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TIMBER COUNCIL**

**COMMITTEE ON
FINANCE AND ADMINISTRATION**

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**APPROVED ADMINISTRATIVE BUDGET
FOR THE 2026 AND 2027 FINANCIAL BIENNIUM**

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Table 1
Approved Administrative Budget for the Financial Biennium 2026-27
Part A. BASIC ADMINISTRATIVE COSTS

(in United States dollars)

[Calculations based on the Scales and Rates Applicable in Jul 2025]

[U.N. Rate of Exchange: US\$1.00 = Yen144.24]

Budget Heading	Description	2025	2026	2027
		Approved Allocation	Estimated Total	Estimated Total
A.	SALARIES AND BENEFITS			
A1.	Salaries	2,303,660	2,398,834	2,422,822
A2.	<i>Tax Refund (not included in total)</i>	237,668 (a)	158,600 (a)	165,074 (a)
A3.	Post Adjustment	709,921	803,082	811,113
A4.	Rental Subsidy	2,041	1,965	1,965
A5.	Education Grant (incl. Education Travel)	117,296	109,158	109,158
A6.	Dependency Allowance	144,458	156,001	157,561
A7.	Home Leave	134,653	61,581	40,313
A8.	Language Allowance	0	0	0
A9.	Overtime	25,811	25,811	10,673
A10.	Mobility & Hardship Allowance	11,340	8,501	8,501
A11.	Separation Benefits	196,159	178,499	178,499
A12.	Removal Costs	55,500	70,995	70,995
A13.	Repatriation/Recruitment Travel	168,000	72,346	72,346
	Component Total:	3,868,839	3,886,773	3,883,946
B.	INSTALLATION COSTS			
B1.	Assignment Grant	62,000	34,885	34,885
B2.	Lumpsum Benefit	67,250	16,758	16,758
	Component Total:	129,250	51,643	51,643
C.	OFFICIAL TRAVEL			
C1.	Transportation/Tickets	166,085	154,402	154,402
C2.	DSA & Travel Expenses	84,905	81,905	81,905
	Component Total:	250,990	236,307	236,307
D.	SOCIAL SECURITY			
D1.	Provident Fund	658,906	719,195	722,791
D2.	Accident/Health Insurance	151,884	122,289	122,900
D3.	Japanese National Scheme	165,888	142,627	143,340
	Component Total:	976,678	984,111	989,031
E.	SPECIAL ACTIVITIES			
E1.	Consultants	99,516	96,940	96,940
E2.	Workshops and Meetings	50,088	90,362	90,362
E3.	Other Activities (Legal Advisor)	11,143	11,060	11,060
	Component Total:	160,747	198,362	198,362
F.	DATA PROCESSING			
F1.	Computer Software and Servicing	47,004	70,390	70,390
F2.	Network, Hardware and Supplies	71,262	93,838	93,838
F3.	Training and Staff Development	5,300	5,140	5,140
	Component Total:	123,566	169,368	169,368

(a) Payable by Japan (not included in total estimates) and applied to Staff Members who are Japanese nationals or permanent residents in Japan only. The estimated amounts also take account of balance carried over from previous years.

Budget Heading	Description	2025	2026	2027
		Approved Allocation	Estimated Total	Estimated Total
G.	OTHER COSTS			
G1.	Communications	27,791	22,822	22,822
G2.	Publications	24,254	21,606	21,606
G3.	Transport	54,163	52,355	52,355
G4.	Library	11,413	10,138	10,138
G5.	Supplies	24,432	23,637	23,637
G6.	Hospitality	50,685	49,330	49,330
G7.	Bank Charges	20,794	20,378	20,378
G8.	Audit	148,793	144,417	144,417
G9.	Miscellaneous	6,405	6,404	6,404
	Component Total:	368,730	351,087	351,087
H.	COUNCIL MEETINGS			
H1.	Costs not met by Host Country	25,479	24,534	24,534
H2.	Council Session Outside Japan	200,000 (b)	200,000 (b)	200,000 (b)
	Component Total:	225,479	224,534	224,534
I.	COSTS MET BY JAPAN (not included in total)			
I1.	Office, equipment, utilities	452,461	429,515 (c)	446,847 (c)
I2.	Council Meetings	0	398,225 (c)	0 (d)
I3.	Initial Travel	0	0 (c)	0 (c)
I4.	Removal Costs	0	0 (c)	0 (c)
I5.	Supporting Staff	80,783	74,232 (c)	74,232 (c)
	Component Total:	533,244	901,972 (c)	521,079 (c,d)
J.	CONTINGENCY/SPECIAL RESERVE	--	--	--
	Component Total:	--	--	--
K.	ALLOCATION FROM WORKING CAPITAL RESERVE	0	0	0
	GRAND TOTAL:	6,104,278	6,102,185	6,104,278

(b) The Council, in its Decision 7(XLVI), decided that "the costs for convening a Council session outside Headquarters, covered by the Administrative budget, in any two-year period shall be budgeted equally between the two years and shall not exceed US\$400,000 in total". The amount of US\$200,000 (50%) included in the budget for 2026 is to be transferred and to be allocated in 2027 to meet expenditures for holding the Council Session to be held outside of Japan in 2027.

(c) Paid directly or reimbursable by Japan based on actual expenditures (not included in total estimates). Figures are estimates based on actual expenditures from previous years.

(d) Session of Council to be held outside Japan and costs not reimbursed by Japan (not included in total estimates).

