macau SAR has offered to fund and host the 2025 edition and ITTO will continue supporting this initiative and we encourage members of ITTO to participate so that we can try and bring the synergies even closer towards establishing legal and sustainable supply chains and increasing the value chains for forest products in the main consumer markets.

What we had planned in trying to strengthen supply chains from Africa to China has not yet been achieved as we have not had sufficient support from the Central African Forest Initiative. My hope is that this explanation

puts everyone at ease that this is a transparent attempt at trying to encourage legal and sustainable supply chains concluded the Executive Director.

A delegate from the EU asked for information on the exact support that ITTO is giving to the GGSC initiative? In response the ITTO Executive Director reported that for the last two years the Macau SAR Administration has provided around US\$1.4 million as a voluntary contribution to support the work that is being conducted under the Global Timber Index and also the blockchain study. ITTO supports the GGSC Secretariat as one of the project implementing agencies for both initiatives and has close contact with the main associations in China as stakeholders in the project we discuss what are the main items that should be brought forth in the forum to be shared with the ITTO membership. The Secretariat also advises on the topics to be discussed in collaboration with GGSC and the organising committee. We also offer suggestions on the speakers who can be invited so that we secure balanced representation and balanced views from producers and consumer member countries this ensures the outcomes of the GLSTF is aligned with ITTO's work plan, mandate, strategic action plan and in line with the Organization rules and regulations.

Trade statement

Ms. Ashley Amidon (TAG) read out a prepared statement to participants attending the Market Discussion. This statement is appended as it was presented in Appendix B.

Theme for 2025 Annual market discussion

The Trade Advisory Group (TAG) decided to defer its decision on the theme for the 2025 Annual Market Discussion. A theme will be conveyed to the ITTO Secretariat in advance of the next ITTC.

APPENDIX B

STATEMENT OF THE TRADE ADVISORY GROUP (TAG)

Presented at the 2024 Annual Market Discussion by
Ashley Amidon (TAG)
3 December 2024

Chairman
Ladies and Gentlemen

The TAG welcomes the proposal from the European Commission to delay the EUDR application date by 12 months to 30 December 2025 which will allow more preparation time for the timber industry to comply. However, the industry is concerned over the uncertainty of the delay as well as new 11th hour amendments, which are problematic for multiple reasons.

While we acknowledge that ITTO is not able to impact either the delay or the regulation, we would be remiss if we did not highlight this issue, given the seismic impacts the EUDR has and will have on the global forestry policy and trade. We urge the Commission to work with both Consumers and Producers to ensure a smooth implementation of the EUDR.

The tropical timber markets are very unsteady at present and there are a lot of unknowns ahead. The World Bank's latest Global Economic Prospects report highlighted the struggles and slow recovery of global trade in 2023 marking one of the weakest performances in 50 years outside of global recessions.

Today, wood product manufacturers everywhere are reeling from skyrocketing shipping costs and irregular shipping schedules due to, firstly, the drought in Panama severely curtailing ship passages through the Canal; and secondly, the ongoing conflicts in the Red Sea region. The complaints about the logistics in exporting timber products are loudest from Vietnam, China, Indonesia, Brazil, and Malaysia.

Exporters in many producer countries are not happy that shipping companies are using the continuing fallout from the Covid pandemic and geo-political conflicts as reasons to increase marine freight and other logistics costs. Prior to these recent increases, freight charges from Southeast Asia to the US or EU were around US\$ 2,000 per 40 foot container. In the post-Covid pandemic, freight charges soared between US\$ 18,000 - 20,000, and now, because of the war in Ukraine and the Red Sea chaos, freight charges are varying between US\$ 8,000 - 10,000 to the US and EU markets. Ultimately, these costs will not only depress trade but be passed along to the consumer, at a time when price consciousness is an increasing barrier to the use of wood.

So, in the midst of all these global uncertainties, what can ITTO do to help the timber industry?

The Global Legal and Sustainable Timber Forum (GLSTF) was created in 2023 by ITTO and Macao's Commerce and Investment Promotion Institute, and the inaugural Forum was convened in 2023. In September 2024, the GLSTF launched the Action Framework for Promoting Legal and Sustainable Timber Supply Chains to strengthen international collaboration among stakeholders in timber supply chains, promote the sustainable development of the timber industry, contribute to the Sustainable Development Goals, and combat climate change.

In her opening address at GLSTF 2024, ITTO Executive Director Sheam Satkuru asserted that the GLSTF is a collaborative platform of timber industry stakeholders designed to strengthen networking and business exchanges among timber industry stakeholders to facilitate sustainable forest management and the legal and sustainable use and trade of timber and wood products.

During that GLSTF meeting in Macau and subsequent discussions among TAG members globally it was established that the buyers of tropical timber in our traditional markets are not receiving information about the progress tropical timber producers have made and are continuing to make towards SFM. There is a need for a mechanism to communicate, educate, promote, market, and publicise the tremendous progress tropical timber producers have made and are continuing to make since the Rio Earth Summit in 1992 on traceability, legality, and sustainability.

It seems a natural fit now for ITTO and GLSTF to work together on addressing the negative perceptions in the market. Firstly, a Working Group of stakeholders could be formed to define what and how to communicate to

the buyers of our products. The information of what the producers have been doing towards SFM could be collated to be used in a campaign to address consumer negative perceptions.

TAG proposes that resources and finances could be set aside to employ a dedicated person to handle this important task. There is a desperate need for a person, working without distractions, to undertake the task with help from all ITTO Members.

This 100% focus on rebuilding demand for tropical timber trade is what TAG seeks from ITTC today. Together, we can create a narrative that demonstrates what we all know – that wood is sustainable, that trade benefits forests, and that together, we can protect tropical forests for the future.

Thank you.

Note: TAG can be contacted at ti@itto.int

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**INTERNATIONAL TROPICAL
TIMBER COUNCIL**

**COMMITTEE ON
REFORESTATION AND FOREST MANAGEMENT**

Distr.
GENERAL

CRF(LVIII)/6
6 December 2024

ENGLISH ONLY

FIFTY-EIGHTH SESSION
2-6 December 2024
Yokohama, Japan

**REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL FROM
THE FIFTY-EIGHTH SESSION OF THE COMMITTEE ON
REFORESTATION AND FOREST MANAGEMENT**

Item 1 - Opening of the Session

The Fifty-eighth Session of the Committee on Reforestation and Forest Management (CRF) was opened on 4 December 2024 by Mr. Jorge Mario Rodríguez (Costa Rica), Chairperson of the CRF, assisted by Mr. Björn Merrell (Sweden), Vice-Chairperson of CRF. The list of participants is presented in Document ITTC(LX)/Info.2.

Item 2 - Adoption of Agenda and Organization of Work

The Provisional Agenda for the CRF, as contained in Document CRF(LVIII)/1 Rev.1, was adopted by the Committee. In accordance with agreed past procedures directed by Council, Agenda items 4, 6, and 9 were considered at the Joint Session of the Committees convened on 3 December 2024. The Chairperson of the CRF proposed to organize the Session in the following order: Item 3, Item 5, Item 7, Item 8, Item 10, Item 11, Item 12, Item 13, Item 14, Item 15, Item 16 and Item 17.

Item 3 - Admission of Observers

The Committee admitted the observers listed in Document ITTC(LX)/Info.3 Rev.1 as approved by the Council.

Item 4 - ITTO Annual Market Discussion - 2024

The Committees noted the summary of the ITTO Annual Market Discussion – 2024, held in the Joint Session of All Committees as part of the Trade and Markets Day on 3 December 2024, as contained in Appendix A to Document CEM-CFI(LVIII)/4. The theme of the Market Discussion was “Production and Trade - Rising Costs and Weakening Demand”. Mr. Barney Chan (TAG Coordinator) moderated the Market Discussion.

The following feature presentations were made during the Market Discussion (available at <https://www.ito.int/itc-60/presentations/>):

Dr. Ivan Tomaselli Brazilian Mechanically Processed Wood Industry Association (ABIMCI)	<i>Past and Future of Tropical Timber</i>
Mr. Jean Marie Ntoutoume Union des Forestiers et Industriels du Bois du Gabon	<i>Production et Commerce du Bois – Cas du Gabon</i>
Mr. Alfonso Hernández Ángel National Association of Importers and Exporters of Forest Products, Mexico	<i>Mexico Tropical Timber Overview</i>
Mr. Ngo Sy Hoai Vietnam Timber & Forest Product Association	<i>Vietnam Forestry and Wood Industry amid Global Economic and Trade Uncertainties</i>
Mr. Braden Jenkin Sylva Systems Pty Ltd (Australia)	<i>Using natural forest and plantation grown trees; different but complementary</i>
Dr. Luo Xinjian Global Green Supply Chains Initiative (GGSC)	<i>Global Green Supply Chain & GLSTF – An Introduction</i>

The Committees further noted the statement of the Trade Advisory Group (TAG) presented during the Market Discussion as contained in Appendix B to Document CEM-CFI(LVIII)/4.

Item 5 - Policy Work

The Committee considered the progress in the implementation of the following policy-related matters:

- (i) **Monitor Progress in the Application of Criteria and Indicators for Sustainable Forest Management**

[Activity 5, ITTO BWP 2024-2025]

a) Adapting the 2006 ITTO Criteria and Indicators for Sustainable Forest Management to African context / Dissemination and information sharing in ITTO member countries in Africa
[Activity 5, ITTO BWP 2024-2025]

The Secretariat reported progress as follows:

- The final version of the ITTO Criteria and Indicators (C&I) for Sustainable Forest Management (SFM) adapted to African context was posted on the ITTO website for comments by ITTO Members, and by the deadline of 1 November 2022 no comments were received. The approved document, ITTO Policy Series Document PS-26, is available in English and French on ITTO's website and as hardcopies.
- Additional funds are needed for this BWP item to hold two in-person regional workshops for the dissemination of the set of ITTO Criteria and Indicators (C&I) for Sustainable Forest Management (SFM) revised and adapted to the African context.

The Committee reiterated the importance of this new set of ITTO C&I adapted to African context which will be subject to dissemination in African ITTO member countries, in 2025 and beyond, depending on the availability of funds.

(ii) Revision of the ITTO Guidelines on Fire Management in Tropical Forests
[Activity 7, ITTO BWP 2024-2025]

The Secretariat informed the Committee of the progress as follows:

- ITTO is currently a member of the Global Wildland Advisory Group of the United Nations International Strategy for Disaster Reduction (UNISDR) and International Liaison Committee (ILC) of International Wildland Fire Conferences. ITTO's involvement in these International Fire Conferences and other fire initiatives has been instrumental in facilitating the exchange of knowledge and expertise on wildland fire policies, research, and management.
- PP-A/56-340-1 (Indonesia) and PP-A/56-340-2 (Peru) underwent ex-post evaluation(s), as agreed at the 57th Session of the Committee on Reforestation and Forest Management (CRF). The evaluation of these fire projects will be used as input for informing ITTO's future fire work.
- In 2024, ITTO continued to promote awareness and the growing importance of fire including proposing a CPF joint initiative on fire, hosting a UNFF side event on fire, and collaborating on other initiatives including participation in the FAO hosted Global Fire Hub, AFoCO's regional fire workshop, and the International Wildland Fire Liaison Committee.
- While undertaking the process to update the ITTO Fire Management for Tropical Forests guidelines (originally developed in 1997), it became evident from multiple experts' feedback that the updating of policy level guidelines was not the greatest need. Experts pointed to the proliferation of fire policy guidelines since the original ITTO policy guidelines were developed, including the FAO fire guidelines and the Integrated Fire Management Framework developed during the last international wildfire conference in Portugal. Several experts indicated that instead there is a great need for a more field oriented tool/guidelines that concretely address integrated fire management issues in the tropics, taking into consideration fire management capabilities in the tropics and emerging fire behavior science in different tropical fire ecosystems. The Secretariat indicated that, if funding was made available, that the focus in the coming year would shift toward developing such a tool/guideline, instead of updating the 1997 policy guidelines.

The Canadian Delegation encouraged the Secretariat to consider the role of traditional knowledge in the use of forest fire as tool for land preparation by local and indigenous communities in any future revised/ updated ITTO guidelines on forest fire in the tropics.

The US Delegation thanked the Secretariat for sharing information on ITTO's work regarding integrated fire management in tropical forests and informed the Committee about the support provided to ITTO by sending US experts on forest fire to the verification meeting held on the sidelines of FAO COFO27 meeting in Rome, Italy in July 2024. The US encouraged ITTO to maintain close collaboration with new global initiatives on forest fire, especially the global fire management hub hosted by FAO. The USA requested information on the next steps for revising and updating the ITTO guidelines on fire management in tropical forests.

The Secretariat thanked Canada and the United States for their comments which will be considered in the process of developing new ITTO field level guidelines on fire management in tropical forests. It is hoped that a draft version will be available for review and a validation workshop held by mid-2025, if possible and financing made available. ITTO will also continue to work on developing the CPF Joint Initiative on Fire in close collaboration with FAO and other partners of the Global Fire Management Hub.

The Committee recognized the long standing ITTO work on tropical forests fires. This BWP Activity will continue to be implemented in 2025 and contribute to deliberations on forest fires in the coming years.

**(iii) Developing and Operationalizing ITTO's Policy Guidelines to Members
[Activity 8, ITTO BWP 2024-2025]**

**a) Dissemination of the ITTO Guidelines for Forest Landscape Restoration in the Tropics
[Activity 8 (b), ITTO BWP 2024-2025]**

The Secretariat informed the Committee about the progress as follows:

- ITTO Guidelines for Forest Landscape Restoration in the Tropics were developed in 2020 with the invaluable support of many members of the Collaborative Partnership on Forests (CPF), including CIFOR, FAO, IUCN and IUFRO.
- After organizing the virtual dissemination workshops for ITTO member countries in Asia-Pacific and Latin America, there were not enough funds for holding in-person dissemination workshops for ITTO member countries in Africa (one for French-speaking countries and one for English-speaking countries) in 2024.

The Committee took note of the above information in relation to the need for promoting the ITTO Guidelines for Forest Landscape Restoration in the Tropics in Africa. The CRF chair emphasized the guidelines as an important tool for supporting the achievement of the UN Decade on Ecosystem Restoration 2021-2030.

b) Support for Women's Groups with Gender Empowerment and Forest Landscape Restoration in Togo [Activity 8 (c), ITTO BWP 2024-2025]

The Secretariat informed the Committee about the progress as follows:

- PP-A/56-341B Phase III (Support for women's groups with gender empowerment and forest landscape restoration in Togo), is reported in detail in Document CRF(LVIII)/3 under CRF agenda item 10.2 dealing with BWP project-based Activities.
- PP-A/56-341C-Benin (Support for women's groups with the restoration of forest landscapes in the Departments of Oueme and Zou, in Benin) is in early stages of implementation with the first instalment disbursed in September 2024.

**(iv) Joint ITTO–CBD Collaborative Initiative for Tropical Forest Biodiversity / Programme document 2024–2025 in relation to the Kunming-Montreal Global Biodiversity Framework
[Activity 9, ITTO BWP 2024-2025]**

The Secretariat informed the Committee of progress as follows:

- ITTO and CBD Secretariat renewed their MoU for another five years until 2025. This extension reflects the two organizations' joint commitment to supporting ITTO producer member countries and CBD Parties in the tropics in their efforts to conserve biodiversity, implement sustainable forest management, restore degraded forest landscapes, and promote the sustainable use of forest resources.
- During 2024, ITTO and CBD Secretariat(s) collaborated on a draft checklist for future projects identified under the ITTO and CBD Collaborative Initiative to ensure they are in line with and contributing to the goals and targets of the Kunming-Montreal Global Biodiversity Framework (KMGBF).
- A brochure was also developed showcasing the connection between some of the projects implemented under the ITTO-CBD Collaborative Initiative and specific targets under the KMGBF. This brochure was displayed during CBD CoP16 in Cali, Colombia during the Sustainable Forest Based Economy Day at the SDG Pavilion, which was co-led by ITTO and FAO.
- In coming months, with funding from Canada, the ITTO/IUCN Guidelines on Biodiversity in Tropical Production Forests will undergo updating to incorporate recent developments in international biodiversity dialogue and policy frameworks, as well as integrate elements from the new ITTO guidelines on gender

equality and the updated ITTO restoration guidelines.

