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TIMBER COUNCIL**

**COMMITTEE ON ECONOMICS,
STATISTICS AND MARKETS**

COMMITTEE ON FOREST INDUSTRY

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REPORT OF PROJECTS AND PRE-PROJECTS IN PROGRESS

ECONOMICS, STATISTICS AND MARKETS

[A] Projects under implementation

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

Budget and Sources of Funding:

Total Budget:	US\$	321,000
Government of Japan:	US\$	296,000
Executing Agency contribution:	US\$	25,000

Executing Agencies: Kerala Forest Research Institute (KFRI)
TEAKNET (International Teak Information Network)

Approved: February 2024

Financed: April 2024

Starting Date: June 2025

Duration:	Planned:	24 months
	To date:	3 months

At the Fifty-ninth Session of the International Tropical Timber Council and Associated Sessions of the Committees (ITTC), held in Pattaya, Thailand, from 13 to 17 November 2023, the Government of Japan expressed interest in funding the project PD 933/23 Rev.1 (M). Consequentially, the Government of Japan requested the revision of this proposal to include the extended component of sustainable wood use. The proposal was revised and resubmitted by the Executing Agency taking into account comments from the Government of Japan. This proposal was placed under the time-bound no objection procedure that was completed on 9 February 2024.

The project's development objective is centered on enhancing sustainable domestic wood consumption of teak in India. Though research and development has produced important results in recent years in all aspects of teak wood production and markets, there exist serious gaps in knowledge management and dissemination to the stakeholders, as well as professional networking among the stakeholders. The specific objective is to promote the sustainable use of teak wood and wood products within the country, by improving policies related to wood certification, building the capacity of stakeholders, and optimizing timber supply chains. This initiative aims to create a more resilient and self-sustaining wood industry in the country while contributing to broader environmental and economic sustainability goals.

Based on the progress report submitted in August 2025, the project has made some progress as elaborated the table below.

Progress in implementation of the Activities

Activities	Percentage executed	Originally planned completion date	Estimated completion date
Activity 1.4 Strengthen the network of teak planters and traders for the promotion of sustainable wood use	60%	30 Oct. 2025	30 Oct. 2025
Activity 2.1 Target of 50 urban consumers and 50 rural consumers attended exhibitions/ communication campaigns on using wood for housing construction and interior decoration	50%	20 Sep. 2025	20 Sep. 2025
Activity 3.1 Undertake the preconference activities like webinars and publicity	60%	10 Sep. 2025	10 Sep. 2025
Activity 3.5 Finalize the list of resource persons and participants	80%	10 Sep. 2025	10 Sep. 2025
Activity 3.6 Arrange the venue and logistics	60%	15 Sep. 2025	15 Sep. 2025
Activity 3.7 Conduct the 5 th World Teak Conference with thematic sessions, plenary sessions, round table meetings and side events	50%	20 Sep. 2025	20 Sep. 2025
Activity 3.8 Develop, edit and finalize the 5th World Teak Conference proceedings	30%	31 Dec. 2025	31 Dec. 2025

Several key outputs have been successfully achieved in line with the project objectives. Comprehensive desk studies and surveys on domestic wood markets are in progress in selected Indian states. A stakeholder consultation meeting had been successfully organized at the Kandla Timber Association Headquarters, Gandhidham, Gujarat, India to gather field-level insights.

Countries such as Thailand, Vietnam, and Cambodia have been identified and invited to participate in the 5th World Teak Conference for knowledge sharing on good practices. Pre- conference promotions have been conducted to engage stakeholders and raise awareness. Additionally, a dedicated conference website

(www.worldteakconference2025.com) has been developed, serving as a central hub for information dissemination, registration, and event updates.

The Executing Agency has submitted to the Secretariat a full project progress report covering activities to August 2025 which is available on request (English only).