Table 2

Approved Administrative Budget for the Financial Biennium 2026-27**Part B. CORE OPERATIONAL COSTS**

(in United States dollars)

[Calculations based on the Scales and Rates Applicable in Jul 2025]

[U.N. Rate of Exchange: USD.1.00 = JPY.144.24]

Budget Heading	Description	2025	2026	2027
		Approved Allocation	Estimated Total	Estimated Total
O.	COMMUNICATION AND OUTREACH			
	O1. Publications	195,000	195,000	195,000
	O2. Outreach Activities	200,000	250,000	250,000
	O3. ITTO Website	85,000	85,000	85,000
	Component Total:	480,000	530,000	530,000
P.	EXPERT MEETINGS BY COUNCIL			
	P1. Expert Meetings/Workshops	110,000	60,000	60,000
	P2. Other Meetings as decided by Council	0	0	0
	Component Total:	110,000	60,000	60,000
Q.	POLICY WORK (Article 24)			
	Q1. Action Plan	(e)	(e)	(e)
	Q2. Guidelines, Manuals, Studies, etc.	(e)	(e)	(e)
	Component Total:	(e)	(e)	(e)
R.	STATISTICS, STUDIES & INFORMATION			
	R1. Market Information Service (MIS)	250,000	250,000	250,000
	R2. Market Discussion	50,000	50,000	50,000
	R3. Relevant Market Studies	0	0	0
	R4. Work on Statistics	20,000	20,000	20,000
	Component Total:	320,000	320,000	320,000
S.	ANNUAL REPORT & BIENNIAL REVIEW			
	S1. Annual Report	30,000	30,000	30,000
	S2. Biennial Review	60,000	60,000	60,000
	S3. Promotion of Exchange of Views	0	0	0
	Component Total:	90,000	90,000	90,000
	GRAND TOTAL:	1,000,000	1,000,000	1,000,000
ADMINISTRATIVE BUDGET GRAND TOTAL:		7,104,278	7,102,185	7,104,278

(e) The new ITTO Action Plan and other guidelines and manuals are normally produced every few years. In order to avoid sudden increases in the budget for certain years that require expenditures under this sub-heading, alternative funding sources, including voluntary contributions or the Working Capital Reserve, are used at the time the Council takes the decision to produce these.

Summary of Estimated Income and Expenditures for the Financial Year 2026
(in United States dollars)

A. BASIC ADMINISTRATIVE COSTS

1	Estimated Expenditures for the Financial Year 2026 (See pages 3-4)	\$6,102,185.00
2	<u>Add Discount to Members for timely payment of contributions in 2024-2025</u> <u>(50%) */</u>	\$120,974.00
3	Less (partial use of) Bank Interest earned in 2025	(\$1.00)
	Assessed Contributions of Members for 2026	\$6,223,158.00
	(a) Producer Members (50%)	\$3,111,579.00
	(b) Consumer Members (50%)	\$3,111,579.00

B. CORE OPERATIONAL COSTS

1	Estimated Expenditures for the Financial Year 2026 (See page 5)	\$1,000,000.00
2	<u>Add Discount to Members for timely payment of contributions in 2024-2025</u> <u>(50%) */</u>	\$23,842.00
3	<u>Less</u> (partial use of) Bank Interest earned in 2025	(\$2.00)
	Assessed Contributions of Members for 2026	\$1,023,840.00
	(a) Producer Members (20%)	\$204,768.00
	(b) Consumer Members (80%)	\$819,072.00

C. TOTAL NET ASSESSMENTS TO THE ADMINISTRATIVE BUDGET FOR 2026
(See pages 24-25)

1	Assessed Contributions of Members for 2026	\$7,246,998.00
	(a) Producer Members	\$3,316,347.00
	(b) Consumer Members	\$3,930,651.00
2	Net Assessed Contributions of Members for 2026	\$7,102,182.00
	(a) Producer Members	\$3,272,703.00
	(b) Consumer Members	\$3,829,479.00

*/ In accordance with Article 19, paragraph 8 of the Agreement, any member which has paid its full contribution within four months of the due date shall receive a discount at a rate to be determined from time to time by the Council. Such discounts shall be applied in the form of rebates from the assessed contributions of members in the financial biennium following that in which the discount was earned, and the total amount of such discounts shall become part of the estimated expenditures described in Rule 2 paragraph(a) for the budget for the Administrative Account of the aforesaid following biennium.

(Financial Rules and Rules Relating to Projects of the International Tropical Timber Organization, Chapter III, Rule 4, paragraph 4)

Summary of Estimated Income and Expenditures for the Financial Year 2027
(in United States dollars)

A. BASIC ADMINISTRATIVE COSTS

1	Estimated Expenditures for the Financial Year 2027 (See pages 3-4)	\$6,104,278.00
2	<u>Add Discount to Members for timely payment of contributions in 2024-2025 (50%) */</u>	\$120,975.00
3	<u>Less</u> (partial use of) Bank Interest earned in 2025	(\$1.00)
	Assessed Contributions of Members for 2027	\$6,225,252.00
	(a) Producer Members (50%)	\$3,112,626.00
	(b) Consumer Members (50%)	\$3,112,626.00

B. CORE OPERATIONAL COSTS

1	Estimated Expenditures for the Financial Year 2027 (See page 5)	\$1,000,000.00
2	<u>Add Discount to Members for timely payment of contributions in 2024-2025 (50%) */</u>	\$23,842.00
3	<u>Less</u> (partial use of) Bank Interest earned in 2025	(\$2.00)
	Assessed Contributions of Members for 2027	\$1,023,840.00
	(a) Producer Members (20%)	\$204,768.00
	(b) Consumer Members (80%)	\$819,072.00

C. TOTAL NET ASSESSMENTS TO THE ADMINISTRATIVE BUDGET FOR 2027
(See pages 26-27)

1	Assessed Contributions of Members for 2027	\$7,249,092.00
	(a) Producer Members	\$3,317,394.00
	(b) Consumer Members	\$3,931,698.00
2	Net Assessed Contributions of Members for 2027	\$7,104,275.00
	(a) Producer Members	\$3,273,752.00
	(b) Consumer Members	\$3,830,523.00

*/ In accordance with Article 19, paragraph 8 of the Agreement, any member which has paid its full contribution within four months of the due date shall receive a discount at a rate to be determined from time to time by the Council. Such discounts shall be applied in the form of rebates from the assessed contributions of members in the financial biennium following that in which the discount was earned, and the total amount of such discounts shall become part of the estimated expenditures described in Rule 2 paragraph(a) for the budget for the Administrative Account of the aforesaid following biennium.

(Financial Rules and Rules Relating to Projects of the International Tropical Timber Organization, Chapter III, Rule 4, paragraph 4)

EXPLANATORY MEMORANDUM

This Administrative Budget for the financial biennium 2026-2027 is prepared using the official exchange rate of the United Nations for the month of July 2025 of US\$1 = Yen144.24. As per the decision at the Forty-fourth Council the approved Administrative Budget will use the official exchange rate for the month when it was prepared (in July 2025) and will not be revised at the time when the Committee considers the Budget (in October 2025).