- The Secretariat informed the Committee that this Activity is expected to continue into 2025 and beyond.

The Brazilian Delegation recognized the role of ITTO and its leadership on promoting biodiversity conservation in tropical forests and encouraged ITTO to collaborate with relevant international institutions during the process of revising and updating the current ITTO/IUCN Guidelines on Biodiversity in Tropical Production Forests.

Supporting the comments made Brazilian Delegation, the Canadian Delegation thanked the Secretariat for sharing information on the ITTO work regarding biodiversity conservation in tropical forests and informed the Committee that Canada provided funds needed to launch the process of revising and updating the current ITTO/IUCN Guidelines on Biodiversity in Tropical Production Forests. They encouraged ITTO to continue its good work and to take measures not to duplicate existing work being done by other organizations.

The Indonesian Delegation informed the Committee about their new regulations on preservation zones in their forests in Indonesia which mandates collaboration between different stakeholders and land uses to ensure conservation of biodiversity and ecosystem services across different land uses and ownerships.

The Secretariat thanked Brazil, Canada and Indonesia for their comments which will be considered in the process of revising and updating the current ITTO/IUCN Guidelines on Biodiversity in Tropical Production Forests to be carried out in collaboration with IUCN, CBD Secretariat and other relevant international partners.

(v) Collaboration on Criteria and Indicators for sustainable forest management (SFM)
[Activity 11, ITTO BWP 2024-2025]

The Secretariat reported to the Committee on the progress as follows:

- ITTO pioneered the development of criteria and indicators (C&I) for the sustainable management of natural tropical forests in the early 1990s and has continued to provide leadership in their review, improvement and implementation. C&I is a technical tool aimed at providing forest managers with insights on monitoring, assessing and reporting on tropical forests to ensure their sustainable management.
- In 2024, ITTO organized and sponsored a national training workshop on criteria and indicators for sustainable tropical forest management in Trinidad and Tobago which was attended by nearly 30 participants. It was held from 27 February to 1 March 2024 in Port of Spain.

The US Delegation thanked the Secretariat for sharing information on the ITTO work on Criteria and Indicators for sustainable forest management (SFM) and encouraged ITTO to collaborate with other international initiatives on Criteria and Indicators.

Supporting the comments of the US Delegate, the Canadian Delegation also encouraged the Secretariat to collaborate with other international initiatives on Criteria and Indicators, such as the Montreal Process C&I dealing with temperate and boreal forests.

The Committee thanked the USA and Canada and recognized the importance of ITTO Criteria and Indicators as a technical tool for promoting SFM good practices. The implementation of this BWP-related Activity will continue in 2025 and beyond, if funds are made available.

Item 6 - Report of the Expert Panel for Technical Appraisal of Project Proposals
[Document ITTC/EP-59]

The Joint Session considered the report of the Fifty-ninth Virtual Expert Panel for Technical Appraisal of Project Proposals presented by Mr. Gerhard Breulmann, Director of the Division of Operations in the ITTO Secretariat, as contained in document ITTC/EP-59.

The Fifty-ninth Panel appraised five (5) proposals under the Division of Reforestation and Forest Management. The Panel noted that:

- Four (4) project proposals (80 percent of the total) were commended to the Committee for final appraisal with minor modifications required (category 1); and
- One (1) project proposal (20 percent of the total) will be sent back to the proponent for essential revisions, rated as category 2.

Mr. Breulmann noted the downward trend of the number of proposals submitted by ITTO members, from 30 proposals submitted in 2019 covering all three technical divisions of the ITTO Secretariat to 5 proposals under one technical division (Division of Reforestation and Forest Management). Due to the low number of proposals, the expert panel was convened virtually instead of in-person.

The US Delegation thanked the presenter for summarizing the work of the 59th Expert Panel for technical appraisal of proposals and encouraged the Expert Panel to meet virtually and on ad-hoc basis, as needed.

The Brazilian Delegation thanked the 59th Expert Panel and briefly presented to the Committee the objectives and expected outputs of the project proposal PD 938/24 Rev.1 (F), which has been approved as Category 1 by the 59th Expert Panel, emphasizing its strong community component.

The Indonesian Delegation also thanked the 59th Expert Panel and briefly presented to the Committee the objectives and expected outputs of the project proposal PD 940/24 Rev.1 (F), noting the project's focus on community involvement and customary rights as a high priority for implementing forest management in the project target area.

Item 7 - New Projects and Pre-projects

[Document ITTC/EP-59]

The Committee noted the following projects and pre-projects were approved under the time-bound electronic no objection procedures and circulated to member countries pursuant to Decision 6(XLIII), as contained in Annex to Document ITTC/EP-59, following the recommendations of the Expert Panel at its 59th Meeting as follows:

Fifty-ninth Expert Panel

Category 1:

PD/PPD NUMBER	TITLE	SUBMITTING COUNTRY
PD 936/24 Rev.1 (F)	Protection and Restoration of Forest Lands for Water Catchment, Regulation and Recharge in the Upper Salinas River Watershed, Guatemala, as a Climate Change Adaptation Measure to Ensure Water Supply for the Guatemalan Population	Guatemala
PD 938/24 Rev.1 (F)	Sustainable Management of Production Forests Driven by Traditional Communities in the Brazilian Amazon	Brazil
PD 940/24 Rev.1 (F)	Strengthening Effective Forest Area Designation and Customary Rights in East Nusa Tenggara Province as a Precondition of Achieving Sustainable Forest Management	Indonesia
PD 941/24 Rev.1 (F)	Capacity Building for Private and Community Tree Farmers in Relation with the Sustainable Management of Forest Plantations in Southern Benin	Benin

The Committee recommended that the Category 1 proposals be recommended to the Council for funding by ITTO donors.

Item 8 - Report on Completed Projects and Pre-projects and Biennial Work Programme-based Activities

[Document CRF(LVIII)/2]

The Committee considered the completed projects contained in Document CRF(LVIII)/2 and noted that no pre-project and two projects were to be declared complete by the Council.

8.1 Completed Pre-project(s)

None.

8.2 Completed Project(s)

1) PD 452/07 Rev.5 (F) Sustainable Management of Production Forests at the Commercial Scale in the Brazilian Amazon – Phase II (Brazil)

The Secretariat noted that the implementation of this project, which was funded by the Government of Japan, contributed to strengthening the adoption of good forest management practices by medium and large-scale timber enterprises in the Brazilian Amazon. The Secretariat informed the Committee that the project Completion Report and Final Financial Audit Report have been satisfactorily received by the Secretariat.

The Brazilian Delegation thanked the Government of Japan for funding the project and ITTO for the technical supervision. While presenting the main project outcomes, as summarized in the Committee Document CRF(LVIII)/2, Brazil recalled that this project was built on the outcomes of an earlier ITTO project, PD 57/99 Rev.2 (F) "Sustainable Management of Production Forests at the Commercial Scale in the Brazilian Amazon – Phase I". The presentation is available on the ITTO website.

The Japanese Delegation congratulated the presenter for summarizing the main project outcomes which had been achieved despite restrictions and delays due to the COVID-19 pandemic that impacted the project implementation.

The Committee noted that all requirements for the completion of this project have been met in accordance with the rules and procedures of ITTO. The Committee therefore decided to consider the project PD 452/07 Rev.5 (F) as completed.

2) PP-A/59-353 Enhancing the Value of Secondary Natural Forests through their Sustainable Use, Generating Rural Employment in a Post-Covid Context (Costa Rica)

The Secretariat noted that the implementation of this project, which was funded by the Government of Japan, contributed to the conservation of secondary forests and their ecosystem services, and its specific objective was to establish tools to increase the value of secondary forests for their conservation and development.

The Costa Rican Delegation thanked the Government of Japan for funding the BWP Project-based Activity PP-A/59-353 and ITTO for the technical supervision. Costa Rica presented the project outcomes, as summarized in the Committee Document CRF(LVIII)/2, and emphasized the need to replicate the project in other regions of Costa Rica. The presentation is available on the ITTO website.

The Brazilian Delegation congratulated the presenter on the project outcomes and asked about the types of incentives used for motivating forest smallholders in Costa Rica in their work on the conservation of secondary forests and their ecosystem services.

The Korean Delegation thanked the presenter for the presentation and took the opportunity to share the new techniques being developed by Korea for the identification of timber species using DNA markers in relation to the implementation of legal and sustainable supply chains for forest governance.

The Togolese Delegation congratulated Costa Rica on the project outcomes and expressed interest in information-sharing so that Togo could learn lessons from Costa Rica and Korea.

The Japanese Delegation thanked the presenter and informed the Committee that the implementing agency had been regularly interacting with the Embassy of Japan in Costa Rica and sharing relevant information and reports during the project implementation.

In response to the question asked by Brazil, the Costa Rican Delegation informed the Committee that the Government of Costa Rica established a payment mechanism funded by taxes on fossil fuels which were then used to provide financial incentives to forest smallholders in Costa Rica. He also noted that Costa Rica is ready to share information with any interested partners on the project.

The Secretariat informed the Committee that the Completion Report, Technical Reports and the Final Financial Audit Report had been delivered by the Executing Agency in accordance with the Project Agreement.

The Committee noted that all requirements for the completion of this BWP Project-based Activity have been met in accordance with the rules and procedures of ITTO. The Committee therefore decided to consider the BWP Project-based Activity PP-A/59-353 as completed.

Item 9 - Ex-post Evaluations

(A) Ex-post Evaluation Reports

[Document CRF(LVIII)/4]

The Joint Session of Committees took note of the report of the assessment of the forest fire thematic group ex-post evaluation on two following completed projects: PP-A/56-340-1 implemented in Indonesia and PP-A/56-340-2 implemented in Peru. The ex-post evaluation was carried out in Indonesia by Professor Dr. Bambang Hero Saharjo and in Peru by Professor Dr. María Isabel Manta Nolasco, under the supervision of the international consultant Professor Dr. Johann Georg Goldammer.

The primary purpose was to conduct an in-depth evaluation of the implementation of both completed forest fire projects to determine the successful and unsuccessful outcomes, the reasons of successes and failures, while highlighting the contribution of both projects towards the achievement of sustainable forest management good practices in Indonesia and Peru.

The consultant Dr. Lucy Amissah made a presentation on the outcomes of the assessment of both ex-post evaluations at the Joint Session of the Committees. She highlighted that both completed projects contributed to the following major aspects: promotion of approaches for land preparation without using fire as a tool, the utilization of innovative technology for fire suppression and detection including the smart patrol information system on forest fire, and satellite monitoring for early warnings, and community involvement in the implementation of fire management strategies.

Following the presentation, the US Delegation thanked the presenter for sharing the results of the analysis and lessons learned which could be considered for revising and updating the ITTO guidelines on fire management in tropical forests and for future ITTO project proposals related to wildfire management. The USA proposed to include in the revised ITTO guidelines some references to professional qualification required for fire management personnel, the importance of considering local traditions, and the creation of standardized training techniques. The USA noted the inclusion in the ex-post evaluation report of national and regional Centers of excellence in forest fire management. Based on their experience with interagency fire coordination, the USA suggested that these specific regional centers should have clearly defined mandates and closely coordinate with emergency operations centers and have direct linkages to other forest fire national and local policy and protocols and efforts. Lastly, the USA encouraged ITTO to take into account developments of the Global Fire Management Hub in ITTO's future fire work.

Supporting the US comments, the Canadian Delegation also congratulated the presenter and emphasized the importance of the work that the ITTO is doing on guidelines in relation to the fire management in tropical forests. Canada encouraged ITTO to be in connection and seek synergies with the Global Fire Management Hub (GFMH) and the International Forest Model Network. They emphasized the importance of integrated fire management as well as early warning systems.

The Secretariat thanked Canada and the United States for their comments and informed the Committee that ITTO is an active member of the Global Wildland Advisory Group of the UN International Strategy for Disaster Reduction, as well as of the International Liaison Committee for the Wildfire Committee and Global Fire Management Hub. ITTO was also directed recently by the United Nations Forum on Forests to develop a collaborative initiative on fire on a broader scale than just tropical forests. Therefore, ITTO will be working very closely with FAO and other CPF members to develop that joint initiative in the coming year.

The Secretariat also informed the Committee that approaches piloted under the ITTO Indonesia project were submitted to the International Climate Competition of Green Eurasia 2024. It received first place in the category of sustainable land use, forestry and water management for the work that Indonesia is doing on zero burning practices and alternative developments for land preparation without fire. These innovations were presented at a side event at the UNFCCC COP29 held in Baku, Azerbaijan in November 2024.

(B) Selection of Projects for Ex-post Evaluations 2024

[Document CRF(LVIII)/5]

The Secretariat suggested potential thematic groupings of ex-post evaluations for 2025-2026 for Committee's consideration. The short list included the following 4 thematic groups:

Forest Management / Inventory (2 completed projects)
Community Participation in SFM (2 completed projects)
Forest Rehabilitation / Landscape Restoration / Secondary Forest Management (6 completed projects)
Mangroves (1 completed project).

The Committee selected the thematic grouping of Forest Management / Inventory for ex-post evaluation for 2025-2026.

Item 10 – Review of Projects, Pre-projects, and BWP Project-based Activities in Implementation
[Document CRF(LVIII)/3]

To expedite proceedings, in accordance with the Section VI of Annex A to Decision 4(XXV), the Committee was informed that Committee discussions and Secretariat updates were limited to the following projects, pre-projects and activities:

- Had implementation problems.
- Key recent developments.
- Requesting additional funds.
- Requesting extension of more than six months beyond the original duration; or
- Requesting essential major modifications of the work plan and budget.

10.1 Projects and Pre-projects in Implementation

The Committee took note of the status of projects and pre-projects that had been approved by the Council, as contained in Document CRF(LVIII)/3, categorized as:

- 10.1 projects and pre-projects in implementation (nineteen projects).
- 10.2 BWP project-based activities in implementation (three projects).

1) PD 712/13 Rev.3 (F) Enhancing the Implementation of Landscape Management of Giam Siak Kecil-Bukit Batu Biosphere Reserve (GSK-BR) in Riau Province of Sumatra Island, Sumatra - Phase I (Indonesia)

The Secretariat reported that this project, initially approved in the 2014 Project Cycle, received extensions and phased implementation beginning in April 2023 in Riau, Indonesia, with partial funding secured from the Republic of Korea during ITTC 54 and ITTC 55. Since April 2023, the project is being implemented in Riau province of Indonesia.

The project aims to strengthen the framework for sustainable management and conservation of the Giam Siak Kecil – Biosphere Reserve by developing an integrated strategic management plan, strengthening institutional capacity and enhancing community participation and coordination. Key achievements include updated bio-physical and socio-economic data, 15-village FGDs on the benefits of GSK-BR, development of an Integrated Management Plan, and a multi-dimensional data integration website, with ongoing efforts to enhance the capacities of local communities and governments for effective implementation.

The effective establishment and functioning of the Management Coordinating Board for GSK-BB is crucial to achieving the project's ultimate goals. However, according to the latest progress report, the mandate of the current Management Coordinating Board has expired and is pending renewal approval by the regional authority.

The delegation of Indonesia highlighted recent changes in national leadership and the recent governor election, which have contributed to structural shifts in governance. These changes have resulted in delays in forming the new Management Coordinating Board for GSK-BB. They noted they will investigate further progress with the regional government on renewing the current Management Coordinating Board's mandate.

