



**INTERNATIONAL TROPICAL
TIMBER COUNCIL**

Distr.
GENERAL

ITTC(LXI)/2
22 October 2025

Original: ENGLISH

SIXTY-FIRST SESSION
27-31 October 2025
Panama City, Panama

REPORT OF THE INFORMAL ADVISORY GROUP (IAG)

AT ITS THIRTY-NINTH MEETING

**16 October 2025
Virtual meeting**

**Thirty-ninth Meeting of the Informal Advisory Group (IAG)
Virtual Meeting, 16 October 2025**

1. The Thirty-ninth Meeting of the IAG was convened virtually on Thursday, 16 October 2025 at 9:00 pm (JST), chaired by the Executive Director in the absence of Mr. Carlos Espinosa Peña (Panama), Chairperson of the Council. The meeting was attended by Mr. Björn Merckell (Sweden), Chairperson of the Committee on Reforestation and Forest Management (CRF); Dr Muhammad Zahrul Muttaqin (Indonesia), Producer Spokesperson; Ms. Masami Fukata (Japan), Representative of the Host Government of the Headquarters; Ms Sheam Satkuru, Executive Director (ED); other observer colleagues from Japan (Ms. Yoko Yamoto, Mr Hiroyuku Saito, Mr. Tomoyuki Honda and Ms. Akiho Tsurugi); and senior members of the Secretariat. Mr. Pyoabalo Alaba (Togo), Chairperson of the Committee on Finance and Administration (CFA) was absent along with the Chair of the Council as noted above.

Ms. Kenneth T. Almarines (Philippines) also attended the meeting on behalf of Mr. Ray Thomas Fernandez Kabigting (Philippines), Chairperson of the Committee on Economics, Statistics and Markets (CEM) and the Committee on Forest Industry (CFI) who is unable to attend both the IAG meeting and the Council session. Ms. Almarines will be nominated to replace Mr. Kabigting as Chairperson of CEM and CFI at the start of the Council Session.

2. Following the ED's introduction, The IAG considered and adopted the following agenda for discussion:
 - A. Brief background of the IAG under Decision 2(LI)
 - B. Update on preparations for ITTC 61
 - C. Status of Parties to the Agreement
 - D. Status of contributions to the Administrative Account
 - E. Pending positions of Council Officer/bodies to be filled
 - F. Consideration of Draft Decisions/Elements of Decisions Submitted Pursuant to ITTC Decision 7(XXXIII):
 - Projects, Pre-Projects and Activities [Decision 1(LXI)]
 - Adoption of the Administrative Budget for the 2026-2027 Financial Biennium [Decision 2(LXI)]
 - ITTO Biennial Work Programme for the Years 2026-2027 [Decision 3(LXI)]
 - Matters Pertaining to Article 44 of ITTA, 2006 [Decision 4(LXI)]
 - G. Other Matters

A. Brief background of the IAG under Decision 2(LI)

3. 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-eighth Meeting held virtually on 26 November 2024, as contained in document ITTC(LX)/2 dated 29 November 2024.

B. Update on preparations for ITTC 61

4. The Secretariat informed the IAG that most documentation for the session was available on the ITTO website, but the programme for the opening session was still under preparation. The arrangements for the Joint Committee sessions including the Trade and Market Day were highlighted, and IAG members were encouraged to review the agenda for that day, already available on the ITTO website.
5. The IAG received a briefing on the provisional agenda for the 61st Session of the International Tropical Timber Council (ITTC).
6. *Item 1: Opening of the session.* The Secretariat provided the details of the dignitaries expected to speak at the opening session and noted that a separate agenda for the opening session would soon be posted on the website.
7. *Item 2: Ascertainment of the quorum.* The Secretariat noted that 15 producer members with 585 votes and 21 consumer members with 638 votes had registered, meaning that if all those registered arrive in Panama with valid credentials, quorum would not be met during the first 2 days of the session (quorum requirements for the first two days of the session would require an additional 29 consumer votes and an additional 4 producer countries with 82 votes). Quorum for subsequent days would still require registration from an additional 4 producer countries. The IAG noted that there was a week remaining for additional registrations to come in and/or for members not attending to allocate votes to a member that will be in Panama. Mr. Merrell noted that the EU members were in the process of delegating votes to members who would attend. The ED also noted that African members have special difficulties in obtaining necessary travel documentation due to the absence of Panamanian embassies or consulates in the African region.
8. *Item 3: Adoption of agenda and organization of work.* This item is usually a formality.
9. *Item 4: Report on membership of the Council.* The ED noted that there has been no change to the membership since the last meeting of the IAG.
10. *Item 5: Proposed Distribution of Votes for the 2026-2027 Biennium.* The Secretariat will report on the proposed distribution of votes for 2026-2027. The information is available in the Annex of the Council Agenda (Document ITTC(LXI)/1).
11. *Item 6. Admission of observers.* The information on observers is listed in Documents ITTC(LXI)/Info.3 and ITTC(LXI)/Info.4. The Secretariat informed there are no new observers applying to attend this session.
12. *Item 7. Statement by the Executive Director.* The ED will address Council at the first session of the Council, as per usual practice.
13. *Item 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.
14. *Item 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.
15. *Item 10: Matters related to Article 19 of the ITTA, 2006 on the Administrative Account.* A verbal update under this item will be presented by the ED to Council.