The exchange rate of US\$1 = Yen144.24 used in the calculation of this administrative budget for the financial biennium is 3.85% lower than the rate applied in calculation of the budget for 2025 that the Council approved in November 2023 of US\$1 = Yen138.89. Other increases or decreases in the current approved budget are further elaborated in the notes below.

BASIC ADMINISTRATIVE COSTS

A. Salaries and Benefits

Calculations of the Administrative Budget for the financial biennium 2026-2027 are, as in previous years, based on current United Nations schedules and rates in accordance with Regulations 2.2 and 2.3 of the ITTO Staff Regulations and Rules. Information and details on the United Nations salary scales and rates, etc., are available on the website of the International Civil Service Commission (ICSC) – <http://icsc.un.org/>.

Annex I shows the staff establishment of the Secretariat with a break-down of all posts established for 2026-2027. As seen therein, the total number of staff for funding from the administrative budget is 25.

The staff establishment includes two positions provided by the City of Yokohama in recent years, in accordance with the Council document ITTC(III)/9. Positions for two “Programme Officers” and a “Secretary/Finance Assistant” position are included under positions funded from the Programme Support Fund. The costs for the five positions mentioned here are not included in the expenditures for the approved Administrative Budget for the financial biennium 2026-2027 as presented in this document.

A1. Salaries

The United Nations last revised the salary scale in 2025. The salary for staff members in the professional category is paid in U.S. dollars while those for staff members in the General Service category are quoted and paid in Japanese Yen. This budget sub-heading would normally increase to take account of the salary increments within the levels set out in the prevailing salary scales of the United Nations, subject to satisfactory service, in accordance with ITTO Staff Rules and Regulations, Regulation 2.4.

A2. Tax Refund

The tax refund has been calculated for staff members who are Japanese nationals or are permanent residents in Japan only in accordance with Regulation 2.11 of the ITTO Staff Regulations and Rules. This is to cover income tax and regional tax of Japan for such staff members. The cost is fully reimbursed by Japan and is not a burden to the Administrative Budget and therefore not charged to the budget. The estimates for 2026 of US\$158,600 (JPY22,876,464) and 2027 of US\$165,074 (JPY23,810,274) are less than the actual cost due to adjustments to include the surplus reimbursed by Japan to the Organization against actual expenditures in previous years. The estimates are calculated based on the actual number of staff members who are Japanese nationals or permanent residents in Japan only.

A3. Post Adjustment

Post adjustment is paid only to staff members in the Professional and higher categories in conformity with the prevailing post adjustments schedules of the United Nations, as per Regulation 2.7 of the ITTO Staff

Regulations and Rules. The scale for post adjustment is the same as that of the base salary (A1), where one point of post adjustment equals one per cent of base salary. This budget sub-heading in 2026 shows an increase of US\$93,161 or 13.12% and in 2027 an increase of US\$101,192 or 14.25% compared with the allocation for 2025. This is due to the change in salary costs compared to 2025.

A4. Rental Subsidy

Rental subsidy is calculated based on the amounts of rent paid locally (in Japanese Yen). The allocation for 2026 and 2027, similar to 2025, is on the assumption that one staff member in the professional and a higher category may be recruited in 2026 and 2027 who may claim for rental subsidy. The budgeted amount under this sub-heading for 2026 and 2027 is US\$1,965 which is a 3.72% decrease against the approved amount for 2025.

A5. Education Grant

In 2026-2027, the number of dependents of staff members receiving education grant has been reduced compared to 2025 due to changes in staff personnel and some dependents becoming ineligible for the grant.

A6. Dependency Allowance

Dependency allowances are budgeted for dependents of staff members both in the General Service category as well as in the Professional and higher categories. This budget sub-heading shows an increase of US\$11,544 (7.99%) in 2026 and an increase of US\$13,104 (9.07%) in 2027 compared with the allocation for 2025 to account for exchange rate differences and changes in personnel circumstances.

A7. Home Leave

Allocations are made for home leave travel of eligible staff members and their dependents in 2026 and 2027. The estimates are US\$61,581 in 2026 for 4 Professional staff and US\$40,313 for 4 Professional staff in 2027. The amount needed from year to year varies because eligible staff members are entitled to home leave once in every two years, which leads to a different number of eligible staff members each year.

A8. Language Allowance

In accordance with the instructions of the Committee on Finance and Administration, no allocation is provided for language allowance until it becomes necessary at a later stage.

A9. Overtime

Compensation for overtime work is paid only to staff members in the General Service category and in accordance with the salary level (in Japanese Yen). The changes in grade and steps of staff members affect the compensation for overtime work.

A10. Mobility and Hardship Allowance

This allowance is paid only for the initial five years to applicable staff members in the Professional and higher categories in U.S. dollars and therefore is not affected by the variation of exchange rates. Allocations are made for 2026 and 2027 for the planned recruitment of one Professional and higher category staff.

A11. Separation Benefits

This budget sub-heading covers payments to separating staff members (repatriation grant, unused accumulated annual leave, etc.). It is difficult to predict and provide allocations to take account of the changes in staff separation and, normally, allocation is made for separation of two staff member.

A12. Removal CostsA13. Repatriation/Recruitment Travel

These budget sub-headings cover costs for removal of household goods and personal effects for repatriation of entitled staff members and their repatriation travel. For staff members who are recruited to replace positions already established in the Secretariat and for whom Japan does not pay for removal, entitlement for removal and recruitment travel also exist.

B. Installation CostsB1. Assignment GrantB2. Lumpsum Benefit

The grant consists of payment for each newly recruited staff member of an amount equivalent to 30 days of daily subsistence allowance (DSA) plus 15 days' DSA each for accompanying spouse and accompanying dependent children and a lump-sum payment equivalent to one-month's salary should the staff member opt for reduced removal entitlement. Provisions are made for payment of the grant in 2026-2027 for the recruitment of two professional and higher category staff each for both years.