The United States delegation expressed appreciation for the efforts of the Secretariat and the Executing Agency in navigating these challenges, and acknowledged the complexities introduced by the recent separation of Indonesia's Ministry of Environment and Forestry into two distinct entities: the Ministry of

Environment and the Ministry of Forestry. In addition, the US delegate requested an update on the progress of the project from the Secretariat and that they be invited to future PSC meetings on this project.

2) PD 764/14 Rev.3 (F) Enabling Customary Landowners to Participate Effectively in Community Forest Management Schemes Within 6 Pilot Areas of PNG (PNG)

The Secretariat informed the Committee that all project activities have been completed and a satisfactory completion report received by the Secretariat in May 2024. However, despite regular reminders to the Secretariat the Executing Agency, a final financial audit had not been submitted nor any indication of when it can be expected.

The Delegation of Papua New Guinea expressed its appreciation to the Government of Japan as donor country for this project and recalled the importance of the project outcomes in contributing to forest management in PNG. The PNG informed the Committee that the delay in submitting the final financial audit report is due to the long period of the illness of the project financial officer who has not been able to produce the financial statements required by the financial auditor, while assuring that the final financial audit report will be submitted to ITTO, as soon as possible.

The Japanese Delegation encouraged PNG to make efforts for the submission of the final financial audit report, as soon as possible, to avoid further delay in the declaring this project as completed by the Committee.

The Committee took note of the comments of the delegation of PNG and asked PNG to submit final financial audit report, in due time, so that the project could be reported as fully completed at the 59th Session of the committee on Reforestation and Forest Management, in 2025.

3) PD 808/16 Rev.5 (F) Conservation of African Barwood (*Pterocarpus Erinaceus* Poir) in the Gazetted Forests of La Palee and Boundiali in Northern Côte d'Ivoire with the Participation of Local Communities - Phase I (Côte d'Ivoire)

The Secretariat informed the Committee that the project was partially financed with an amount of US\$320,000 thanks to the generous contribution of Japan during the inter-session period between ITTC 58 and ITTC 59. As the project was partially funded, it was revised into a phased project, which was approved in March 2023, with the Phase 1 to be implemented with the abovementioned amount. The implementation of the Project started with the disbursement of the first installment of ITTO funds in December 2023.

The Delegation of Côte d'Ivoire thanked the Japan as donor country and presented the main project outcomes, as summarized in the Committee Document CRF(LVIII)/3 through a presentation and short video, which are available on the ITTO website. Côte d'Ivoire appealed to donors about the need to have the second phase funded by end of 2025, so there will be no gap between both phases.

The Togolese Delegation congratulated Côte d'Ivoire on the project outcomes and expressed interest in information-sharing on this timber species, which is common to both countries, so that Togo could learn lessons from Côte d'Ivoire.

The Ghanaian Delegation thanked Côte d'Ivoire for the project outcomes and asked a question about how the project encouraged gender mainstreaming and avoided child labor in the restoration of degraded forests (in nurseries, during silviculture treatments, harvesting, etc.). Côte d'Ivoire says that it takes the issue of child labor seriously and endeavors not to engage child labor in its projects.

Côte d'Ivoire also noted that they are happy to share any information in relation to the questions asked by the Delegations of neighboring countries in West Africa (Ghana and Togo).

The Committee thanked the Delegation of Côte d'Ivoire for the presentation and short video on the main project outcomes and took note of the appeal launched for the funding of the second phase of the project PD 808/16 Rev.5 (F).

4) PD 836/17 Rev.2 (F) Enhancing Capacity of Local Communities and Forest Administration to Effectively Implement Community Forestry Programme (CFP) in Kratie and Monduliri Provinces of Cambodia (Cambodia)

The Secretariat reported that the Cambodia Forestry Administration has been implementing a project since October 2021 to promote sustainable forestry practices and enhance local livelihoods. The project, originally planned for 36 months, was granted a no-cost extension and is now set to conclude in December 2024. The project focuses on advancing the community forestry program (CFP) in the Kratie and Monduliri provinces by strengthening the capacities of local communities and the Forest Administration.

Key achievements include the publication and dissemination of guidelines for community forest management, the development of a standard operating procedure for forest patrolling and distribution of 250 copies to stakeholders, and the introduction of small seed fund system and agroforestry initiatives to support economic sustainability. These activities have enabled communities to integrate sustainable practices into their daily lives while contributing to the conservation of forest ecosystems. The Secretariat also presented a short video highlighting the microcredit system with local communities, one of the project's key outcomes.

Following the video presentation, the delegation of Panama requested additional information on the sustainability of the village-level microcredit system. The Secretariat clarified that all community forests in Cambodia are first registered with the government, and for the microcredit program, the Forestry Administration regularly monitors activity records. In addition to paying for forest patrols, profits made from interest on loans from the micro-credit system are reinvested into the microcredit system to increase the capital made available to the community,

The US delegation appreciated that involvement of women project as shown in the video and inquired about whether the project was collecting gender specific data to determine progress on ITTO's guidelines on gender equality. The Secretariat noted that currently we do not collect this information, but we will find a way to collect gender specific data on this project and others going forward.

5) PD 849/17 Rev.2 (F) Increasing Commercial Reforestation Competitiveness in Costa Rica (Costa Rica)

The Secretariat informed the Committee that the project intends to increase the competitiveness of commercial reforestation by developing effective financing schemes for forest plantations, increase their productivity, and develop value-added timber products, which in turn will improve forest producers' income. The second project technical committee (PTC) was convened in October 2024 with participation of representatives of both donors. During the PTC it was noted that project activities are being implemented on schedule and that the project is on track to be completed in 2025.

6) PD 902/19 Rev.3 (F) Management of Upper Baram Forest Area for Conservation and Sustainable Development with Involvement of Local Communities, Upper Baram, Sarawak, Malaysia (Malaysia)

The Secretariat informed the Committee that the second project steering committee (PSC), with participation of some of the donors, took place after a field visit to the Upper Baram Forest Area (UBFA) by ITTO and Forest Department Sarawak officials in October 2024. During the PSC meeting the Government of Sarawak requested the termination of the project, as per quote from Datu Haji Hamden, Director of Forests, "the changing and differing aspirations of some stakeholders, particularly NGOs, have created insurmountable challenges. Consequently, through the Forest Department, the Sarawak government has regrettably requested the termination of the UBFA project under Article XI Section 11.01 c of the project agreement, citing that its continued approval and funding no longer serve the project's objectives."

The Malaysian Delegation thanked the project donors (Government of Japan, The City of Basel, Switzerland and The Bruno Manser Funds). However, Malaysia confirmed to the Committee its request for the termination of the project PD 902/19 Rev.3 (F).

The Japanese Delegation took note of the request of Malaysia for the termination of the project PD 902/19 Rev.3 (F) and asked the Secretariat to properly implement the project termination process.

The Committee acknowledged the termination of the project PD 902/19 Rev.3 (F) to be finalized by the Secretariat in compliance with the rules and procedures applying to ITTO projects.

7) PD 905/19 Rev.3 (F) Providing Support for the Sustainable Management of the Fosse-aux-Lions Gazetted Forest in the Savanna Region in Togo – Phase I (Togo)

The Secretariat informed the Committee that the project was partially financed with an amount of US\$200,000 thanks to the generous contribution of Japan during the inter-session period between ITTC 58 and ITTC 59. As the project was partially funded, it was revised into a phased project, which was approved in March 2023, with the Phase 1 to be implemented with the abovementioned amount. The Project implementation started with the disbursement of the first installment of ITTO funds in August 2023.

The Togolese Delegation thanked the Japan as the donor country and presented the main project outcomes, as summarized in the Committee Document CRF(LVIII)/3. The presentation and short video, which are available on the ITTO website, was an opportunity for Togo to launch an appeal to donors about the need to have the second phase funded by the 60th Session of the International tropical timber Council, as the first phase will be completed by end of February 2025.

The Committee thanked the Togolese Delegation for the presentation and short video on the main project outcomes and took note of the appeal launched for the funding of the second phase of the project PD 905/19 Rev.3 (F).

8) PD 916/21 Rev.2 (F) Pilot Sustainable Management Systems for Secondary Natural Forests in the Collective Afro-descendant Community Territory of the Bajo Calima Community Council, Municipality of Buenaventura, Colombia (Colombia)

The Secretariat informed the Committee that the start of this project encountered significant delays due to internal bureaucratic approvals within Colombia. Upon request, the Japan government (main donor to the project's phase I) granted an extension to end of 2024. The first project steering committee took place in October 2024, and the first installment of funds was done in early November 2024 following the approval of the first yearly plan of operations. Upon request of the Japanese Embassy in Colombia, the Government of Colombia sent a progress report in mid-November along with a formal request for a non-cost extension until the end of April 2025 to fully complete phase one.

The Colombian Delegation thanked the project donors (Government of Japan and the Government of USA) and explained that the delay in finalizing the signing process by Colombian project signatory parties was due the long process internal review by these parties. Colombia reiterated their request for a further extension during Committee, but this time until the end of June 2025 after internal consultation and with the Japanese delegation at ITTC60.

The Delegation of Japan requested formal correspondence from Government of Colombia, through ITTO Secretariat, fully explaining the reasons for this second request for extension and what caused its unforeseen delay since the last extension request. Upon receiving this letter, the Ministry of Foreign Affairs of Japan will consult and convey its final decision regarding the non-cost extension request.

The US Delegation thanked Japan for providing funds in addition to those already provided by USA, so that the project could start its implementation. The USA encouraged Colombia to initiate the project implementation with funds already made available by ITTO.

The Committee took note of Colombia's no-cost extension request and the next steps requested by the Japanese government in order to decide on the approval of the extension request.

9) PD 931/23 (F) Promoting SFM and Local Wood Consumption through Capacity Building and Improving Regulation in the North Zone, Costa Rica (Costa Rica)

The Secretariat informed the Committee that the project's specific objective is the promotion of sustainable forest management through capacity development of forests owner, regulation and procedure improvement, and increased demand for local wood. The first project technical committee (PTC) meeting took place in October 2024. The Committee noted that project activities are on track. Progress has been ahead of schedule on several activities.

The Committee took note of the above information shared on the current progress of project PD 931/23 (F).

10) PD 932/23 (F) Assessment and Dissemination of Knowledge and Experience for Ex-Situ Conservation and Plantation of Caoba in Northern Coastal Area, Peru (Peru)

The Secretariat informed the Committee that the project's objective was to promote the conservation and sustainable use of endangered Caoba in the Northern coastal area of Peru while specifically conducting a comprehensive analysis of successful experiences and valuable lessons learned from ex-situ conservation and plantations of Caoba in the northern coastal area of Peru.

The Peruvian delegation provided a recorded virtual presentation on main project outcomes and thanked the Korea as the donor country. The recorded virtual presentation, which is available on the ITTO website, was also an opportunity to present the outline of the future project which will sustain the achievements of the project PD 932/23 (F).

The Delegation of Panama underscored the importance of proper field phytosanitary measures in regard to plantation Caoba mahogany.

The Committee thanked the Peruvian Delegation for the recorded virtual presentation and asked the Secretariat to forward Panama's question to the implementing agency of the project PD 932/23 (F).

11) PP-A/56-342A Strengthening SFM Standards and Timber Legality Framework in Myanmar (Myanmar)

The Secretariat informed the Committee that the project intends to address the challenges Myanmar faces with market access for timber and on the continued improvement of Myanmar Forest Certification System (MFCS), and Myanmar Timber Legality Assurance System (MTLAS). According to the executing agency's completion report submitted in July 2024, key accomplishments included the launch of forest management certification and chain of custody (CoC) training programmes, focusing on PEFC standards, due diligence systems, CoC methods, and multi-site certification; MFCC, in collaboration with Green Gold Industry, developed and implementation of the Digitalization of Timber Tracking System (DTTS), which included establishing a training of trainers programme; comprehensive revisions to MTLAS and MFCS; several knowledge-sharing and awareness raising events, and regular updates were provided through the MFCC website, newsletters, and social media platforms. MFCC also organized study tours to Viet Nam and Malaysia in March and June 2024, respectively, to gain further insights. The completion report states that the project made significant contributions to MFCC by enabling the reorganization of various aspects of the institution, systems, and stakeholder engagement.

The Delegation of Myanmar thanked Japan as donor country and presented the main project outcomes, as summarized in the Committee Document CRF(LVIII)/3. The presentation is available on the ITTO website. The executing agency also requested to utilize unspent funds in the amount of USD 25,216 minus the cost of the final audit (which is ongoing by ITTO appointed auditor) to develop a sustainability plan, to ensure the sustainability of project outcomes.

The Committee thanked the Myanmar and Japan for their comments on the project's implementation and took note of Japan's no-objection to the Myanmar's request to utilize the unspent funds in the amount of USD 25,216 minus the cost of the final audit (which is ongoing by an ITTO appointed auditor) to develop a sustainability plan for the outcomes of PP-A/56-342A, and asked the Secretariat to take appropriate action to formalize the abovementioned no-objection.

12) PP-A/59-351 Community-Based Restoration of Cyclone-Affected Vulnerable Mangrove Forests through the Empowerment of Coastal Communities and Women in the Rewa Delta, Fiji (Fiji)

The Secretariat informed the Committee that the funds were made available by the Government of Japan for the project implementation period from April 2023 to March 2024. The project agreement was signed in June 2023 by ITTO and the Ministry of Fisheries and Forestry of Fiji, and the disbursement of the first installment of ITTO funds was made in January 2024 after a 6-month process for selecting and hiring of the project coordinator by the Forest Department of Fiji. An extension of project implementation was approved by Japan until December 2024.

The Delegation of Fiji thanked Japan as donor country and presented the main project outcomes, as summarized in the Committee Document CRF(LVIII)/3. The presentation is available on the ITTO website. Due

to several unforeseen factors, including a new governmental financial information system (FMIS) and delays in supply of domestic timber for some activities of the project, Fiji requested a further 6-month extension of the project until the end of June 2025.

Like the process explained under PD 916/21, the Delegation of Japan is requesting formal correspondence clearly explaining the reasons behind the delay in completing the implementation of this project so that the Ministry of Foreign Affairs of Japan can formally decide on the extension.

PNG, as a fellow small island developing state, recognized the importance of the project activities to the communities and the mangrove environment of Fiji.

The Committee took note of Fiji's no-cost extension request and the next steps requested by the Japanese government to decide on the approval of the extension request.

13) PP-A/59-352 Community Empowerment in Forest Management and Forest Landscape Restoration in Upper Baram, Sarawak, Malaysia (Malaysia)

The Malaysian delegation noted that during the latest PSC meeting, due to unforeseen circumstances they requested an extension of the project until June 2025.

14) PP-A/60-370 Integrated Project to Strengthen Sustainable Management Systems and Monitoring the Miombo Forest against Degradation Processes for Food Security, Rural Employment, and Climate Mitigation Action (Angola)

The Secretariat informed the Committee that the funds were made available by the Government of Japan for the project implementation period from April 2024 to March 2025. The project agreement was signed in September 2024 by all project parties, after a 6-month process for the review of the Agreement by Angola's signatory parties. The disbursement of the first installment of ITTO funds, needed for the commencement of the project implementation, is pending until reception by the ITTO Secretariat of an acceptable Inception Report and its associated Detailed Work Plan.

The Committee took note that there was no Angolan Delegation attending the CRF58 Session to provide updated information and asked the Secretariat to interact with Angola to further progress on project implementation.

10.2 BWP Project-based Activities in Implementation

1) PP-A/54-331A Promoting Quality Timber Production in Smallholders and Community-based Teak and Other Valuable Species Plantations in the Tropics (BWP Activity 3)

The Regional Project Coordinator, Prof. Yongyut Trisurat of the Kasetsart University, Thailand made a presentation before the Committee on the one-year progress of the project implementation, followed by a video presentation on the project activity in Cambodia.