FOREST INDUSTRY

[A] Projects under implementation

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

Budget and Sources of Funding:

Total Budget:	US\$	291,439
Government of Japan:	US\$	166,847
Executing Agency contribution:	US\$	124,592

Executing Agency: Cámara Nacional Forestal (CNF)

Approved: January 2024

Financed: March 2024

Starting Date: August 2024

Duration:	Planned:	15 months
	To date:	12 months

At the Fifty-ninth Session of the International Tropical Timber Council and Associated Sessions of the Committees (ITTC), held in Pattaya, Thailand, from 13 to 17 November 2023, the Government of Japan expressed interest in funding the project PD 912/20 Rev.2 (I). The proposal was revised and resubmitted by the Executing Agency to be implemented in two phases for a total of 30 months, thus 15 months each for phase I and II respectively. This split was done considering the pledge made at the Council Session. This proposal was placed under the time-bound no objection procedure that was completed on 19 January 2024. The project agreement was signed in July 2024 and the Executing Agency submitted the Inception Report and all other start-up documentation to the ITTO Secretariat in August 2024, after which the first installment of funds was disbursed on 14 August, 2024 marking the official commencement of project implementation followed by the second disbursement made on 11 July, 2025.

The mainstay of the projects in terms of its developmental objective is to contribute to the sustainable development of Peru's timber industry by promoting formal, efficient and competitive market oriented forest enterprises, taking advantage of business opportunities articulated with value chains, and marketing products based on the use of timber from legal sources in managed forests in the Amazon Region of Peru for the benefit of Peruvian society and, in particular, the men and women that depend on the forests for their livelihoods. More specifically, the projective will aim at "strengthening the technical and business management of the forest industry that relies on timber species from the Peruvian Amazon Region" as its specific goal.

After twelve (12) months of implementation based on progress report submitted by the Executing Agency in August 2025, the table below summarizes the progress made so far with phase I scheduled to be completed in November 2025. The twelve-month progress report is available at the Secretariat in Spanish only and can be shared if the need arises.

Progress in implementation of the Activities

ACTIVITY	Percentage executed	Initially planned completion date	Currently estimated completion date
Output 1: Timber industry companies interact with forest producers			
Activity 1.1 Analyze, disseminate, and provide training on the use of the Amazon's timber potential, promoting the use of little-known species for the manufacture of wood products.	75	Nov. 2025	Nov.
Output 2: Forestry companies linked to the national and international market for wood products			
Activity 2.1 Provide training and disseminate information on forest certification, chain of custody, timber traceability, and operations manuals.	0	Nov.	Nov.
Activity 2.3 Disseminate up-to-date information on trade and markets for wood products and production services	65	Nov.	Nov.
Activity 2.4 Support timber companies in innovation and in offering new quality products to the market	30	Nov.	Nov.
Output 3: Efficient management of the productive organization of forestry companies producing wood products			
Activity 3.1 Promote the technological development of timber companies	70	Nov.	Oct.
Activity 3.2 Develop technical and productive organization capacities of timber producers	50	Nov.	Nov.
Activity 3.3 Strengthen the business management and production process capacities of business leaders	15	Nov.	Nov.
Output 4: Strengthened organization of producers in the timber industry			
Activity 4.1 Promote the involvement of public and private forestry stakeholders in forest governance and participation in dialogue forums	60	Nov.	Nov.
Activity 4.2 Disseminate and provide training on forestry regulations	80	Nov.	Nov.
Activity 4.5 Establish and maintain project coordination and management	75	Nov.	Nov.

2. PD 935/23 Rev.1 (I) Promoting Sustainable Wood Use for the Domestic Market in Malaysia

Budget and Sources of Funding:

Total Budget:	US\$	323,244
Government of Japan:	US\$	212,088
Government of Republic of Korea:	US\$	19,032
Government of Malaysia contribution:	US\$	92,124

Executing Agency: Malaysian Timber Certification Council (MTCC)

Approved: October 2023

Financed: November 2023

Starting Date: October 2024

Duration:	Planned:	18 months
	To date:	11 months

In compliance with the new financing architecture (approved by the 56th ITTC under Decision 4(LVI)), a donor has expressed interest in funding this project proposal developed from Concept Note: CN-23025-Malaysia. The proposal was developed by the Executing Agency in collaboration with the ITTO Secretariat and donor, taking into account comments received during the time-bound electronic no objection procedure that was completed on 18 October 2023. The Japan Forestry Agency pledged funding to this project and the project agreement was signed in April 2024. The disbursement of the 1st installment of the project budgeted has been done at end of September 2024.