C. Official Travel

The Organization's programme of activities continues to expand in areas related to international forestry developments, including climate change and biodiversity considerations. There is continuing need for frequent consultations and contacts with Members, the Collaborative Partnership on Forests (and related bodies) as well as non-governmental organizations (NGOs), timber trade bodies, and relevant United Nations agencies, thus necessitating adequate travel by the Executive Director and Secretariat staff members. This is necessary to strengthen co-operation and obtain feedback on the concerns of Members and other global developments which have impact on the programme of work and situation of the Organization. The proposed travel schedules, as in the past, will also enable ITTO's participation in and contributions to various conferences, seminars and international gatherings on subjects related to the activities of the Organization as well as other travel related to dissemination of the results of the work of the Organization.

D. Social SecurityD1. Provident Fund

A increase of 9.15% in 2026 and 9.7% in 2027 against the allocation of 2025 is being budgeted in budget sub-heading D1 (Provident Fund). Under the ITTO Staff Regulation 5.1, a provision is made for the establishment and operation of a Provident Fund with the joint participation of the Organization and staff members, both at the percentage rates set by the United Nations Joint Staff Pension Fund (UNJSPF). Accordingly, allocations are made for the Organization's share of the Provident fund and all operational fees involved in the management of the fund including transaction costs.

D2. Accident/Health Insurance

An decrease of US\$29,595 in 2026 and US\$28,984 in 2027 against the allocation of 2025 is being budgeted in budget sub-heading D2 (accident/health insurance) based on the latest estimates for the current staff establishment. Under the ITTO Staff Rule 504, the Organization is responsible for providing staff members with an insurance scheme to compensate staff members in the event of death, injury or illness in connection with official duties, which the premium is borne by the Organization, and a health insurance scheme, which is subsidized by the Organization.

D3. Japanese National Scheme

A decrease of US\$23,261 (14.02%) in 2026 and a decrease of US\$22,548 (13.59%) in 2027 against 2025 is being budgeted to cover Social security and pensionable insurance for the Japanese staff members under the Japanese national scheme. The total expenditure under this sub-heading is paid in Japanese Yen and is affected by the exchange rate variation. The allocations are made based on the actual staff establishment.

E. Special Activities

The sub-heading E1 (Consultants) is designated for contracted consultancy work to supplement the tasks of the Secretariat, and sub-heading E2 (Workshops and Meetings) for activities related to ITTO's participation and sponsorship of meetings of interest to the Organization. Additional allocations are made for 2026 and 2027 to expand the work carried out by the secretariat to allow the Secretariat to increase its visibility and impact in various conferences/fora.

The sub-heading E.3 Other Activities is allocated to procure the services of a Legal Advisor.

F. Data Processing

F1. Computer Software and Servicing

This budget sub-heading covers expenses for annual service contracts with suppliers for the maintenance of the Secretariat's computer network, software licensing packs and upgrading fees for the current software.

F2. Network, Hardware & Supplies

Funds in this budget sub-heading cover charges for the hosting and maintenance of the broad-band network, Internal Control Systems, ITTO homepage and other IT-related infrastructure. Also, replacements for outdated computer hardware and supplies (servers, data storage, printer toners and displays etc.) are covered under this budget sub-heading.

An increase under budget sub-headings F1 and F2 has been approved for 2026 and 2027 to update some of its older IT infrastructure such as the accounting system, internal workflow system and project database.

F3. Training and Staff Development

This budget sub-heading covers activities for training and staff development. There will continue to be a need for staff in both the professional and general service categories to attend training and staff development sessions to learn new developments and knowledge in relevant fields.

G. Other Costs

G1. Communications

This budget sub-heading includes charges for telephone, facsimile, postage and courier delivery services, etc. as necessary. The allocation for this sub-heading has been decreased by US\$4,649 (17.88%) due to exchange rate differences.

G2. Publications

As in previous years, the Organization produces publicity materials as well as other publications as instructed by the Council and for which no funds are provided for in the Special Account. The allocation for this sub-heading is decreased by 10.92% over the previous year's to take into account exchange rate differences.

G3. Transport

The allocation in this budget sub-heading is decreased by US\$1,808 (3.34%) over the previous years due to exchange rate differences. The allocation covers mainly costs for gasoline and maintenance of the two official vehicles as well as local transport of staff, mostly by using public transport for official purposes (e.g. attendance at relevant meetings in Japan, etc.), as necessary and for general costs related to staff retreats.

G4. Library

The allocation for libraries is decreased by US\$1,275 (11.17%) to account for exchange rate differences.

G5. Supplies

Allocation in this budget sub-heading is decreased by US\$795 (3.25%) due to exchange rate differences. The allocation covers costs for supplies used in the day-to-day operations of the Secretariat such as stationeries and paper, and replacement of furniture and equipment.

G6. Hospitality

This budget sub-heading covers hospitality functions and events to enhance work-related relationships, including reciprocal courtesy as afforded by ITTO's collaborating partners.

G7. Bank Charges

This budget sub-heading allocation covers charges levied by the bank on transactions in the Administrative Account as well as in contributions received from Members.

G8. Audit

The auditors are to be selected by the Council from firms qualified to conduct audits in Japan which normally invoice the Organization in Japanese Yen. In addition to the annual external audit, ITTO conducts internal audits and additional auditing services as needed in accordance with the Financial Rules, as well as audit related field missions as necessary.

G9. Miscellaneous

A similar level of expenditure is expected in this budget sub-heading in 2026 and 2027 and is budgeted to be allocated to cover expenses that could not be appropriately charged to other budget headings like fees for attendance at meetings or unexpected expenses which are approved under the discretion of the Executive Director.

H. Council Meetings

The allocation in budget sub-heading H1 (Costs not met by Host Country) is to meet costs related to the Council meetings which are not reimbursed by Japan (under sub-heading "I.2") or those not reimbursable by the host country when the Session is held outside of Japan. An amount of US\$24,534 (decreased by \$945) is allocated for this sub-heading in the approved budget for 2026 and 2027.

The Council, in its Decision 7(XLVI), decided that the "costs for convening a Council session outside Headquarters, (to be) covered by the Administrative Budget, in any two-year period shall be budgeted equally between the two years and shall not exceed US\$400,000 in total". The amount of US\$200,000 budgeted under the budget sub-heading H.2 (Council Session Outside Japan) to be allocated in 2026, and will be added to the same allocation from 2027 to meet expenditures for holding the Council Session outside of Japan in 2027.