The delegate of Cote d'Ivoire took the floor to congratulate the good progress of the project implementation. She looked forward to receiving more information on the results to be disseminated to authorities for reconsidering the lifting of the export ban of teak wood and to encourage smallholders and growers to establish teak plantations. She expressed her wishes for the extension of the project's scope to cover activities in her country. The Secretariat took note the concerns of the Cote d'Ivoire delegate and will bring them into the attention of donor country, the Government of Germany.

The delegate of India told the Committee that the project is very important to get information on improving the teak supply chain and producing high quality plantation teak timber domestically in India by smallholders. The delegate informed that the MOU between the Indian Government and ITTO for the project has been signed and that the project activities in India have been initiated.

The Indonesian delegation informed the session about the delay of the signing MOU of the project because of the changes in the structure under the newly established government.

2) PP-A/56-341B Support for Women's Groups with the Restoration of Forest Landscapes in the Prefectures of Blitta and Lacs, Togo – Phase III (Togo) (BWP Activity 8c)

The Secretariat informed the Committee that the funds were made available by Soka Gakkai of Japan for the 12-month project implementation period which started in October 2023. The extension of the implementation period until 31 December 2024, without additional ITTO funds, was recommended by the project monitoring committee meeting held in September 2024.

The Delegation of Togo thanked Soka Gakai as donor institution and ITTO for the technical supervision of the project implementation. It made a presentation associated with a short video at the Joint Session of the Committees on the main project outcomes, as summarized in the Committee Document CRF(LVIII)/3. The presentation and short video, which are available on the ITTO website, were also an opportunity to launch an appeal to donors for more financial support to women groups involved in the restoration of degraded forest landscapes in Togo with REFACOF.

The Committee thanked the Delegation of Togo for sharing the main project outcomes at the Joint Session of the Committees and took note of the appeal launched for financial support to women groups involved in the restoration of degraded forest landscapes in Togo with REFACOF.

Item 11 - Projects, Pre-projects, and BWP Project-based Activities Awaiting Implementation Agreement

[Document CRF(LVIII)/3]

None.

Item 12 – Projects and Pre-projects Awaiting Financing

[Document CRF(LVIII)/3]

In accordance with ITTC Decision 2(X), Council approved projects which have not been funded within a validity period of 20 months may be revised and resubmitted to the (Committee) Council. Failing resubmission, the Project will lose its status as an approved Project and fall under the sunset provision.

Projects with an asterisk (*) will become sunset between the 58th and 59th CRF Sessions.

The Chairperson emphasized the importance of ITTO projects to the conservation and sustainable forest management of tropical forest and local communities. He and informed the Committee that 9 projects are awaiting financing and encouraged the members- and other donors to finance these projects. [All the projects awaiting finance are listed on pages 6 of CRF(LVIII)/1 Rev.1].

- 1) PPD 203/23 Rev.1 (F)* Support for the Promotion and Sustainable Management of Community Forests in the Oti Plain, Togo (Togo) [\$117,712.00]
- 2) PD 712/13 Rev.3 (F) Enhancing the Implementation of Landscape Management of Giam Siak Kecil-Bukit Batu Biosphere Reserve (GSK-BR) in Riau Province of Sumatra Island, Sumatra - Phase II (Indonesia) [\$248,154.00]
- 3) PD 808/16 Rev.5 (F) Conservation of African Barwood (Pterocarpus Erinaceus Poir) in the Gazetted Forests of La Palee and Boundiali in Northern Côte d'Ivoire with the Participation of Local Communities – Phase II (Côte d'Ivoire) [\$246,488.00]
- 4) PD 905/19 Rev.3 (F) Providing Support for the Sustainable Management of the Fosse-aux-Lions Gazetted Forest in the Savanna Region in Togo - Phase II (Togo) [\$282,624.16]
- 5) PD 925/22 Rev.2 (F)* Support to the Local Communities of the Mono Plain for the Promotion and Sustainable Management of Community Forests in Togo (Togo) [\$591,808.00]
- 6) PD 936/24 Rev.1 (F) Protection and Restoration of Forest Lands for Water Catchment, Regulation and Recharge in the Upper Salinas River Watershed, Guatemala, as a

Climate Change Adaptation Measure to Ensure Water Supply for the Guatemalan Population (Guatemala) [\$496,959.10]

- 7) PD 938/24 Rev.1 (F) Sustainable Management of Production Forests Driven by Traditional Communities in the Brazilian Amazon (Brazil) [\$678,531.00]
- 8) PD 940/24 Rev.1 (F) Strengthening Effective Forest Area Designation and Customary Rights in East Nusa Tenggara Province as a Precondition of Achieving Sustainable Forest Management (Indonesia) [\$599,555.00]
- 9) PD 941/24 Rev.1 (F) Capacity Building for Private and Community Tree Farmers in Relation with the Sustainable Management of Forest Plantations in Southern Benin (Benin) [\$537,712.00]

The Chairperson informed the Committee that six concept notes relating to CRF are awaiting the expression of interest and encourages the members and other donors to have a look at these concept notes and consider them for financing and full proposal development. They are available on ITTO website through the following link: https://www.ito.int/council_committees/projects/

Item 13 - Election of Chairperson and Vice-Chairperson for 2025

Mr. Björn Merckell (Sweden) was elected as the Chairperson of the CRF for 2025. The Vice-Chairperson of the Committee for 2025 will be announced by the Producer Caucus at a later date.

Item 14 - Dates and Venues of the Fifty-ninth and Sixtieth Sessions of the Committee

The Fifty-ninth Session of the Committee will be held in conjunction with the Sixty-first Session of the International Tropical Timber Council in 2025.

The Sixtieth Session of the Committee will be held in conjunction with the Sixty-second Session of the International Tropical Timber Council in 2026.

The Secretariat informed the Committee of the new ITTO-AFoCO Joint Programme currently being developed. It is anticipated that a call for CNs to target countries will be launched in the first or second quarter of 2025. This Joint Programme has four main pillars for project qualification: a focus on Community Based Forestry Enterprises, the advancement of tropical timber production and trade, clear indicators that outputs contribute as Nature Based Solutions for climate change, and blended financing from both private and public sectors.

Item 16 - Recommendations to the International Tropical Timber Council

The Committee emphasized the importance of ITTO projects to the conservation and sustainable forest management of tropical forest and local communities and recommends to Council the projects and CNs pending financing.

Item 17 - Report of the Session

[Document CRF(LVIII)/6]

The Committee accepted this Report for submission to the Council.

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**INTERNATIONAL TROPICAL
TIMBER COUNCIL**

**COMMITTEE ON
FINANCE AND ADMINISTRATION**

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REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL

**THIRTY-NINTH SESSION OF THE
COMMITTEE ON FINANCE AND ADMINISTRATION**

Item 1: Opening of the Session

2. Before the meeting opened, the Secretariat reported that no nomination had been received for Chairperson of the Committee on Finance and Administration (CFA). The Secretariat had therefore invited Mr. Pyoabalo Alaba, Vice-Chairperson of the CFA, to chair the current session, and Mr. Alaba had kindly agreed. The Secretariat and members of the Committee expressed their gratitude to Mr. Alaba for his willingness to take on this task. The Committee welcomed Mr. Alaba as Chairperson for the session, with applause.

3. Mr. Alaba welcomed all delegates to the Thirty-ninth Session of the Committee.

Item 2: Adoption of Agenda and Organization of Work

4. The Chairperson referred to the Provisional Agenda, as contained in Document CFA(XXXIX)/1. He opened the floor for comments. As no issues were raised, the Committee adopted the Provisional Agenda.

5. The Chairperson proposed that the Committee take up the agenda items as listed in the Provisional Agenda. The Committee accepted this approach.

Item 3: Admission of Observers

6. The Chairperson advised the Committee that the Council had admitted all applicants, as shown in Document ITTC(LX)/Info.3, which listed states and intergovernmental and non-governmental organizations applying for observer status. This was accepted by the Committee.

Item 4: Approved Biennial Administrative Budget for the Years 2024 and 2025

7. At its Fifty-ninth Council Session in November 2023, the Council had approved the draft Administrative Budget for the Biennium 2024 and 2025, [Document CFA(XXXVIII)/2 Rev.1], in accordance with Article 19(4) of the ITTA, 2006. No revision has been made to this document.

8. Noting that Canada had become a member of the ITTO during the biennium and had paid its assessed contribution, the delegate of the USA asked whether the new funds contributed would be used to maintain reserve funds and/or there would be a reallocation of the assessed contributions of other countries. The Secretariat responded that a provision in the ITTA stated that, once a biennial budget is approved, it is fixed for that biennium and therefore the assessments for the current biennium would not be revised. The contributions of newly joined members were assessed based on their number of votes and the time remaining in the year of joining and would be in addition to the approved budget. If there was a surplus in that year, after all expenses had been taken into account, the surplus amount would go into the Working Capital Reserve (WCR), as per Rule 5.5 of the Financial Rules.

9. Since there were no other comments, the Committee concluded that no changes would be made to the budget for the financial biennium 2024–2025, as set out in Document CFA(XXXIX)/2.

Item 5: Review of Contributions to the Administrative Budgets

10. Document CFA(XXXIX)/3 Rev.1 dated 14 November 2024 detailed the status of members' contributions to the Administrative Budgets for the financial years from 1986 to 14 November 2024, including assessments, receipts, interest charges, and arrearages in contributions. In 2024, \$2,029,428 had been received from producer members, out of a total net assessment of \$3,280,222, and \$3,394,981 had been received from consumer members, out of a net assessed amount of \$3,881,366.

11. The arrearages in contributions to previous years' budgets from producer members amounted to \$8,856,449 and arrearages from consumer members amounted to \$438,631. The amount outstanding from the present year's assessment was \$1,250,794 for producer members and \$486,385 for consumer members. The document also showed the status of arrearages in contributions affecting eligibility to submit project proposals and countries that had become eligible to submit project proposals/concept notes under Decision

4(LIX). As of the date of the meeting, no countries had become eligible to submit project proposals/concept notes under this Decision. Arrearages in contributions from former members of the Organization amounted to \$1,707,006, bringing the total outstanding arrearages to \$12,739,264.

12. The delegate of Japan made a statement regarding the closure of ITTO's bank account in the United States of America and its impact on the transfer of Japan's assessed contribution for 2024. Due to the Japanese government's financial regulations, Japan could only transfer US dollars to banks outside Japan.

13. The Secretariat explained that, previously, contributions had been transferred to ITTO's account at Citibank in the US. In April 2024, however, the bank had abruptly decided to close this account due to tightened measures such as for anti-money laundering and combating the financing of terrorism. As this was the only bank account ITTO had outside Japan, ITTO no longer held a bank account to receive contributions from Japan in US dollars.

14. The delegate of Japan said the Government of Japan was ready to pay its assessed contributions for 2024 in full once the account problem had been solved, and that it intended to pay as soon as possible. The delegate noted that Japan was closely coordinating with the ITTO Secretariat and sincerely hoped that the issue would be resolved in near future.

15. The Secretariat, confirming that this was the current status, explained that ITTO held bank accounts mainly in Japan as the host country. Due to tightened restrictions globally, it would take time to open another bank account overseas, especially because ITTO did not have a presence outside Japan.

16. The Secretariat said it was contacting financial institutions where ITTO was able to open bank accounts, and progress was being made. The Secretariat believed that this issue would be resolved soon and Japan would be able to transfer its assessment in a timely manner. The Secretariat said it would continue to work closely with Japan to resolve this issue.

17. The delegate of the European Union referred to the trial measure adopted through Decision 4(LIX) para.2, which enabled members that were ineligible to submit project or pre-project proposals or concept notes, in accordance with ITTA, 2006, Art. 19.8 and Decision 4(LVI), to be allowed to submit one project proposal or one concept note for every two years of arrears paid. Noting that two member countries had indicated interest in following this approach, the delegate of the European Union expressed hope that this would yield results and that the provision would be the solution it was expected to be. The delegate added that, in negotiating a new ITTA, it would be desirable to consider putting in place appropriate mitigation and recovery actions, and their delegation looked forward to further discussions on this matter.

18. The Committee took note of the above document.

Item 6: Current Status of the Administrative Account

19. The Secretariat introduced Document CFA(XXXIX)/4 Rev.1, which detailed the status of the Administrative Account, together with estimated expenditures for the current year and new disclosures required under the Financial Rules on bid and tender processes, sole suppliers, bad-debt write-offs, approved banks and financial institutions, and matters related to the administration of the Administrative Account.

20. Document CFA(XXXIX)/4 Rev.1, dated 14 November 2024, reports on the status of the Administrative Account for the financial year 2024, together with the estimated expenditure for the current year.

21. Section A of page 1 of the document shows that the estimated total expenditure for the financial year 2024 would amount to \$6,115,374. The total contributions received from both producer and consumer members amounted to \$5,424,409, and arrear payments received in 2024 amounted to \$560,361, as of the day of the report. Together with contributions expected to be paid by members before the end of 2024, it was anticipated that a surplus in the amount of \$316,361 would accrue in 2024. This amount would be credited to the WCR. The assessed contribution collection rate for year 2024 was 75.74% of the total assessment of \$7,161,588.

22. Section B shows that the current year's arrears in contributions amounted to \$1,737,179. Total outstanding contributions for the period 1986–2023 amounted to \$12,292,299.

23. Section C shows the Special Reserve Fund of \$2,500,000, which was to be utilized only on Council approval in the event of liquidation of the Organization.
24. Section D shows that the resources of the WCR were estimated at \$7.9 million by the end of 2024.
25. Section E shows an interest income balance of \$359,019, which was to be used by the Executive Director for hiring consultants in accordance with the Financial Rules, Rule 5(10). The document also contains details of expenditure for each budget item and where savings were to be made.
26. Annex 1 contains information required by the Financial Rules to be brought to the attention of the CFA. This includes a list of procurement greater than \$100,000; sole suppliers; bad debts that were written off; and banks and financial institutions approved by the Council.
27. The Chairperson welcomed the efforts made to achieve a collection rate of close to 76% of the Assessed Contribution for the current year.
28. The delegate of the European Union expressed support for the Secretariat to explore innovative ways to prompt members to pay contributions to the Administrative Budget. The delegate noted that it was important to adapt the budget for the long term because expenses remained substantive, and ongoing withdrawals from the WCR were reducing it unsustainably. The delegate suggested there was a need to find ways to avoid depleting the WCR in the future.
29. The delegate of Japan sought clarification on how the unspent balance of \$988,854 was generated. The Secretariat explained that, although it was allowed to spend up to the amount of the budget, the full amount of the budget was usually not received. If the entire budget was spent, the difference would need to be drawn from the WCR. The Secretariat was tasked with managing its resources in terms of cashflow, and, as a result, savings were made and the budget managed to match the cash received. The unspent balance shown in this document was the result of such management.
30. The Committee took note of the above document.

Item 7: Resources of the Special Account and the Bali Partnership Fund

31. Document CFA(XXXIX)/5 Rev.1 dated 14 November 2024 on “Resources of the Special Account and the Bali Partnership Fund” captured the current balance of funds under the Special Account and the Bali Partnership Fund.
32. In accordance with the Terms of Reference of the CFA, as contained in Decision 7(LII), the CFA shall “review the assets and liabilities of the Organization and make recommendations to the Council on prudent asset and cash flow management and levels of reserves needed to carry out its work”. Document CFA(XXXIX)/5 Rev.1 serves as a reference for reviewing the assets and liabilities of the Administrative Account, and this document was prepared as a reference to review the assets and liabilities of the Special Account and the Bali Partnership Fund.
33. The balance of funds under the Special Account and the Bali Partnership Fund was \$17,231,221, of which \$12,422,447 were funds committed to specific projects and activities. The unearmarked funds and the Sub-account B of the Bali Partnership Fund, which had a balance of \$107,878, may be allocated to projects/activities by the Panel on Sub-Account B of the Bali Partnership Fund, which would convene during the week.
34. The Committee took note of the document.