The project has the following four outputs, namely: 1) Improved policy framework to drive domestic consumption of wood and wood products; 2) Strengthened capacity to produce wood and wood products to meet local market demands & promote local consumption; 3) Assessed the market demands and supply for sustainable wood and its Chain of Custody with higher quality, more diverse products, fulfilling the due diligence requirements and the commitment to ESG requirements, including carbon emission and the use of IR 4.0 and advanced technologies; and 4) Established an integrated system master plan that integrates existing data platforms and systems.

Based on the progress report submitted in August 2025, the project has made the following progress:

Output 1: Improved policy framework to drive domestic consumption of wood and wood products

1. Reviews of national and international policies and initiatives on sustainable wood use have been conducted and are currently under analysis to inform policy recommendations.
2. A consumer-targeted questionnaire is being refined based on the feedback from the executing agency.
3. The draft technical report was reviewed and commented on by the executing agency and is under revision.

Output 2: Strengthened capacity to produce wood and wood products to meet local market demands & promote local consumption

1. A public awareness survey was drafted; a social media platform for the SWU project was officially launched on 15 May 2025 as a medium to promote the domestic SWU; awareness campaign has been conducted. A wood workshop safety guidelines and machine demonstration at the UPM Faculty of Forestry and Environment on 20 June 2025.

2. The timber structure demonstration (Glulam White Seraya Timber House) proposal was submitted to the Executing Agency for promotion. ; discussions with the owner are ongoing from:

Output 3: Assessed the market demands and supply for sustainable wood and its Chain of Custody with higher quality, more diverse products, fulfilling the due diligence requirements and the commitment to ESG requirements, including carbon emission and the use of IR 4.0 and advanced technologies

1. A review of domestic market constraints and competitiveness was initiated and is in progress.
2. A stakeholder survey instrument was developed with several improvements made following suggestions and recommendations.

Output 4: Develop an Information Systems Master Plan (ISMP)

Activities of Output 4 have not started yet.

The Executing Agency has submitted to the Secretariat a full project progress report covering activities to June 2025 which is available on request (English only).

3. PD 943/25 (I) Enhancing Legal and Sustainable Supply Chain in the Wood Industry to Stimulate Good Forestry Governance (Indonesia)

Budget and Sources of Funding:

Total Budget:	US\$	236,600
Government of Japan:	US\$	225,000
Government of Indonesia contribution:	US\$	11,600

Executing Agency: Directorate of Forest Product Processing and Marketing
Directorate General of Sustainable Forest Management
Ministry of Forestry Republic of Indonesia

Approved: April 2025

Financed: February 2025

Starting Date: June 2025

Duration:	Planned:	12 months
	To date:	2 months

In compliance with the new financing architecture (approved by the 56th ITTC under Decision 4(LVI), a donor expressed interest in funding a concept note, which was subsequently developed into a proposal by the Executing Agency in collaboration with the ITTO Secretariat and donor. The project agreement between ITTO and the Ministry of Forestry, Indonesia was signed on 18 April 2025 and the project has been operational since June 2025.

The project focuses on stimulating good forestry governance by enhancing the legal and sustainable supply chain. Therefore, the proposed project aims to reduce pressure on the forest area supported by good forest and wood industry governance. Finally, stimulating the supporting environment to implement legal and sustainable supply chains and increasing the capacity of the wood industry in the domestic and global markets can prevent over-exploitation and become an enabling condition for better supervision of sustainable forest management and development of the wood industry. By enhancement of the wood

industry performance through the implementation of this proposed project, sustainable forest management and a legal and sustainable supply chain will promote forestry governance, law enforcement, and traceability.

The project's specific objective is to reduce pressure on the North Sumatra Forest area due to illegal activity by stimulating good forest governance through enhanced legal and sustainable supply chains in wood industries. It can be achieved by implementing two outputs: 1) Stimulated implementation of legal and sustainable supply chains of the wood industry to support forest governance; and 2) Increased capacity of the wood industry in the domestic and global markets that cover activities. The outputs will be delivered by fully implementing four planned project activities consisting of: 1) Conduct the study of the legal and sustainable supply chain of the wood industry (Activity 1.1); 2) Develop an integrated platform for the legal and sustainable supply chain of the wood industry (Activity 1.2); 3). Increase the capacity of SME wood industries in domestic and global markets; and 4) disseminate the progress of the legal and sustainable supply chain of the wood industry.