I. Costs Met by Japan

Certain costs such as office space, utilities and most of the equipment (heading I.1) have been provided gratis by the Government of Japan through the City of Yokohama. Japan also provides two support staff (heading I.5). In addition, as part of the host country's offer, Japan bears the costs of Council meetings (heading I.2) which are held at ITTO Headquarters in Yokohama. However, from the Seventeenth Session of the ITTC onward, Japan decided to limit translation costs of documents to US\$85,000 per Session. Expenditures in excess of this amount will be charged to the Special Account for which a provision was made under Decision 4(XV). Additionally, Japan decided that from 2007 onward, to no longer provide support in meeting part of the costs for the meetings of the Council which are held outside Japan (Decision 4[XLII]).

J. Contingency Reserve

The Council, at its Thirty-first Session (Yokohama, November 2001), approved the recommendation by the Tenth Session of the Committee on Finance and Administration (CFA) to increase the "Special Reserve Fund" from its previous level of \$600,000.00 to \$1,500,000.00 by transferring an amount of \$900,000.00 from the Working Capital Reserve of the Administrative Account to the Reserve Fund. Furthermore, the Council, at its Fifty-second Session (Yokohama, November 2016), through a CFA recommendation, increased the "Special Reserve Fund" from \$1,500,000.00 to \$1,850,000.00 by transferring an amount of \$350,000 from the Working Capital Reserve. Subsequently, the Council, at its Fifty-third Session (Yokohama, December 2017), thorough a CFA recommendation, further increased the "Special Reserve Fund" from \$1,850,000.00 to \$2,500,000 by transferring an amount of \$650,000 from the Working Capital Reserve. This "Special Reserve Fund" (of **\$2,500,000.00**) will only be utilized as determined by the Council.

Any unexpected shortfalls in the budget, if any, will need to be financed from the Working Capital Reserve (of the Administrative Account), as in previous years. It should be noted that if the value of the yen strengthens against the US\$ by more than 3% compared to current levels, or if fewer members pay their assessed contributions than in recent years, there may be shortfalls in the ability of the approved administrative budget to cover all expenses that will need to be addressed by Council. This problem is expected to recur in future administrative budgets.

K. Allocation from Working Capital Reserve

In exceptional cases, the Council has allowed the use of the Working Capital Reserve to absorb non-recurring substantial increases to the budget that would have an impact on the total budget amount. For the 2026-2027 budget, no amount is proposed to be allocated from the Working Capital Reserve.

CORE OPERATIONAL COSTS

O. Communication and Outreach

O.1 Publications

The core publication of the Secretariat is the Tropical Forest Update (TFU) which is produced up to four times a year and distributed widely among member countries and the public (in three languages distributed to 15,000 mostly developing country subscribers). This budget sub-heading also provides for the production of publications of the Organization under its Technical and Policy Series (TS and PS), as well as production of posters, pamphlets and other public relation materials.

O.2 Outreach activities

Costs related to ITTO's presence at relevant conferences, including sponsoring booths and the production of relevant supporting promotional tools to disseminate ITTO materials and hosting events to highlight impactful aspects of ITTO's organizational work are covered under this budget heading.

O.3 ITTO website

The ITTO's new website will require the same amount of US\$85,000 to maintain and periodically develop new features. The ITTO website is designed to leverage the current tools available to share knowledge and to disseminate information to users in all the official languages of ITTO.

P. Expert Meetings by Council

Allocations are made to hold, as necessary, up to one expert panel meetings per year on project appraisal. The budget has been decreased compared to 2025 to reflect the change in the number of meetings per year.

Q. Policy Work of the Organization (Article 24)

Q.1 New Strategic Action Plan

A new ITTO Strategic Action Plan is normally produced every 5 years before the end of its duration. In order to avoid sudden increases in the budget for certain years that require expenditures under this sub-heading, the secretariat will propose the usage of alternative funding sources, including voluntary contributions, or the Working Capital Reserve at the time the Council takes the decision to produce the new ITTO Strategic Action Plan. Accordingly, the development of the new Strategic Action Plan is funded through the Biennial Work Programme (BWP) under item 11. Other policy related activities are also conducted through the BWP Group 2 – "Normative work on policy guidelines or other strategic work"

Q.2 Guidelines, Manuals, Studies, etc.

The production of guidelines, manuals and studies are not envisaged at this time and Council will be notified as needs arise.

R. Statistics, Studies and Information

R.1 Market Information Service (MIS)

This activity is to continue to publish the ITTO bi-weekly Market Information Service (MIS) which has previously been implemented by the Secretariat through the extension of project PD 16/03 Rev.4 (M). An estimated amount of US\$250,000 is being requested to meet the costs of publishing the bi-weekly Market Information Service which include: (a) an amount of US\$240,000 to cover consultancy fees for a lead consultant and 11 correspondents; and (b) an amount of US\$10,000 to cover costs of subscription of relevant market reports and other miscellaneous costs related to the publication of the MIS.

R.2 Market Discussion

This activity is for the Secretariat to collaborate with the Trade Advisory Group (TAG) and private sector in organizing and holding the ITTO Annual Market Discussion on the world tropical timber trade during sessions of the Council in 2026 and 2027 and to be implemented by the Secretariat through the extension of pre-project PPD 14/00 (M) – Strengthening the Annual Market Discussion. An amount of US\$50,000 is estimated to be needed for holding the Market Discussion in 2026 and 2027. The fund is to meet travel costs, DSA and honoraria of at least five speakers/presenters and some minor miscellaneous costs.

R.3 Relevant Market Studies

Allocations under this sub-heading have been transferred to S2. Biennial Review in order to streamline costs related to market studies for the biennial review.

R.4 Work on Statistics

An amount of \$20,000 is estimated for 2026 and 2027 to meet the cost of updating and improving ITTO statistics pursuant to Article 27 of ITTA, 2006.

S. Annual Report and Biennial Review

S.1 Annual Report

There is no change in the allocation requested of US\$30,000 to cover the costs for the publication of the ITTO Annual Report for 2025 (to be published in 2026) and the ITTO Annual Report for 2026 (to be published in 2027) in the three working languages (English, French and Spanish).