Item 8: Auditor’s Report for the Financial Year 2023

35. Document CFA(XXXIX)/6 on the “Financial Reports Prepared in Accordance with ITTO Financial Rules and Procedures (Annex 4)” contained two reports required to be submitted by the ITTO Auditing Standard: The Executive Summary of ITTO’s Financial Statements for the year ended 31 December 2023 prepared by the ITTO Management; and ITTO’s Financial Statements for the year ended 31 December 2023, audited by the Independent Auditors.

36. The audit was carried out by Ernst & Young Japan, which was appointed by the Council in November 2017 and reappointed in November 2022 to audit the accounts of the Organization for the financial years 2022 and onwards. It carried out the financial audit for the period ending 2023 during March to June 2024.

37. The audited financial statements provided information on the financial position and performance of ITTO for the fiscal year ended 31 December 2023 (FY2023).

38. For ITTO's project accounts in FY2023, new voluntary contribution pledges of \$6.2 million were announced at the Council session, and total project cost expenses during that period were \$4.7 million from projects mostly funded prior to FY2023. Total Administrative Account assessed contribution revenues were \$7.2 million, of which \$1.4 million was not received during FY2023 and was accounted for as assessed contributions receivable (arrears).

39. The Council adopted Decision 5(LIV) at its 54th Session in November 2018 on enhancing the Organization's financing architecture and fundraising. Additional fundraising approaches were to be piloted and new streamlined project cycles and programmed themes were to be developed from 2019, in accordance with this decision. Information on revenue and direct and indirect costs associated with implementing this pilot were reported in the financial statements. For calendar year 2023, total pledges of \$3,871,018 were made associated with implementing the pilot, and the total cost associated with implementing the pilot was \$273,350.

40. Other highlights included the following:

- The surplus for the FY2023 Statement of Financial Performance was \$1.5 million due 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.
- 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 consisted of an increase of \$1.1 million in accumulated loss allowance for expected credit losses for assessed contributions, and an increase of \$0.2 million in allowance expenses for debt in the Administrative Account.

41. Document CFA(XXXIX)/CRP-1, "Management letter prepared by the independent auditors for ITTO management", comprises a letter submitted to the CFA meeting in accordance with the ITTO Auditing Standard and contains information on matters affecting the completeness or accuracy of the accounts and other matters that should be brought to the notice of the CFA that the auditors identified during their audit. No significant items were identified in ITTO's latest audit. The auditors provided their satisfactory opinion on ITTO's financial statements, noting that the financial statements were prepared in accordance with the International Public Sector Accounting Standards (IPSAS), with no material misstatements or issues. In accordance with Rule 19(2) of the Financial Rules, because the Council was being held in Yokohama, the auditors were available online to answer any questions from the floor at this time.

42. As a condition for ITTO's recent accreditation to the Green Climate Fund, the CFA was requested to provide oversight of ITTO's internal audit activities and assessment of the performance of its independent internal audit function. The Committee was invited to examine document CFA(XXXIX)/CRP-2 (Internal Audit Report) and recommend to the Council that it add this new responsibility to the functions of the CFA. As noted in the report, ITTO's control environment and governance practices provided adequate mitigations to the most significant risks and the auditors did not identify any recommendations with critical or high ratings at this time.

43. As there were no comments from the floor, the Committee recommended to the Council that it approve the "Financial Reports Prepared in Accordance with ITTO Financial Rules and Procedures (Annex 4)" on the Accounts of the Organization for the financial year 2023, as contained in Document CFA(XXXIX)/6, as well as to add to the function of the CFA, a new responsibility to provide oversight of ITTO's internal audit activities and assess the performance of its independent internal audit function.

Item 9: Election of Chairperson and Vice-Chairperson for 2025

44. Mr. Pyoabalo Alaba (Togo) was elected Chairperson of the Committee for 2025. The consumer caucus will announce the Vice-Chairperson of the Committee for 2025 at a later date.

Item 10: Dates and Venue of the Fortieth and Forty-first Sessions

45. The Committee agreed that its sessions may be held on the same dates and at the same venues as the Sixty-first and Sixty-second Sessions of the Council.

Item 11: Other Business

46. There was no other business discussed by the Committee.

Item 12: Recommendations to the International Tropical Timber Council

47. The following recommendations were provided by the Committee to the Council:

- 1) to approve the Financial Reports prepared in accordance with ITTO Financial Rules and Procedures (Annex 4) for the financial year 2023, as contained in Document CFA(XXXIX)/6;
- 2) to take note of the list of disclosures required by the Financial Rules, as contained in Annex 1 of Document CFA(XXXIX)/4 Rev.1, and endorse the list of sole providers and approve the list of banks and financial institutions; and
- 3) to add to the function of the Committee on Finance and Administration, a new responsibility to provide oversight of ITTO's internal audit activities and assess the performance of its independent internal audit function.

Item 13: Report of the Session

48. The Committee adopted this report.

* * *

ANNEX V

REPORT OF THE INFORMAL ADVISORY GROUP (IAG)

DOCUMENT: ITTC(LX)/2



**INTERNATIONAL TROPICAL
TIMBER COUNCIL**

ITTC(LX)/19
Page 125

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29 November 2024

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SIXTIETH SESSION
2–6 December 2024
Yokohama, Japan

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

**26 November 2024
Virtual meeting**

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

Report of the Chairperson

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

A. Brief background of the IAG

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

B. Update on preparations for ITTC 60

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

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

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

23. *16: Implementation of ITTO's new financing architecture, Phase II.* The ED will present to the Council on developments in the implementation of the new financial architecture and the consultant Mr. Alexander Knapp will present to Council the review of the effectiveness of the operation of ITTO's financing architecture (Council documents ITTC(LX)/10 and ITTC (LX)/11).
24. *17: Biennial Review and assessment of the World timber Situation 2023-2024.* The Biennial Review will be presented to Council by the consultant Ms. Frances Maplesden.
25. *18: Reports of the Committees.* The reports will be presented by the respective Chairs on the final day of the session (Friday).
26. *17: Election of Chairperson and Vice-Chairperson of the Council for 2025.* The Vice-Chairperson for ITTC 60 (nomination pending by the producer caucus) will be nominated, by convention, by the Consumer Spokesperson as the incoming Chair. The consumer caucus is to propose a new Vice-Chair, who, by convention, will be nominated by the Producer Spokesperson.
27. The Secretariat noted that several Council officer positions are still vacant. These are Council Vice-Chairperson, to be proposed by the producer caucus; Chairperson of the CFA, with a nomination expected from the consumer caucus; and Vice-Chairperson of the Committee on Economics, Markets and Statistics and Committee on Forest Industry, which is expected from the producer caucus. By convention, the Vice-Chairperson of the Council chairs the joint session of the committees scheduled on Tuesday, 3 December 2024 and the Fellowship Selection Panel. The ED reiterated the urgency for the Producer Spokesperson liaising with the producer caucus to propose a Vice-Chairperson to the Council.
28. *20: Dates and venues of the Sixty-first and Sixty-second Sessions of the Council and the Associated Sessions of the Committees.* There was no discussion on this item.
29. *21: Decisions and report of the session.* The draft decisions are discussed below (under agenda item F).
30. *22: Closing of the session.* The expectation is that the session will close formally by 2 p.m. on Friday.

C. Status of Parties to the Agreement

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

D. Status of contributions to the Administrative Account

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

E. Filling of positions of Council officers/bodies

33. The IAG took note of the urgent vacancies for ITTC 60 (Vice-Chairperson of the Council, CFA Chairperson from consumers, and Vice-Chairperson of CEM/CFI from producers). Three nominations for the Credentials Committee were received from the consumers (one more was required), and four nominations were required from the producers, although the Secretariat noted that it would be possible to convene the Credentials Committee with three members each from consumers and producers. All vacancies on the Fellowship Panel were filled. Three nominations from the Producer caucus (one from each region) were pending for the Panel on Sub-account B and the Bali Partnership Fund. It usually

comprises Japan, the USA, Switzerland and one representative from each of the producer regions. If that panel is not convened, no nominations will be needed.

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

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

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

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

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

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

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

41. When the ED returned to the room, the Chairperson informed her that she would be invited to make a 5–10 minute presentation to the Council should she wish, under agenda item 12, to support her request for an extension. The ED indicated that she would be prepared to make such a presentation if Council so desires.

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

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

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

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

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

44. The ED noted that this decision was necessary to enable the Government of Japan to undertake the necessary procedures for submitted a request for the inclusion of an item in the United Nations General Assembly agenda to grant observer status to ITTO. This topic would be discussed in the Council session under agenda item 14.
45. The IAG recommended the following list of decisions to be considered for adoption by the Council at its Sixtieth Session:
- i. Projects, Pre-Projects and Activities [Decision 1(LX)]
 - ii. Matters Related to Article 14 of the ITTA, 2006, Regarding the Extension of the Term of Appointment of the Executive Director [Decision 2(LX)]
 - iii. Programmatic Approach and Programme Lines [Decision 3(LX)]
 - iv. Matters Pertaining to Article 44 of ITTA, 2006 [Decision 4(LX)]
 - v. United Nations General Assembly Observer Status [Decision 5(LX)].
46. Draft proposals for these decisions (except the first) are included in Annex A to this report.

G. Other matters

47. There were no other matters.

H. Adjournment

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

ANNEX A

Draft Decisions

Only text of draft Decisions is appended to this Report.



INTERNATIONAL TROPICAL TIMBER COUNCIL

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

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SIXTIETH SESSION
2 - 6 December 2024
Yokohama, Japan

Draft DECISION 2 (LX)

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

The International Tropical Timber Council,

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

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

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

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

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

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

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

Decides:

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

* * *



INTERNATIONAL TROPICAL TIMBER COUNCIL

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2 - 6 December 2024
Yokohama, Japan

Draft DECISION 3 (LX)

PROGRAMMATIC APPROACH AND PROGRAMME LINES

The International Tropical Timber Council,

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

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

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

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

Decides to:

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

* * *



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2 - 6 December 2024
Yokohama, Japan

Draft DECISION 4 (LX)

MATTERS PERTAINING TO ARTICLE 44 OF ITTA, 2006

The International Tropical Timber Council,

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

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

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

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

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

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

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

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

Decides to:

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

* * *



INTERNATIONAL TROPICAL TIMBER COUNCIL

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Yokohama, Japan

Draft DECISION 5 (LX)

UNITED NATIONS GENERAL ASSEMBLY OBSERVER STATUS

The International Tropical Timber Council,

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

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

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

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

Decides to:

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

* * *

ANNEX VI

REPORT OF THE JOINT SESSION OF THE COMMITTEES

DOCUMENT: ITTC-JC(LVIII)/2



**INTERNATIONAL TROPICAL
TIMBER COUNCIL**

JOINT SESSION OF THE COMMITTEES

Distr.
GENERAL

ITTC-JC(LVIII)/2
9 December 2024

ENGLISH ONLY

FIFTY-EIGHTH SESSION
2-6 December 2024
Yokohama, Japan

REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL

FIFTY-EIGHT SESSION OF THE JOINT SESSION OF THE COMMITTEES

Report on JOINT SESSION OF THE COMMITTEES – ITTC 60Th

Item 1 - Report of the Expert Panel for Technical Appraisal of Project Proposals

The Joint Session of All Committees considered the report of the Fifty-ninth Virtual Expert Panel for Technical Appraisal of Project Proposals. On the absence of the panel members, Mr. Gerhard Breulmann from the Secretariat presented the report, as contained in document ITTC/EP-59 (presentation available at <https://www.itto.int/ittc-60/presentations/>).

The Fifty-ninth Panel appraised five (5) proposals. The Panel noted that:

- Four (4) Project Proposals (80 percent of the total) were commended to the Committee for final appraisal with minor modifications required (category 1); and
- One (1) Project Proposal (20 percent of the total) will be sent back to proponent for essential revision, rated as category 2.

Mr. Breulmann noted the downward trend of the number of proposals submitted by ITTO members, from 30 proposals submitted in 2019 covering all three technical divisions of the ITTO Secretariat to 5 proposals under one technical division (Division of Reforestation and Forest Management). Due to the low number of proposals, the expert panel was convened virtually instead of in-person.

The US Delegation thanked the presenter for summarizing the work of the 59th Expert Panel for technical appraisal of proposals and encouraged the Expert Panel to meet virtually and on ad-hoc basis, as needed.

The Brazilian Delegation thanked the 59th Expert Panel and briefly presented to the Committee the objectives and expected outputs of the project proposal PD 938/24 Rev.1 (F), which has been approved as Category 1 by the 59th Expert Panel, emphasizing its strong community component.

The Indonesian Delegation also thanked the 59th Expert Panel and briefly presented to the Committee the objectives and expected outputs of the project proposal PD 940/24 Rev.1 (F), noting the project's focus on community involvement and customary rights as a high priority for implementing forest management in the project target area.

Item 1.a - New Projects and Pre-projects

[Document ITTC/EP-59]

The Committee noted the following projects and pre-projects were approved under the time-bound electronic no objection procedures and circulated to member countries pursuant to Decision 6(XLIII), as contained in Annex to Document ITTC/EP-59, following the recommendations of the Expert Panel at its 59th Meeting as follows:

Fifty-ninth Expert Panel

Category 1:

PD/PPD NUMBER	TITLE	SUBMITTING COUNTRY
PD 936/24 Rev.1 (F)	Protection and Restoration of Forest Lands for Water Catchment, Regulation and Recharge in the Upper Salinas River Watershed, Guatemala, as a Climate Change Adaptation Measure to Ensure Water Supply for the Guatemalan Population	Guatemala
PD 938/24 Rev.1 (F)	Sustainable Management of Production Forests Driven by Traditional Communities in the Brazilian Amazon	Brazil
PD 940/24 Rev.1 (F)	Strengthening Effective Forest Area Designation and Customary Rights in East Nusa Tenggara Province as a Precondition of Achieving Sustainable Forest Management	Indonesia
PD 941/24 Rev.1 (F)	Capacity Building for Private and Community Tree Farmers in Relation with the Sustainable Management of Forest Plantations in Southern Benin	Benin

The Committee recommended that the Category 1 proposals be recommended to the Council for funding by ITTO donors.

Item 2 - Ex-post Evaluation Reports

(A) CRF Ex-post Evaluation Reports [Document CRF(LVIII)/4]

The Joint Session of Committees took note of the report of the assessment of the forest fire thematic group ex-post evaluation on two following completed projects: PP-A/56-340-1 implemented in Indonesia and PPA/56-340-2 implemented in Peru. The ex-post evaluation was carried out in Indonesia by Professor Dr. Bambang Hero Saharjo and in Peru by Professor Dr. María Isabel Manta Nolasco, under the supervision of the international consultant Professor Dr. Johann Georg Goldammer.

The primary purpose was to conduct an in-depth evaluation of the implementation of both completed forest fire projects to determine the successful and unsuccessful outcomes, the reasons of successes and failures, while highlighting the contribution of both projects towards the achievement of sustainable forest management good practices in Indonesia and Peru.

The consultant Dr. Lucy Amissah made a presentation on the outcomes of the assessment of both ex-post evaluations at the Joint Session of the Committees. She highlighted that both completed projects contributed to the following major aspects: promotion of approaches for land preparation without using fire as a tool, the utilization of innovative technology for fire suppression and detection including the smart patrol information system on forest fire, and satellite monitoring for early warnings, and community involvement in the implementation of fire management strategies.