Based on the progress report submitted in August 2025, the project has made some progress. During the period of April – June 2025, the Executing Agency has conducted a preparation for administrative matters that included grant registration to the Ministry of Finance. The implementation of the project started on 1 July 2025. The project's activities 1.1, 1.2, and 2.1 were initiated in August 2025.

The Executing Agency has submitted to the Secretariat a full project progress report covering activities to August 2025 which is available on request (English only).

4. PD 951/25 (I) Strengthening the Forest Sector Value Chain through Sustainable Forest Management and Harvesting in Costa Rica

Budget and Sources of Funding:

Total Budget:	US\$	212,500
Government of Japan:	US\$	160,000
Government of Costa Rica contribution:	US\$	52,500

Executing Agency: Forestry, Timber and Industry Association of Costa Rica

Collaborating Agency: Carbon Revenue Services S.A. (CRS)

Approved: July 2025

Financed: July 2025

Starting Date: August 2025

Duration:	Planned:	12 months
	To date:	1 month

In compliance with the new financing architecture (approved by the 56th ITTC under Decision 4(LVI)), a donor has expressed interest in funding the following project proposal developed from Concept Note: CN-24032-Costa Rica. The proposal has been developed by the Executing Agency in collaboration with the ITTO Secretariat and donor and the time-bound electronic no objection procedure was completed on 1 July 2025:

The project implementation commenced only recently and will focus on main activities including the following: (i) Conduct a diagnostic assessment of timber availability for the industry; (ii) Facilitate access to

the use of timber products; and (iii) Propose investment programs with a wide range of incentives, developing marketing strategies and training programs aimed at timber industry technicians.

The development objective is to: Establish effective mechanisms for sustainable harvesting, processing and marketing of timber products The specific objective of the project is to: Strengthen the sustainable management and valuation of timber resources to ensure their long-term availability and the ecosystem services they provide with following outputs: Output (i) Diagnostic assessment of timber availability for the industry; output (ii) Facilitating access to the use of timber products; output (iii); Create the appropriate environment for investment in timber processing.

[B] Project pending agreement

1. PD 947/25 (I) Capacity Building for the Sustainable Management of *Pterocarpus Erinaceus* and *Afzelia Africana* in Benin

Budget and Sources of Funding:

Total Budget:	US\$	238,395
Government of USA:	US\$	95,000
ITTO contribution:	US\$	82,794
Executing Agency contribution:	US\$	60,601

Executing Agency: Initiative pour la Préservation de la Vie

Collaborative Agency: Direction Générale des Eaux, Forêts et Chasse

Approved: September 2025

Duration: Planned: 24 months

In compliance with the provisions of Decision 4(LVI) approved by the 56th ITTC Session, Member has expressed interest in funding the following Concept Note: CN-24033-Benin. Subsequently to that, the following proposal has been developed by the Executing Agency in collaboration with the ITTO Secretariat: PD 947/25 (I) Benin.

The project mentioned above received partial funding pledged by the Government of U.S.A. and complemented with funds from the Biennial Work Program activity PP-A/52-320 (CITES) for its implementation. The project has been assessed by the ITTO Secretariat, and their comments have been reflected in the proposal accordingly. The Online No-objection Process of this project was completed on 5 September 2025.

[C] Project pending financing

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

Budget and Sources of Funding:

Total Budget:	US\$	368,542
ITTO contribution:	US\$	205,706
Executing Agency contribution:	US\$	162,836

Executing Agency: Cámara Nacional Forestal (CNF)

Approved: January 2024

Duration: Planned: 15 months

Phase II of this project will be considered for financing following completion of Phase I (see section A, item 1). To-date, the Republic of Korea has pledged US\$60,000.00 and the balance outstanding to be financed is US\$145,706.00.

[D] Concept Notes pending financing (Awaiting Expression of Interest by Potential Donors)

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| 1. | CN-24028 | Establishing a Pilot Plantation Forest Information Sharing and Wood Supply Chain Traceability System in Vietnam |
| 2. | CN-25036 | Development of a National System to Verify the Geographical Origin of Mexican Tropical Timber through Dendro-isotopic Fingerprinting and Genomic Markers to Combat Illegal Timber Trade, Deforestation and Illegal Logging |
| 3. | CN-25040 | Driving Forest-based Bioeconomy in Viet Nam's Acacia Forestry: Development of Guidance and Dialogue Platform for Cross-border Vietnamese Acacia Value Chain Stakeholders |

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