S.2 Biennial Review

The amount of US\$60,000, allocated in 2026, would be necessary for consideration of the draft elements for the biennial review. The amount of US\$60,000 would be necessary for the publication of the review as it becomes due in 2027.

S3 Promotion of Exchange of Views

No allocation is envisaged at this point in time.

Annex ISTAFF ESTABLISHMENT – 2026 & 2027**A. Staff Funded from Assessed Contributions under Administrative Budget**

<u>(i) Executive Director and Professional Staff</u>		<u>Level</u>	<u>2026</u>	<u>2027</u>
1	Executive Director	ASG	X	X
2	Director (Trade and Industry).....	D-1	X	X
3	Director (Operations).....	D-1	X	X
4	Director (Forest Management)	D-1	X	X
5	Projects Manager (TI)	P-5	X	X
6	Systems/Market Analyst	P-5	X	X
7	Projects Manager (FM) - 1.....	P-4/5	X	X
8	Projects Manager (FM) - 2.....	P-3/4	X	X
9	Projects Manager (FM) - 3	<u>1/</u> P-3/4	X	X
10	Finance/Programme Manager	P-5	X	X
11	Outreach & Communications Officer.....	P-4	X	X
12	Administrative Officer.....	<u>1/</u> P-3/4	X	X
 <u>(ii) General Service Staff</u>				
13	Secretary/Programme Assistant.....	GS-7	X	X
14	Programme Assistant (TI)	GS-7	X	X
15	Senior Finance/Administrative Assistant	GS-7	X	X
16	Statistical Assistant (TI).....	GS-7	X	X
17	Secretary (FM)	GS-6	X	X
18	Secretary (FM)	GS-6	X	X
19	Secretary/Programme Assistant.....	GS-6	X	X
20	IT Assistant.....	GS-6	X	X
21	Finance/Administrative Assistant - 1.....	GS-6	X	X
22	Fellowship Assistant.....	GS-6	X	X
23	Communications Assistant.....	GS-4	X	X
24	Finance/Administrative Assistant - 2.....	GS-5	X	X
25	Assistant (OED)	GS-5	X	X
SUB-TOTAL:			25	25
 B. Staff funded from Other Accounts				
<u>Programme Support Staff</u>				
26	Programme Officer.....	<u>1/</u> P-4	X	X
27	Programme Officer.....	<u>1/</u> P-4	X	X
28	Secretary/Finance Assistant.....	GS-4	X	X
 <u>Staff provided by the City of Yokohama</u>				
29	Operations Assistant	-	X	X
30	Driver	-	X	X
SUB-TOTAL:			5	5
TOTAL:			30	30

1/ Position currently vacant

Annex II

ASSESSED CONTRIBUTIONS OF MEMBERS FOR 2026

[Assessed Contributions: (A) Basic Administrative Costs = US\$6223158; (b) Core Operational Costs = US\$1023840]

(in United States Dollars)

PRODUCER MEMBERS	Vote (in numbers)	Assessed Contribution						Total Discount	TOTAL NET CONTRIBUTION
		Basic Administrative	Discount	Net Contribution	Core Operational	Discount	Net Contribution		
Africa									
Angola	21	65,343		65,343	4,300		4,300	0	69,643
Benin	20	62,232		62,232	4,095		4,095	0	66,327
Cameroon	21	65,343		65,343	4,300		4,300	0	69,643
Central African Republic	21	65,343		65,343	4,300		4,300	0	69,643
Congo	21	65,343		65,343	4,300		4,300	0	69,643
Côte d'Ivoire	21	65,343	1,717	63,626	4,300	113	4,187	(1,830)	67,813
Demo.Rep.of the Congo	21	65,343		65,343	4,300		4,300	0	69,643
Gabon	21	65,343		65,343	4,300		4,300	0	69,643
Ghana	21	65,343		65,343	4,300		4,300	0	69,643
Liberia	20	62,232		62,232	4,095		4,095	0	66,327
Madagascar	21	65,343		65,343	4,300		4,300	0	69,643
Mali	21	65,343		65,343	4,300		4,300	0	69,643
Mozambique	21	65,343		65,343	4,300		4,300	0	69,643
Togo	20	62,232		62,232	4,095		4,095	0	66,327
Asia & Pacific									
Cambodia	22	68,455	1,889	66,566	4,505	124	4,381	(2,013)	70,947
Fiji	14	43,562		43,562	2,867		2,867	0	46,429
India	28	87,124		87,124	5,734		5,734	0	92,858
Indonesia	100	311,157	7,717	303,440	20,478	510	19,968	(8,227)	323,408
Malaysia	45	140,021	9,823	130,198	9,215	650	8,565	(10,473)	138,763
Myanmar	24	74,678	2,147	72,531	4,914	141	4,773	(2,288)	77,304
Papua New Guinea	39	121,352		121,352	7,986		7,986	0	129,338
Philippines	15	46,674	2,437	44,237	3,072	161	2,911	(2,598)	47,148
Thailand	48	149,356	4,035	145,321	9,829	265	9,564	(4,300)	154,885
Vietnam	37	115,128		115,128	7,576		7,576	0	122,704
Latin America									
Brazil	133	413,839		413,839	27,235		27,235	0	441,074
Colombia	23	71,566		71,566	4,710		4,710	0	76,276
Costa Rica	12	37,339	2,061	35,278	2,457	135	2,322	(2,196)	37,600
Ecuador	20	62,232		62,232	4,095		4,095	0	66,327
Guatemala	12	37,339	2,061	35,278	2,457	135	2,322	(2,196)	37,600
Guyana	15	46,674		46,674	3,072		3,072	0	49,746
Honduras	12	37,339		37,339	2,457		2,457	0	39,796
Mexico	24	74,678	4,014	70,664	4,914	264	4,650	(4,278)	75,314
Panama	13	40,451		40,451	2,662		2,662	0	43,113
Peru	27	84,013	2,185	81,828	5,529	145	5,384	(2,330)	87,212
Suriname	16	49,785		49,785	3,276		3,276	0	53,061
Trinidad and Tobago	10	31,116	858	30,258	2,048	57	1,991	(915)	32,249
Venezuela	20	62,232		62,232	4,095		4,095	0	66,327
Sub-Total:	1,000	3,111,579	40,944	3,070,635	204,768	2,700	202,068	(43,644)	3,272,703