Following the presentation, the US Delegation thanked the presenter for sharing the results of the analysis and lessons learned which could be considered for revising and updating the ITTO guidelines on fire management in tropical forests and for future ITTO project proposals related to wildfire management. The USA proposed to include in the revised ITTO guidelines some references to professional qualification required for fire management personnel, the importance of considering local traditions, and the creation of standardized training techniques. The USA noted the inclusion in the ex-post evaluation report of national and regional Centers of excellence in forest fire management. Based on their experience with interagency fire coordination, the USA suggested that these specific regional centers should have clearly defined mandates and closely coordinate with emergency operations centers and have direct linkages to other forest fire national and local policy and protocols and efforts. Lastly, the USA encouraged ITTO to take into account developments of the Global Fire Management Hub in ITTO's future fire work.

Supporting the US comments, the Canadian Delegation also congratulated the presenter and emphasized the importance of the work that the ITTO is doing on guidelines in relation to the fire management in tropical forests. Canada encouraged ITTO to be in connection and seek synergies with the Global Fire Management Hub (GFMH) and the International Forest Model Network. They emphasized the importance of integrated fire management as well as early warning systems.

The Secretariat thanked Canada and the United States for their comments and informed the Committee that ITTO is an active member of the Global Wildland Advisory Group of the UN International Strategy for Disaster Reduction, as well as of the International Liaison Committee for the Wildfire Committee and Global Fire Management Hub. ITTO was also directed recently by the United Nations Forum on Forests to develop a collaborative initiative on fire on a broader scale than just tropical forests. Therefore, ITTO will be working very closely with FAO and other CPF members to develop that joint initiative in the coming year.

The Secretariat also informed the Committee that approaches piloted under the ITTO Indonesia project were submitted to the International Climate Competition of Green Eurasia 2024. It received first place in the category of sustainable land use, forestry and water management for the work that Indonesia is doing on zero burning practices and alternative developments for land preparation without fire. These innovations were presented at a side event at the UNFCCC COP29 held in Baku, Azerbaijan in November 2024.

Item 3 - CSAG Panel Discussion

The theme of the 2024 ITTO Civil Society Advisory (CSAG) Panel Discussion was: "Restoration Strategy: Challenges and Opportunities from Africa, Asia and Latin America". The discussion was chaired by Mr. Chen Hin Keong (CSAG Chairperson).

The speakers, and the titles of their presentations, were as follows:

Chen Hin Keong (TRAFFIC) and Amy Woolloff (TRAFFIC)	<i>Sustainable use strategies and experiences in restoration – some case studies</i>
Delphine Ahoussi (Association MALEBI),	<i>Support for rural women's projects for the Rehabilitation of Degraded Forest Landscapes: What is a realistic deadline for carbon finance?</i>
Danielle Ramiaranmanana (REFACOF Madagascar)	<i>Restoration strategies and experiences: challenges and lessons from Africa (Case of Cameroon)</i>
Lydia Atutonu (REFACOF Togo)	<i>ITTO activity: PP-A/56-341 Support for women's groups for the restoration of forest landscapes in the prefectures of Blitta and Lacs in Togo – Phase III</i>
Ximena Buitron Cisneros (Fairwild Foudation)	<i>Restoration strategies and experiences in South America: Productive and Conservation Landscapes</i>
Christine Wulandari (CSAG Indonesia)	<i>Gender roles in forest restoration for ecology and economic functions sustainability, an example from Indonesia</i>

The presentations were followed by a question-and-answer session with members of the Council. Following the event, Mr. Chen Hin Keong (CSAG Coordinator) presented the CSAG Statement (Appendix). Presentations made during the 2024 CSAG Side Event and the CSAG Statement are available at <http://www.itto.int/ittc-60/presentation>.

Summary of Presentations

Chen Hin Keong and Amy Woolloff, TRAFFIC

Sustainable use strategies and experiences in restoration – some case studies

Mr. Keong started his presentation with a question on why sustainable use is important in restoration. The nature restoration is about rethinking on how to live sustainably and in harmony with nature. Ensuring that restored habitats remain so in the long term that needs a rational approach to the dependence of humans on natural resources. While there will always need to be some areas that need a very high level of protection. In general, we cannot pursue a conservation model that separates humans from the natural world – we are part of the ecosystem too.

There is a huge reliance around the world on natural resources – the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services IPBES report on Sustainable Use of Wild Species found that one in five people rely on wild plants and similar ingredients for their food and income.

It's a huge global trade – the legal trade in CITES listed species alone has been estimated as having a value of 220 billion dollars, and that's not including trade that's currently illegal or not reported. Many of these products include timber and non-timber forest products, that can be sourced from landscapes undergoing restoration, or that have been restored. Just a small subset of non-timber forest products has been reported to have a value of close to 2million USD in 2022.

Engaging local communities living in and around landscapes undergoing restoration is very important.

Continued access, and integrating new opportunities for sustainable use and trade, can protect and enhance livelihoods and enable new connections to the landscape. TRAFFIC is currently partnering with Botanic Gardens Conservation International (BGCI), the Society for Ecosystem Restoration (SER) and others to develop the Global Biodiversity Standard, a new standard and certification system that aims to recognize and promote the protection, restoration, and enhancement of biodiversity within a range of different landscapes and land management interventions (tree planting, habitat restoration and agroforestry). TRAFFIC's role

includes contributing to the certification methodology development (focusing on how to assess sustainable use of the restored landscapes, and other topics such as community and stakeholder engagement) and developing guidance material for assessors and practitioners on sustainable use topics.

Delphine Ahoussi (Association Malebi)

Support for rural women's projects for the Rehabilitation of Degraded Forest Landscapes: What is a realistic deadline for carbon finance?

Ms. Ahoussi informed about REFACOF as an African Women's Network for Community Forest Management. Created in May 2009 during an international ITTO conference by 20 women from 20 different countries and currently has focal points in 25 countries. She also said that MALEBI is an Organization of women producers and traders of eco-responsible charcoal that implemented ITTO project in 2009. The Malebi has 60 members of women associations in Cote d'Ivoire and has trained over 50,000 people on how to produce charcoal. Malebi has just been awarded by the Government an Award of Excellent for their work during the last 15 years.

Malebi is targeting to work on carbon related issues and currently submitting an application to get access to manage 15,000 hectares of forest for renewable energy.

Danielle Ramiaranmanana (REFACOF Madagascar)

Restoration strategies and experiences: challenges and lessons from Africa (Case of Cameroon)

Ms. Ramiaranmanana presented the restoration strategies and experiences in challenges and lessons from Africa based on the case of Cameroon. She introduced some initiatives such as "Building Approaches to fund local Solutions with climate Evidence – BASE", "Women for Biodiversity – W4B" and "Gulbenkian Prize for Humanity – GPH".

Ms. Ramiaranmanana emphasized that these very promising community restoration initiatives are being carried out in several REFACOF member countries and beyond and they clearly illustrate the strong involvement of women and young people in the restoration of degraded landscapes in Africa. The strategies developed and the experiences acquired demonstrate the need to scale up these successful initiatives. REFACOF, in thanking the partners who have enabled the implementation of these initiatives, including the contribution to improving the vegetation cover of forest ecosystems, calls on ITTO to scale up these initiatives. This is how the impact on sustainable forest management, the return of biodiversity and socio-economic development will be measured.

Lydia Atutonu (REFACOF Togo)

ITTO activity: PP-A/56-341

Support for women's groups for the restoration of forest landscapes in the prefectures of Blitta and Lacs in Togo – Phase III

Ms. Atutonu introduced the implementation of ITTO Activity PP-A/56-341 "Support to women's groups for the restoration of forest landscapes in the prefectures of Blitta and Lacs in Togo – Phase III". She said the objective of this activity is to consolidate the achievements of the two previous phases implemented in Togo through the establishment of community forests contributing to restoring degraded forest landscapes and improving the livelihoods of communities, including women's groups.

Ms. Atutonu elaborated on the impact of the activity implementation. First, women have acquired skills in plant production and produce them for their own needs and generate monetary income. Second, food production enabled beneficiary households to meet their food needs and generate income. Third, beneficiary women have improved their livelihoods and diversified their sources of income, and have improved their visibility at the regional, prefectural and even national levels as a model for the contribution of women in plant production, restoration of degraded forest landscapes and diversification of sources of income.

She further thanked Saka Gakai of Japan for funding this activity and ITTO for the technical support and looked forward to further support to African women in their efforts to improve their means of subsistence and to restore forest ecosystems.

Ximena Buitron Cisneros, Fairwild Foundation

Restoration strategies and experiences in South America: Productive and Conservation Landscapes

Ms. Cisneros presented the restoration strategies and experiences in Latin America. She introduced how the local urban community is involved in restoration initiatives with native species, related challenges and lessons learned from Brazil and Ecuador in implementing restoration strategies initiatives, and benefits of restoration

in the various dimensions, environmental, social, economic, health and nutrition, as well as of improving income and livelihoods. She has been especially satisfied that women have actively participated in the implementation of this project, which has led to great empowerment for them in these productive landscapes.

Ms. Cisneros also shared with information and experiences of two specific projects implemented in Bolivia and Brazil, which were related to restoration after wildfires, and how restoration supported social biodiversity.

Christine Wulandari, CSAG Indonesia

Gender roles in forest restoration for ecology and economic functions sustainability, an example from Indonesia

The main difference between restoration and rehabilitation is that restoration aims to return the ecosystem to its original state, while rehabilitation focuses on making the ecosystem functional again.

It can involve: i) Planting, pruning, weeding, protecting from fire or grazing, controlled burns, removing or controlling species, etc.; and ii) It can be done by man, woman, old person/ community and children.

Ms. Wulandari informed that gender is a set of roles, behaviors, activities, and attributes that are considered appropriate for men and women (WHO). Scientific findings have shown that gender-based task differentiation affects forest management. Various studies suggest that women's participation is possible when there are less exclusive institutions, higher levels of family education and lower economic inequality between genders. Increasing women's participation in decision-making committees in various community forest institutions has shown improvements in forest governance and resource sustainability.

She said women's income from managing forests will decline as climate change affects the availability of natural resources. Conversely, if women are more active in managing forests, natural resource damage tends to be small so that management is more sustainable which encourages climate resilience in forest management. Women are faster in climate adaptation. Gender roles in Indonesia can vary depending on the activity. Domestic activities: Women tend to play a larger role in domestic and reproductive work. Sociopolitical activities: Women tend to participate less than men in sociopolitical activities, such as attending community meetings. Peatland activities: Men tend to be more knowledgeable about peatlands and dominate peatland agricultural activities. Dr. Christine further shared a few cases of women's role in Indonesia.

Discussion and interventions

1. Mr. Chen shared his thoughts that when we are talking about gender, rural community, local communities and restoration and or reforestation, we are not talking about large scales in hectares. We are talking about local communities and how women, men, children live and work closely together with natural resources, with forest resources.
2. In Costa Rica the roles of women have been identified to contribute to achieve the goals of restoration. In rural communities, the work of women is oftentimes not visible and the land ownership of the productive forest is only 15% and therefore having less access to financing schemes. There is a need to level the playing field as the knowledge that women have on natural resources is unequal to men. The Government of Peru provides prizes for the women's participation for the sake of healthy planet. At the International Day of Rural Women, October 2024, the prizes were given to 12 women who are exemplary in advancing women empowerment and leadership in environmental management.
3. Delegate from the Republic of Korea highlighted the women initiatives in Africa to replace the use of conventional firewood into more clean and efficient biomass energy.
4. For Cote d'Ivoire, the rehabilitation project really has an impact, a positive impact on forests. Malebi produced charcoal for cooking in rural areas by cutting down trees in the forest. With the project financed by ITTO, we've had a project for a hundred hectares of acacia. Five years after planting, we can have regeneration of these species. We don't touch trees in the forest anymore, including in mangrove areas.
5. Issues on gender, young generation and social inclusion mainstreaming in forest management, both in the upstream and downstream sectors need to be promoted. In the case of Indonesia, the role of NTFP is also very crucial not only for the community, but also for the government revenues.
6. It is interested to know whether there is any written policy specifically involving women participation in forest landscape restoration. And this one is in respect of Indonesia specifically and how you ensure the success of the participation when it involves the local communities. In Indonesia there is a requirement to have 30% of women involvement in the activities related to SFM.
7. ITTO's Forest Landscape Restoration guidelines should be promoted to the members to support efforts to make the landscape more resilient for Sustainable Forest Management and sustainable land management practices. In many forest-dependent communities, women are often responsible for

managing scarce resources such as water, food and fuel, positioning them as key stakeholders in land and forest restoration initiatives. They also have indigenous knowledge of local farming methods, plants and ecosystems, and sustainable land management and restoration practices.

8. Community forestry and the role of women should be strongly encouraged and supported. Global standards such as the Global Biodiversity Standard, FAIRWILD standard and tools and systems can form a good basis to support forest restoration, coupled with good, in-depth understanding of the issues, challenges and learning and practices shared by CSAG members through their projects that brings local, regional and national understanding, analysis and solutions-based approaches.
9. Given the escalating global climate crisis and the central role of forests in mitigating and adapting to climate change, CSAG looks forward to working closely with ITTO to achieve its overarching objectives, in particular the various efforts to promote the sustainable management of tropical timber-producing forests and make visible the role of women in those efforts.

CSAG statement

Mr. Chen Hin Keong (CSAG Co-coordinator) read out a prepared statement to participants attending the CSAG Side Event.

Globally, forest loss and degradation continue to degrade the quality of ecosystems worldwide. We believe that solving the problem requires more than just planting trees, and ITTO and its partners have increasingly recognised that a landscape approach is essential. However, while Forest Landscape Restoration (FLR), as presented by ITTO and its partners, is an effort to increase the resilience of landscapes and the communities they support, it should not only be about restoring pristine forests but also about making landscapes more resilient for Sustainable Forest Management (SFM) and Sustainable Land Management practices that provide a pathway to resilience, biodiversity conservation and climate change mitigation, including supporting forest-dependent communities, especially women, in their efforts to increase and sustain the benefits they derive from land and forest management.

In many forest-dependent communities, women are often responsible for managing scarce resources such as water, food and fuel, positioning them as key stakeholders in land and forest restoration initiatives. They also have indigenous knowledge of local farming methods, plants and ecosystems, and sustainable land management and restoration practices. We have no doubt, therefore, that, if empowered, women's agricultural experience can inform effective strategies for rehabilitating and restoring degraded land by identifying Indigenous timber and non-timber forest species and selecting crops that will improve soil health and build resilience and sustainability for future generations within the community. Hence, members need to ensure that forest restoration should not only focus on reforestation but to consider the wide range of focus, perspectives and needs of people, biodiversity and also economic development.

CSAG is very pleased that ITTO agreed to the CSAG panel discussion on 'Restoration strategies and experiences: Challenges and lessons from Africa, Asia and South America', not only to further highlight the importance of community-led restoration but also to focus on financial inclusion, women's empowerment and policies that enable an environment where livelihoods and landscape restoration are all taken care of.

CSAG/TRAFFIC, through our collaboration with partners, has been working on various tools and systems that contribute towards integrating sustainable use and trade into landscape restoration. TRAFFIC is currently partnering with Botanic Gardens Conservation International (BGCI), the Society for Ecological Restoration (SER) and others to develop the Global Biodiversity Standard, a new standard and certification system that aims to recognize and promote the protection, restoration, and enhancement of biodiversity within a range of different landscapes and land management interventions (tree planting, habitat restoration and agroforestry). In partnership with FairWild and the IUCN Sustainable Use and Livelihoods Specialist Group (SULi), TRAFFIC is developing guidance for restoration practitioners wishing to integrate sustainable use into their landscapes as part of a project funded by the Endangered Landscapes and Seascapes Programme, and TRAFFIC developed guidance to support sustainable use of CITES-listed rosewood tree species which includes criteria relevant to restoration.

CSAG notes the considerable knowledge and experience among forest-dependent communities, including women, on how to restore degraded forest landscapes. For example, CSAG members have already implemented highly successful restoration projects in several tropical countries. The African Women's Network for Community Management of Forests (REFACOF), is very active in ecosystem restoration in several regions:

1. In Cameroon, REFACOF works in three (3) mangrove areas: the Douala estuary, the Rio del Rey and the Rio Ntem. REFACOF's interventions have resulted in the restoration of 600 hectares of degraded

mangrove and terrestrial forest areas. More than 3,000 local workers were involved in this restoration project, with women making up about 80% of the workforce;

2. In Togo and Benin, ITTO women-led agroforestry projects restored about 100 hectares of degraded landscapes in the Lakes and Blitta regions of Togo. These initiatives involved over 150 women and introduced agroforestry systems to improve food security and increase incomes through agroforestry and landscape restoration practices;
3. In Côte d'Ivoire, the MALEBI association organized women and young people to reforest more than 500 hectares with food crops (taungya) in three classified forests, as part of the Forest Investment Project (PIF) financed by the World Bank. This initiative involved more than 60 associations and 2000 people, 90% of whom were women and 10% young people; and

With the revision of the FairWild Standard to version 3.0, FairWild now covers a wider range of land-use/collection scenarios, including restoration and rewilding projects. The FairWild standard and certification system is therefore a valuable framework for certifying the sustainable use of restored landscapes.

At the same time, forest restoration programs in Indonesia show the role of gender in supporting target achievement. The research collaboration on the impact of the restoration program in Lampung Province, conducted by the Forum Komunikasi Kehutanan Masyarakat (FKKM) and the University of Lampung (Unila), shows that there is an increase in gender roles in farmer institutions and forest management, and can show that additional income from this program can reach 10-15%. Gender also plays a role in increasing land cover by about 5% per year.

We encourage ITTO to rampant up support of more gender-focused projects.

Given the escalating global climate crisis and the central role of forests in mitigating and adapting to climate change, CSAG looks forward to working closely with ITTO to achieve its overarching objectives, in particular the various efforts to promote the sustainable management of tropical timber-producing forests and make visible the role of women in those efforts.

Recommendations

Moving forward, we therefore recommend that:

1. ITTO should consider actively engaging our member organizations and communities in the various conversations and opportunities that contribute to sustainable development and climate goals, for example, in working with the Global Green Fund (GCF)¹ on forest landscape restoration and resilient livelihoods to help scale up the area and governance of forest landscape restoration and increase the provision of goods and services from planted and restored forests in ITTO member countries;
2. To recognize and promote the role of women in both forestry and land restoration, and to improve outcomes for women and the environment, there is a need for gender-sensitive policies and laws that are informed by women's experiences;
3. Support is needed from the ITTO, its member countries and investors to address the barriers women face to effective and efficient participation in the forest sector, such as cultural barriers, limited access to resources, land tenure, benefit sharing, rights, and decision-making power; and
4. Given the momentum already created by the various ITTO projects, we urge the ED, Council and Secretariat to further accelerate support for community-led implementation of the ITTO's published guidelines on Forest Landscape Restoration (FLR), in particular two (2) of the principles and guiding elements (i.e. Principles 2 & 5) formulated by the ITTO to support stakeholders involved in FLR implementation and outcomes. This recommendation is further supported by lessons² already learned by ITTO from case studies in restoration that: a.) To ensure the effective participation of local stakeholders and guarantee fair benefits, communities need to have strong rights and secured tenure based on customary practices; b.) Stakeholder engagement, especially among local communities,

¹ <https://www.greenclimate.fund/ae/itto>

² ITTO 2020. Guidelines for forest landscape restoration in the tropics. ITTO Policy Development Series No. 24. International Tropical Timber Organization (ITTO), Yokohama, Japan, p.135

plays a big role in the success of FLR; and c.) Strong awareness among local people and communities of the direct and indirect economic and social benefits of FLR is essential for obtaining their commitment and support.

We encourage the Council to also take into account our previous statements.

We look forward to working with ITTO on all these issues.

Thank you.

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Theme for 2025 CSAG Side Event

The CSAG decided to defer its decision on the theme for the 2025 CSAG Side Event. A theme will be conveyed to the ITTO Secretariat in advance of the next ITTC.

Item 4 - Annual Market Discussion 2024

The theme of the 2024 Annual Market Discussion organized by the ITTO Trade Advisory Group (TAG) was: "Production and Trade - Rising Costs and Weakening Demand". The Market Discussion was chaired by Mr. Barney Chan (TAG Coordinator).

The speakers, and the titles of their presentations, were as follows:

Dr. Ivan Tomaselli

Past and Future of Tropical Timber

Brazilian Mechanically Processed Wood Industry Association (ABIMCI)

Mr. Jean Marie Ntoutoume

Production et Commerce du Bois – Cas du Gabon

Union des Forestiers et Industriels du Bois du Gabon

Mr. Alfonso Hernández Ángel

Mexico Tropical Timber Overview

National Association of Importers and Exporters of
Forest Products, Mexico

Mr. Ngo Sy Hoai

*Vietnam Forestry and Wood Industry amid Global
Economic and Trade Uncertainties*

Vietnam Timber & Forest Product Association

Mr. Braden Jenkin
Sylva Systems Pty Ltd (Australia)

*Using natural forest and plantation grown trees;
different but complementary*

Dr. Luo Xinjian

*Global Green Supply Chain & GLSTF –
An Introduction*

Global Green Supply Chains Initiative (GGSC)

The presentations were followed by a question-and-answer session with members of the Council. Following the event, Mr. Barney Chan (TAG Coordinator) presented the TAG Statement (Appendix B). Presentations made during the 2024 ITTO Annual Market Discussion and the TAG Statement are available at <http://www.itto.int/ittc-60/presentations>.

Summary of Presentations

Dr. Ivan Tomaselli, Brazilian Mechanically Processed Wood Industry Association (ABIMCI)

Past and Future of Tropical Timber

In the early part of the presentation Ivan Tomaselli crisscrossed the tropical world revealing production and trade trends over the past decade. He observed that tropical timber harvested for export, now and in the past, has always been a fraction of the total forest harvest. Most wood harvested is consumed in-country

He presented data to show there has been a steady decline in raw material exports from the largest producers such as Brazil, Indonesia and Malaysia whereas primary product exports from West and Central African countries remains only slightly down. The situation in PNG is different, over the past decade there has been an upward trend in raw material exports. In some countries where there has been a decline in raw material exports there has been a welcome rise in trade in finished products.

In the second part of the presentation Ivan Tomaselli asks, has ITTO fulfilled its two overarching objectives? which he paraphrases as “to promote sustainable management and legal harvesting of forests that produce tropical timber and to promote expansion and diversification of international trade in tropical wood products”.

He challenges, have we failed? No, saying ITTO has made great progress in fostering sustainable management of tropical forests and has firmly established sustainability as an integral feature in the actions of the tropical timber industry and trade. He also challenges, are we failing? Saying Yes - and identifies the immediate challenges.

Tropical timber is being replaced by other woods and products, market share has been eroded as costs soar undermining competitiveness. High forest management standards, certification, market impediments, social and environmental demands, reporting requirements, logistics and disruptive policies are driving up costs and driving down confidence in investment and modernization.

Looking at options for the future Ivan Tomaselli believes “consumers (buyers of tropical timber) in our traditional markets are not receiving information about the progress tropical timber producers have made and are continuing to make”

Mr. Jean Marie Ntoutoume, Union des Forestiers et Industriels du Bois du Gabon
Production et Commerce du Bois – Cas du Gabon

Before the discovery of petroleum in the mid-20th century, forestry was the leading foreign exchange earner in the country. Today, even with the emergence of the oil industry, forestry remains a major foreign exchange earner and accounts for around 17,000 direct and indirect jobs in the private sector. Since 2021, each year log production has far exceeded its level reached 3 years before the ban on the export of logs.

Today, the log production is completely processed locally. Gabon produces mainly sawnwood, veneer and plywood. Now, our industry needs to improve the competitiveness of its products. This requires working mainly on the supply chain and energy to lower production costs and reduce the response time to an order. We also need to develop new products to reach new markets.

Challenges remain in the forestry and wood processing sectors and these include the need for accurate monitoring of production and trade, the impact of logistic issues on trade, how to achieve sustainable development goals, addressing climate change, protecting biodiversity, seizing opportunities in carbon markets and achieving widespread certification.

Mr. Alfonso Hernández Ángel, National Association of Importers and Exporters of Forest Products, Mexico
Mexico Tropical Timber Overview

Roundwood production in the latest year for which full data is available amounted to 8.8 million cubic metres and on average, during the period 2013-23, the value of timber and non-timber forest products was just over 71 billion pesos (US\$3.9 billion dollars) however, Mr. Hernandez stated production levels remain well below the potential for processing and commercialization. He added, in 2023 the forestry sector generated 266,336 jobs.

Forests are important for the people of Mexico, he said, with almost 12 million people living in or dependent on forest ecosystems. The forests of Mexico extend over some 138 million ha. and there are almost 17 million ha. of communal land used for agriculture in which community members have usufruct rights (Ejidos). The geographical location and climatic conditions support a wide range of ecosystems, home to an extensive biodiversity.

Mr. Hernandez enumerated some of the challenges in the forestry sector, the main being deforestation. He said the permanent loss of forest cover is a serious problem and identified clearing for livestock grazing, agricultural crop production and infrastructure and real estate developments as the main causes.

Additional issues for the traditional timber sector include competition from wood substitutes such as plastic and aluminum and from composite wood products. In his opinion, Mr. Hernandez emphasized the sector has great potential but investment in forest plantations is handicapped by the land ownership system (Ejidos) which does not provide legal certainty and this limits sourcing investment funds. As a result few Ejidos are interested in long-term investment. To conclude Mr. Hernandez provided his suggestions on desirable policy directions that would enable the forestry and wood processing sectors to contribute more to the national economy.

Mr. Ngo Sy Hoai, Vietnam Timber & Forest Product Association
Vietnam Forestry and Wood Industry amid Global Economic and Trade Uncertainties

In his presentation Ngo Sy Hoai provided a wealth of data illustrating the success of both the forestry sector and the wood processing industries which is the result of supportive government interventions on land reform, a good understanding of international market demand, effective R&D and tree seed selection, innovative forest management models and government policy on industrial privatization.

He explained the supply of domestically produced wood is increasing due to the expansion of plantations and the application of science and technology to improve planting materials and forest management. Harvests from commercial plantations increased 4.3 times, from 5.2 million m³ in 2011 to 22.4 million m³ in 2023.

In Vietnam Acacia is king, providing 80% of raw material for domestic processing. Remarkably, 70-80% of the acacia logs are supplied by small households who achieve harvests of 20 - 30 m³/ha/year. This raw material is used for the manufacture of indoor and outdoor furniture (70%), wood-based panels (7%), woodchip (17%) and wood pellet (5%).

It has been realized that the cutting cycle of acacia plantations is too short (4-6 years) as the logs have a high proportion of juvenile wood and the small diameter limits processing options. For long term sustainability of Vietnam's processing industries, there is the need to produce larger diameter and higher quality logs and to upgrade the efficiency of wood industries.

There are many challenges ahead said Hoai and these can be summed up as Volatility, Uncertainty, Complexity and Ambiguity (VUCA). He added there are too many varying regulations which push up

production costs and disruption of trade due to geopolitical conflicts, tariffs and volatile freight and logistics costs lead to high transaction costs. Also, competition is tough and market demand has weakened. He concludes by asserting industries in Vietnam cannot remain competitive relying on low-cost inputs (labour and raw material) hence there is the need to advance with the help of ITTO through leveraging markets and advocating for fair trade and development of the sustainable wood industry.

Mr. Braden Jenkin, Sylva Systems Pty Ltd (Australia)

Using Natural Forest and Plantation Grown Trees; Different but Complementary

This presentation addresses utilising timber sourced from plantation grown trees. It explores wood properties and differences in wood properties between a species in plantations and the same species from the natural forests.

This narrative is set against the background where “global industrial roundwood production is projected to grow by 45% by 2050, to 2.8 billion cubic metres, but tropical production is projected to increase by only 24%, to 533 million cubic metres.

The properties of a species grown in plantations are different from those of the same species harvested in the natural forest and examples of density differences are presented for a range of native PNG hardwoods. Mr. Braden Jenkin points out that “the wood is not bad it is just different”.

This difference, he pointed out, requires a mind-reset so product and market development are based on knowledge of the characteristics of the ‘new’ raw material without reference to what is the norm for the same timber from the natural forest. He added “while plantation wood differs from natural forest trees of a same species it is generally more uniform between trees which is an advantage when processing.

In conclusion, Mr. Braden Jenkin said “plantations offer an opportunity to produce new products in their own right and in combination with natural forest sourced wood.

Dr. Luo Xinjian, Global Green Supply Chains Initiative (GGSC)

Global Green Supply Chain & GLSTF – An Introduction

Dr. Luo provided an overview of the Global Green Supply Chain (GGSC) initiative, an international platform dedicated to advancing timber industry sustainability. She pointed out the mission of the GGSC is to “Work together with multiple parties to create a global ecosystem that translates corporate social and environmental responsibility into a competitive advantage”.

The GGSC was launched in 2018 by 12 leading Chinese enterprises in forest products industry, and became an international initiative in 2019 during the International Forum hosted by ITTO and other organizations on “Together Towards Global Green Supply Chains –A Forest Products Industry Initiative” held in Shanghai with more than 370 participants from 36 countries.

The GGSC initiative is part of the Legal and Sustainable Supply Chains (LSSC) Programme of activities, which was approved at the 53rd session of the ITTC for being included into the Biennial Work Programme (BWP) of ITTO. Since then, GGSC has been acting as a global platform for serving the sustainable development of the forest products industry.

Dr, Luo then introduced the Global Legal & Sustainable Timber Forum 2024 held on 11-12 September 2024 in Macao SAR, China, which was co-hosted by ITTO and IPIM and organized by GGSC. She specified the achievements released of the Forum such as the Action Framework for Promoting Legal & Sustainable Timber Supply Chains, the Full Operation of Global Timber Index (GTI) Platform(10 pilot countries), the Completed Simulation of a Block-chain-based Timber Traceability System, Action on Integration of Green Finance and Green Supply Chains (GF&GSC), Collaboration on Central Africa-China Timber Industrial Clusters and Parks and the successes achieved in business to business matching.

Discussion and interventions

The delegate from Togo raised two questions on balsawood which was mentioned by the speaker Braden Jenkins, specifically asking what is the rotation cycle, how long does it take until the trees are ready for harvesting and what is the density of this species?

In response Mr. Jenkins informed that balsa is quite a remarkable crop. Originally from Ecuador it has been grown in Papua New Guinea since German colonial times. In the post second war era balsa has been grown on short rotations in PNG. He added that after four to five years the harvest volume would be around 200 to 300 cubic metres per hectares. Six-year-old trees can reach a height of 35 to 38 metres with a diameter of 50 centimeters.

It's quite a remarkable crop said Mr. Jenkins. However, if balsa is left for longer than five to six years it develops a red heart, a stain in the wood that is not accepted in the market. Most balsa wood goes into industrial uses especially wind turbine blades. It is also used by the military in a range of vehicles.

Balsa requires deep, well drained fertile soils. It also needs uniform rainfall throughout the year, conditions that exist in Papua New Guinea. On the question of density Mr. Jenkins said the oven dry weight of balsa is between 110-150kg per cubic meter.

The delegate from Malaysia asked, can the GTI and GGSC help participating members meet the requirements of the EUDR?

Dr. Luo explained there are ten pilot countries working with the GTI team. A focal point in each country compiles a questionnaire every month based on the response of participating timber companies on the trends in the sector.