CONSUMER MEMBERS	Vote	Assessed Contribution						Total Discount	TOTAL NET CONTRIBUTION
		Basic Administrative	Discount	Net Contribution	Core Operational	Discount	Net Contribution		
Albania	10	31,116		31,116	8,191		8,191	0	39,307
Australia	15	46,674	2,603	44,071	12,286	688	11,598	(3,291)	55,669
Canada	15	46,674		46,674	12,286		12,286	0	58,960
China	336	1,045,491		1,045,491	275,206		275,206	0	1,320,697
European Union <i>*/</i>	323			951,313			250,373	(67,921)	1,201,686
Austria	10	31,116	1,625	29,491	8,191	429	7,762	(2,054)	37,253
Belgium	15	46,674	2,437	44,237	12,286	644	11,642	(3,081)	55,879
Bulgaria	10	31,116	1,625	29,491	8,191	429	7,762	(2,054)	37,253
Croatia	10	31,116	1,625	29,491	8,191	429	7,762	(2,054)	37,253
Cyprus	10	31,116	1,625	29,491	8,191	429	7,762	(2,054)	37,253
Czech Republic	11	34,227	1,788	32,439	9,010	472	8,538	(2,260)	40,977
Denmark	11	34,227	1,787	32,440	9,010	472	8,538	(2,259)	40,978
Estonia	10	31,116	1,625	29,491	8,191	429	7,762	(2,054)	37,253
Finland	10	31,116	1,625	29,491	8,191	429	7,762	(2,054)	37,253
France	22	68,455	3,890	64,565	18,020	1,028	16,992	(4,918)	81,557
Germany	17	52,897	3,087	49,810	13,924	816	13,108	(3,903)	62,918
Greece	11	34,227	1,787	32,440	9,010	472	8,538	(2,259)	40,978
Hungary	10	31,116	1,625	29,491	8,191	429	7,762	(2,054)	37,253
Ireland	12	37,339	2,112	35,227	9,829	558	9,271	(2,670)	44,498
Italy	19	59,120	3,087	56,033	15,562	816	14,746	(3,903)	70,779
Latvia	10	31,116	1,625	29,491	8,191	429	7,762	(2,054)	37,253
Lithuania	10	31,116	1,625	29,491	8,191	429	7,762	(2,054)	37,253
Luxembourg	10	31,116	1,625	29,491	8,191	429	7,762	(2,054)	37,253
Malta	10	31,116	1,625	29,491	8,191	429	7,762	(2,054)	37,253
Netherlands	18	56,008	3,376	52,632	14,743	893	13,850	(4,269)	66,482
Poland	11	34,227	1,788	32,439	9,010	472	8,538	(2,260)	40,977
Portugal	13	40,451	2,112	38,339	10,648	558	10,090	(2,670)	48,429
Romania	10	31,116	1,625	29,491	8,191	429	7,762	(2,054)	37,253
Slovakia	10	31,116	1,625	29,491	8,191	429	7,762	(2,054)	37,253
Slovenia	10	31,116	1,625	29,491	8,191	429	7,762	(2,054)	37,253
Spain	12	37,339	1,941	35,398	9,829	513	9,316	(2,454)	44,714
Sweden	11	34,227	1,787	32,440	9,010	472	8,538	(2,259)	40,978
Japan	102	317,380	9,722	307,658	83,544	2,570	80,974	(12,292)	388,632
New Zealand	11	34,227	1,790	32,437	9,010	473	8,537	(2,263)	40,974
Norway	10	31,116		31,116	8,191		8,191	0	39,307
Republic of Korea	63	196,029	10,396	185,633	51,601	2,746	48,855	(13,142)	234,488
Switzerland	11	34,227	1,790	32,437	9,010	473	8,537	(2,263)	40,974
United Kingdom	22	68,455		68,455	18,019		18,019	0	86,474
United States of America	82	255,148		255,148	67,163		67,163	0	322,311
Sub-Total:	1,000	3,111,579	80,030	3,031,549	819,072	21,142	797,930	(101,172)	3,829,479
GRAND TOTAL:	N/A	6,223,158	120,974	6,102,184	1,023,840	23,842	999,998	(144,816)	7,102,182

**/* Total number of votes and assessed contribution amount of all Members of the European Union are shown in bold-italic figures.

ASSESSED CONTRIBUTIONS OF MEMBERS FOR 2027

[Assessed Contributions: (A) Basic Administrative Costs = US\$6225252; (b) Core Operational Costs = US\$1023840]

(in United States Dollars)