She explained the GTI is an information platform and it is planned to arrange meetings between focal point to discuss the challenges members are facing and it is also planned that GTI focal points will visit associations such as the European Timber Trade Federation to better understand and address importer requirements. Also, there will be efforts to expand B2B matching in order for participating companies to better meet the requirements of the EUDR. Finally, EU timber associations will be invited to provide training to the GTI focal point enterprises.

An Observer from the Malaysian Wood Industries Association (MWIA) commented that many speakers mentioned forest plantations in producer member countries but did not address the challenges to trade in wood products from plantation raw material created by so-called 'gate-keepers', specifically mentioning the various cut-off dates set as a reference point in determining whether commodities taken from any part of a given plot of land are linked to deforestation or forest degradation.

The Observer said Malaysia plans to expand plantations and asked what is the future market for plantation wood, are we planting for the sake of planting?

Dr. Tomaselli, in response, said if you know your plantations are sustainable and provided they are not established on land cleared of natural forest but are established on degraded forest areas I do not see a problem.

Mr. Jenkin commented that maybe the challenge is that plantations for wood production are being captured by the EUDR that is intended primarily for something else.

Contributing to the discussion, the speaker from Vietnam said there are three main commodities from Vietnam that fall under the EUDR. The EU imports around 45% of coffee produced in Vietnam, it imports a large amount of pepper and it imports huge quantities of wood products. He said with wood products Vietnam does not see much difficulty. After almost one year of preparing he said Vietnam is confident it can meet EUDR requirements in terms of due diligence and geo-location.

He added, his Association has been guiding different groups of stakeholders and they are quite confident. Many European buyers visit Vietnam and they are confident to sign contract. That the EU has postponed EUDR implementation gives Vietnam enough time to be prepared he said.

The delegate from the USA said the update on the GTI and the GGSC meetings and activities was appreciated and asked for some background on the relationship between ITTO and the GGSC and what are the next steps.

In response, the ITTO Executive Director said the work with the GGSC initiative began in 2018 and was spearheaded by the previous Executive Director. The intention, at that time, (between 2017 and 2018) was to identify the strengths of ITTO and what could be done to enhance the trade portfolio of the Organization.

While there were many projects on forest management aspects and biodiversity some members called for a focus on assisting members to establish legal and sustainable supply chains in view of the EU timber regulation.

During that time exports from Africa to the EU began to decline as they were being diverted to China where there was a huge demand for production of manufactured items for export and to meet growing domestic consumption.

The intention for the ITTO's trade portfolio at that time was to try and strengthen the legal and sustainable supply chain from Africa to China with the hope that this would lead to a recovery of consumption of tropical wood products in the EU and the US.

Through the collaboration with the GGSC initiative under the Chinese Academy forests, with which ITTO has a very close relationship with spanning decades, it was hoped that the Chinese government would become even more interested in supporting the work of the ITTO to try and complete circularity of the supply chains. The first event of significance was the international conference that ITTO organized in Shanghai in 2019. Through the ITTO trade network an international group of stakeholders from Europe, Latin America, Africa and Asia convened in Shanghai.

Then came Covid-19 so there was no opportunity for the follow up conference scheduled for either 2021 or 2022 for which funding was requested. During that time the Administration in the Macau SAR made it known they had a policy to diversify its economy. This resulted in ITTO being offered sufficient funding to hold a second international conference to follow through on what was discussed and the commitments that were made in 2019.

Initially Macau SAR requested a focus only on Portuguese speaking ITTO member countries but later agreed, since there were few such ITTO members, it should be open to all ITTO members. This is how the GGSC and the ITTO, together with our partners from the Chinese government, worked out a plan on how we carry the initiative forward.

This is the background to how the first global legal and sustainable timber forum was held in Macau in 2023 as a follow through from ITTO's work in 2019 and this year (2024) the second edition was arranged. The event was well attended with private and public sector delegations from many ITTO member countries.

Turning to the question from the delegate from Malaysia on how the GTI would help members meet the requirements of the EUDR, the Executive Director pointed out that is not the intention of the GTI and that Dr. Luo, in her presentation, correctly explained it is more an information exchange platform in order to update parties who are not yet part of the GLSTF to be able to go to the website and see what information is available on efforts within those countries, what they are doing in terms of putting in place either chain of custody or legality assurance systems, what level of credibility claims they can make and how much stronger they can become with the information through the sub Forums.

As a final point, the Executive Director reported the Administration in Macau SAR has offered to fund and host the 2025 edition and ITTO will continue supporting this initiative and we encourage members of ITTO to participate so that we can try and bring the synergies even closer towards establishing legal and sustainable supply chains and increasing the value chains for forest products in the main consumer markets.

What we had planned in trying to strengthen supply chains from Africa to China has not yet been achieved as we have not had sufficient support from the Central African Forest Initiative. My hope is that this explanation puts everyone at ease that this is a transparent attempt at trying to encourage legal and sustainable supply chains concluded the Executive Director.

A delegate from the EU asked for information on the exact support that ITTO is giving to the GGSC initiative? In response the ITTO Executive Director reported that for the last two years the Macau SAR Administration has provided around US\$1.4 million as a voluntary contribution to support the work that is being conducted under the Global Timber Index and also the blockchain study. ITTO supports the GGSC Secretariat as one of the project implementing agencies for both initiatives and has close contact with the main associations in China as stakeholders in the project we discuss what are the main items that should be brought forth in the forum to be shared with the ITTO membership. The Secretariat also advises on the topics to be discussed in collaboration with GGSC and the organising committee. We also offer suggestions on the speakers who can be invited so that we secure balanced representation and balanced views from producers and consumer

member countries this ensures the outcomes of the GLSTF is aligned with ITTO's work plan, mandate, strategic action plan and in line with the Organization rules and regulations.

Trade statement

Ms. Ashley Amidon (TAG) read out a prepared statement to participants attending the Market Discussion.

Chairman
Ladies and Gentlemen

The TAG welcomes the proposal from the European Commission to delay the EUDR application date by 12 months to 30 December 2025 which will allow more preparation time for the timber industry to comply. However, the industry is concerned over the uncertainty of the delay as well as new 11th hour amendments, which are problematic for multiple reasons.

While we acknowledge that ITTO is not able to impact either the delay or the regulation, we would be remiss if we did not highlight this issue, given the seismic impacts the EUDR has and will have on the global forestry policy and trade. We urge the Commission to work with both Consumers and Producers to ensure a smooth implementation of the EUDR.

The tropical timber markets are very unsteady at present and there are a lot of unknowns ahead. The World Bank's latest Global Economic Prospects report highlighted the struggles and slow recovery of global trade in 2023 marking one of the weakest performances in 50 years outside of global recessions.

Today, wood product manufacturers everywhere are reeling from skyrocketing shipping costs and irregular shipping schedules due to, firstly, the drought in Panama severely curtailing ship passages through the Canal; and secondly, the ongoing conflicts in the Red Sea region. The complaints about the logistics in exporting timber products are loudest from Vietnam, China, Indonesia, Brazil, and Malaysia.

Exporters in many producer countries are not happy that shipping companies are using the continuing fallout from the Covid pandemic and geo-political conflicts as reasons to increase marine freight and other logistics costs. Prior to these recent increases, freight charges from Southeast Asia to the US or EU were around US\$ 2,000 per 40 foot container. In the post-Covid pandemic, freight charges soared between US\$ 18,000 - 20,000, and now, because of the war in Ukraine and the Red Sea chaos, freight charges are varying between US\$ 8,000 - 10,000 to the US and EU markets. Ultimately, these costs will not only depress trade but be passed along to the consumer, at a time when price consciousness is an increasing barrier to the use of wood.

So, in the midst of all these global uncertainties, what can ITTO do to help the timber industry?

The Global Legal and Sustainable Timber Forum (GLSTF) was created in 2023 by ITTO and Macao's Commerce and Investment Promotion Institute, and the inaugural Forum was convened in 2023. In September 2024, the GLSTF launched the Action Framework for Promoting Legal and Sustainable Timber Supply Chains to strengthen international collaboration among stakeholders in timber supply chains, promote the sustainable development of the timber industry, contribute to the Sustainable Development Goals, and combat climate change.

In her opening address at GLSTF 2024, ITTO Executive Director Sheam Satkuru asserted that the GLSTF is a collaborative platform of timber industry stakeholders designed to strengthen networking and business exchanges among timber industry stakeholders to facilitate sustainable forest management and the legal and sustainable use and trade of timber and wood products.

During that GLSTF meeting in Macau and subsequent discussions among TAG members globally it was established that the buyers of tropical timber in our traditional markets are not receiving information about the progress tropical timber producers have made and are continuing to make towards SFM. There is a need for a mechanism to communicate, educate, promote, market, and publicize the tremendous progress tropical timber producers have made and are continuing to make since the Rio Earth Summit in 1992 on traceability, legality, and sustainability.

It seems a natural fit now for ITTO and GLSTF to work together on addressing the negative perceptions in the market. Firstly, a Working Group of stakeholders could be formed to define what and how to communicate to the buyers of our products. The information of what the producers have been doing towards SFM could be

collated to be used in a campaign to address consumer negative perceptions.

TAG proposes that resources and finances could be set aside to employ a dedicated person to handle this important task. There is a desperate need for a person, working without distractions, to undertake the task with help from all ITTO Members.

This 100% focus on rebuilding demand for tropical timber trade is what TAG seeks from ITTC today. Together, we can create a narrative that demonstrates what we all know – that wood is sustainable, that trade benefits forests, and that together, we can protect tropical forests for the future.

Thank you.

Theme for 2025 Annual market discussion

The Trade Advisory Group (TAG) decided to defer its decision on the theme for the 2025 Annual Market Discussion. A theme will be conveyed to the ITTO Secretariat in advance of the next ITTC.

Item 5 - Policy Work under the Committee on Economics, Statistics and Markets

(i) Market Access

The Joint Session of All Committees considered this item. The Secretariat reported on developments relating to market access for tropical timber in 2023-2024, including on four major legislative instruments: the EU Deforestation Regulation, the U.S. Lacey Act Amendments, the Illegal Logging Prohibition Act of Australia and the Clean Wood Act of Japan, which are regulating timber entering into these markets. In addition, the update also covered legislative developments in other important timber markets, namely: the Korean Revised Sustainable Use of Timber Act, Vietnam Timber Legality Assurance System (VNTLAS) and Chinese Forest Law Amendment, as well as the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

The delegate of Cote d'Ivoire informed the Committees that Cote d'Ivoire has signed the Voluntary Partnership Agreement (VPA) in February 2024, which has been ratified by its Parliament in September 2024. Cote d'Ivoire is trying to finalize its national system for traceability and legality as the EUDR recognizes timber which is already in accordance with EU-VPA legality requirements.

The delegate of New Zealand updated that its government has been progressing work to strengthen the integrity of the forestry and wood processing supply chain through developing a legal harvest assurance system, which will help reduce illegal logging, facilitate exporters to sell timber overseas, reduce the risk of timber being illegally harvested, and ensure that timber products imported into New Zealand come from legally harvested forests. From 29 November 2024 to 28 February 2025 New Zealand has been seeking feedback on regulatory proposals to help provide clarity on obligations such as information, record keeping and reporting requirements.

The delegate of Malaysia informed the Committees of its efforts in fostering international cooperation. Malaysia has actively participated in two Phases of ITTO activity of establishment and operation of the Global Timber Index platform as part of the ITTO Legal and Sustainable Supply Chain (LSSC) Program, which will strengthen the competitiveness of Malaysian timber industry globally and open new market for tropical wood products in countries that prioritize sustainability and legality standards.

The delegate of Papua New Guinea appreciated an ITTO supported project promoting the forest law enforcement and governance in 2010-2011 which enable PNG in many years to come up with a timber legality standard. Based on project implementation, the standard has been approved by the government and it is being piloted in a number of timber concession areas and auditing was done by international certification bodies.

The delegate of Indonesia said they have made information on deforestation publicly accessible through a dedicated map available online called Simontana, A national forest monitoring system that utilize remote sensing and terrestrial data to provide accurate, transparent, integrated and up-to-date forest information and changes.

The delegate of Panama commented on EUDR that there should be an exchange so that EU can clarify to the producing countries how this new regulation is going to be applied and what will be the processes, so that the

producing countries can respond to the new regulation with their own legal frameworks, systems, and processes.

The Secretariat further added that Ghana has set 30 June 2025 as the date to deliver the first consignment of FLEGT licensed timber. It was confirmed during the EU-Ghana Joint Monitoring and Review Mechanism held on 7 November 2024. This will be the first in Africa and second in world for FLEGT licensed timber.

(ii) Forest and Timber Certification

The Secretariat reported on recent developments in forest certification in ITTO producer member countries. As of mid-2024, the total area of certified forests (FSC + PEFC) in ITTO producer member countries was 42.8 million hectares, representing 9.4% of the world total. The number of chain of custody (CoC) certificates in ITTO producer countries were 7,674 certificates, which is more than 10% of the world total. The FSC certified forest areas in ITTO producer countries reached 24.2 million hectares which was 15% of global FSC certification, while the PEFC certified area reached 18.6 million hectares, accounting for about 6.3% of the world total of PEFC. About 10 national certification schemes were endorsed by PEFC as of 2024 namely: CERFLOR of Brazil, MTCC of Malaysia, IFCC of Indonesia, PAFC of Gabon and NCCF of India, VFCO of Vietnam, PAFC of Cameroon, PAFC of Republic of Congo, F.T.I. of Thailand and GFC of Guyana.

The delegate of Malaysia provided an update that, as of October 2024, a total of 6.4 million ha of natural forests and 148,000 hectares of forest plantation has been certified under the Malaysia Timber Certification Scheme (MTCS). Additionally, 369 companies currently hold chain of custody certification under the MTCS reflecting the Malaysian steadfast dedication to sustainable forest management and responsible timber practices.

The delegate of Papua New Guinea stated that, they are developing timber legality verification standard through a project funded by the EU on Timber Legitimate Verification System that will strengthen forest certification in Papua New Guinea. For Papua New Guinea, a number of timber companies have already been certified.

The delegate of Panama informed that they have 65% territory covered by forests and also have plantations for commercial purposes. Around 40,000 hectares forest area have achieved FSC certification in Panama. However, as a producing country, even though there's a traceability system funded by different phases by ITTO projects, Panama still needs to extend the traceability system to cover the entire country.

The delegate of India briefly updated that they have come up with the forest and wood certification scheme in December 2023, which covers the natural forest and the trees outside the forest areas grown by the farmers.

The delegate of Indonesia also updated that there is a mandatory national system in Indonesia for forest certification which is known as the Timber Legality and Sustainability System (SVLK). Currently there were approximately 12.9 million hectares of natural production forests that have been certified under the system.

(iii) APEC EGILAT and ITTO collaboration

The Secretariat reported the participation of ITTO to the following APEC-EGILAT meeting agendas:

- iv) Online Focused Group Discussion, organized by the APEC EGILAT Indonesia Project Team of Developing Integrated Timber Data for Xylaria Networking on 16 January 2024. ITTO made presentation entitled 'Sustainable Pathway of Traded Tropical timber in APEC Economies';
- v) Workshop on Wood Identification Technologies for APEC Members, organized by the APEC EGILAT Indonesia Project Team of Developing Integrated Timber Data for Xylaria Networking on 23-25 April 2024. ITTO made a presentation entitled 'ITTO's responses to emerging timber market requirements'; and
- vi) The 26th APEC EGILAT Plenary Meeting and its associated workshop organized by Peru's National Forestry and Wildlife Service (SERFOR) held in Lima, Peru, on 12-15 August 2024. At the workshop, ITTO made a presentation entitled 'Innovation in information system in APEC Economies for traceability and ensuring the legal origin of timber'. At the Plenary meeting, ITTO made a presentation to update ITTO's efforts to support the use of sustainably produced tropical timber in domestic markets of member countries through projects implementation in Vietnam, Thailand, Indonesia, Malaysia and India.