PRODUCER MEMBERS	Vote (in numbers)	Assessed Contribution						Discount	TOTAL NET CONTRIBUTION
		Basic Administrative	Discount	Net Contribution	Core Operational	Discount	Net Contribution		
Africa									
Angola	21	65,365		65,365	4,300		4,300	0	69,665
Benin	20	62,253		62,253	4,095		4,095	0	66,348
Cameroon	21	65,365		65,365	4,300		4,300	0	69,665
Central African Republic	21	65,365		65,365	4,300		4,300	0	69,665
Congo	21	65,365		65,365	4,300		4,300	0	69,665
Côte d'Ivoire	21	65,365	1,717	63,648	4,300	113	4,187	(1,830)	67,835
Demo.Rep.of the Congo	21	65,365		65,365	4,300		4,300	0	69,665
Gabon	21	65,365		65,365	4,300		4,300	0	69,665
Ghana	21	65,365		65,365	4,300		4,300	0	69,665
Liberia	20	62,253		62,253	4,095		4,095	0	66,348
Madagascar	21	65,365		65,365	4,300		4,300	0	69,665
Mali	21	65,365		65,365	4,300		4,300	0	69,665
Mozambique	21	65,365		65,365	4,300		4,300	0	69,665
Togo	20	62,253		62,253	4,095		4,095	0	66,348
Asia & Pacific									
Cambodia	22	68,478	1,889	66,589	4,505	124	4,381	(2,013)	70,970
Fiji	14	43,577		43,577	2,867		2,867	0	46,444
India	28	87,154		87,154	5,734		5,734	0	92,888
Indonesia	100	311,263	7,717	303,546	20,478	510	19,968	(8,227)	323,514
Malaysia	45	140,068	9,823	130,245	9,215	650	8,565	(10,473)	138,810
Myanmar	24	74,703	2,146	72,557	4,914	141	4,773	(2,287)	77,330
Papua New Guinea	39	121,392		121,392	7,986		7,986	0	129,378
Philippines	15	46,689	2,437	44,252	3,072	161	2,911	(2,598)	47,163
Thailand	48	149,406	4,035	145,371	9,829	265	9,564	(4,300)	154,935
Vietnam	37	115,167		115,167	7,576		7,576	0	122,743
Latin America									
Brazil	133	413,978		413,978	27,235		27,235	0	441,213
Colombia	23	71,590		71,590	4,710		4,710	0	76,300
Costa Rica	12	37,352	2,061	35,291	2,457	135	2,322	(2,196)	37,613
Ecuador	20	62,253		62,253	4,095		4,095	0	66,348
Guatemala	12	37,352	2,061	35,291	2,457	135	2,322	(2,196)	37,613
Guyana	15	46,689		46,689	3,072		3,072	0	49,761
Honduras	12	37,352		37,352	2,457		2,457	0	39,809
Mexico	24	74,703	4,014	70,689	4,914	264	4,650	(4,278)	75,339
Panama	13	40,464		40,464	2,662		2,662	0	43,126
Peru	27	84,041	2,185	81,856	5,529	144	5,385	(2,329)	87,241
Suriname	16	49,802		49,802	3,276		3,276	0	53,078
Trinidad and Tobago	10	31,126	859	30,267	2,048	56	1,992	(915)	32,259
Venezuela	20	62,253		62,253	4,095		4,095	0	66,348
Sub-Total:	1,000	3,112,626	40,944	3,071,682	204,768	2,698	202,070	(43,642)	3,273,752

CONSUMER MEMBERS	Vote	Assessed Contribution						Discount	TOTAL NET CONTRIBUTION
		Basic Administrative	Discount	Net Contribution	Core Operational	Discount	Net Contribution		
Albania	10	31,126		31,126	8,191		8,191	0	39,317
Australia	15	46,689	2,603	44,086	12,286	688	11,598	(3,291)	55,684
Canada	15	46,689		46,689	12,286		12,286	0	58,975
China	336	1,045,843		1,045,843	275,206		275,206	0	1,321,049
European Union */	323			951,643			250,373	(67,925)	1,202,016
Austria	10	31,126	1,625	29,501	8,191	429	7,762	(2,054)	37,263
Belgium	15	46,689	2,437	44,252	12,286	644	11,642	(3,081)	55,894
Bulgaria	10	31,126	1,625	29,501	8,191	429	7,762	(2,054)	37,263
Croatia	10	31,126	1,625	29,501	8,191	429	7,762	(2,054)	37,263
Cyprus	10	31,126	1,625	29,501	8,191	429	7,762	(2,054)	37,263
Czech Republic	11	34,239	1,787	32,452	9,010	472	8,538	(2,259)	40,990
Denmark	11	34,239	1,788	32,451	9,010	472	8,538	(2,260)	40,989
Estonia	10	31,126	1,625	29,501	8,191	429	7,762	(2,054)	37,263
Finland	10	31,126	1,625	29,501	8,191	429	7,762	(2,054)	37,263
France	22	68,478	3,891	64,587	18,020	1,028	16,992	(4,919)	81,579
Germany	17	52,915	3,087	49,828	13,924	816	13,108	(3,903)	62,936
Greece	11	34,239	1,788	32,451	9,010	472	8,538	(2,260)	40,989
Hungary	10	31,126	1,625	29,501	8,191	429	7,762	(2,054)	37,263
Ireland	12	37,352	2,112	35,240	9,829	558	9,271	(2,670)	44,511
Italy	19	59,140	3,087	56,053	15,562	816	14,746	(3,903)	70,799
Latvia	10	31,126	1,625	29,501	8,191	429	7,762	(2,054)	37,263
Lithuania	10	31,126	1,625	29,501	8,191	429	7,762	(2,054)	37,263
Luxembourg	10	31,126	1,625	29,501	8,191	429	7,762	(2,054)	37,263
Malta	10	31,126	1,625	29,501	8,191	429	7,762	(2,054)	37,263
Netherlands	18	56,027	3,377	52,650	14,743	893	13,850	(4,270)	66,500
Poland	11	34,239	1,788	32,451	9,010	472	8,538	(2,260)	40,989
Portugal	13	40,464	2,112	38,352	10,648	558	10,090	(2,670)	48,442
Romania	10	31,126	1,625	29,501	8,191	429	7,762	(2,054)	37,263
Slovakia	10	31,126	1,625	29,501	8,191	429	7,762	(2,054)	37,263
Slovenia	10	31,126	1,625	29,501	8,191	429	7,762	(2,054)	37,263
Spain	12	37,352	1,941	35,411	9,829	513	9,316	(2,454)	44,727
Sweden	11	34,239	1,788	32,451	9,010	472	8,538	(2,260)	40,989
Japan	102	317,489	9,721	307,768	83,543	2,570	80,973	(12,291)	388,741
New Zealand	11	34,239	1,790	32,449	9,010	473	8,537	(2,263)	40,986
Norway	10	31,126		31,126	8,191		8,191	0	39,317
Republic of Korea	63	196,096	10,394	185,702	51,601	2,748	48,853	(13,142)	234,555
Switzerland	11	34,239	1,790	32,449	9,010	473	8,537	(2,263)	40,986
United Kingdom	22	68,478		68,478	18,020		18,020	0	86,498
United States of America	82	255,236		255,236	67,163		67,163	0	322,399
Sub-Total:	1,000	3,112,626	80,031	3,032,595	819,072	21,144	797,928	(101,175)	3,830,523
GRAND TOTAL:	N/A	6,225,252	120,975	6,104,277	1,023,840	23,842	999,998	(144,817)	7,104,275

*/ Total number of votes and assessed contribution amount of all Members of the European Union are shown in bold-italic figures.