16. *Item 11: Matters pertaining to Article 44 of the ITTA, 2006.* The report of the Preparatory Working Group (PWG) will be presented by its Co-Chairs.
17. *Item 12: ITTO Biennial Work Programme.* A general overview will be provided by the Secretariat to Council on the implementation of the 2024-2025 Biennial Work Programme (BWP), and additional presentations will be made to the Council and Committees on selected BWP activities under other agenda items, including the ITTO Fellowship Programme. The Draft ITTO BWP 2026-2027 is contained in Document ITTC(LXI)/7 (containing only ongoing activities carried over from the 2024-2025 BWP) will be presented to Council for consideration.
18. *Item 13: 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 (Document ITTC (LXI)/8).
19. *Item 14: Special Account and Bali Partnership Fund.* The Bali Partnership Fund (BPF) currently has a balance of USD 138,000 and the Panel on Sub-account B is expected to convene during the session.
20. *Item 15: Implementation of ITTO's new financing architecture, Phase II.* The ED will make a presentation to the Council on developments in the implementation of the new financial architecture (Document ITTC(LXI)/10).
21. *Item 16: Reports of the Committees.* The reports will be presented by the respective Chairpersons on the final day of the session (Friday).
22. *Item 17: Election of Chairperson and Vice-Chairperson of the Council for 2026.* The Vice-Chairperson for Sixty-first Session of ITTC (nomination pending by the consumer caucus) will be nominated, by convention, by the Producer Spokesperson as the incoming Chair. The producer caucus is to propose a new Vice-Chairperson, who, by convention, will be nominated by the Consumer Spokesperson.
23. *Item 18: Dates and venues of the Sixty-second and Sixty-third Sessions of the Council and the associated Sessions of the Committees.* The Secretariat informed that the Sixty-second Session will be held in Yokohama, Japan and the Sixty-third Session of the Council will be held in Africa.
24. *Item 19: Decisions and report of the session.* The draft decisions are discussed below (under agenda item F).
25. *Item 20: Closing of the session.* There was no discussion on this item.

C. Status of Parties to the Agreement

26. The IAG was informed on the current status of the parties to the ITTA, 2006. The ED reported that there had been no change to the membership since the last meeting of the IAG. There are 76 parties to the Agreement, comprising 39 consumer members, including the EU, and 37 producer member countries.

D. Status of contributions to the Administrative Account

27. 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, 11 of the 37 producer members paid their contributions for 2025, with an outstanding balance of USD 2.23 million (out of USD 3.28 million),

and 36 of 39 consumer members paid, with an outstanding balance of USD 389,198 (out of USD 3.88 million). In total, 47 of 76 members paid their 2025 contributions, amounting to USD 4.54 million out of USD 7.16 million. This was a collection rate of 65%. The ED noted that discussions were underway with 3 countries in arrears on payment plans but that several others with substantial arrears show no sign of settling their debts to the Organization. This was particularly worrying for countries which had in the past been active members of ITTO (including paying assessed contributions on time) but had more recently appear to have lost interest in the Organization.

E. Pending positions of Council Officer/bodies to be filled

28. The Secretariat noted that several Council officer positions are still pending nominations. These are Council Vice-chairperson, to be proposed by the consumer caucus. By convention, the Vice-chairperson of the Council chairs the joint session of the committees scheduled on Tuesday, 28 October 2025 and the Fellowship Selection Panel. The ED reiterated the urgency for the consumer spokesperson liaising with the consumer caucus to propose a Vice-chairperson to the Council. The ED also noted that the consumer spokesperson (Ms Aysha Ghadiali from USA) was unlikely to attend the session due to the US government shutdown and a (temporary) replacement would need to be arranged within the consumer caucus. Mr. Merrell indicated that Ms. Rata Muta of New Zealand would serve as the consumer spokesperson for this session and that a Vice-chairperson of Council would hopefully be identified early in the session.
29. The IAG took note of the urgent vacancies for the Sixty-first Session of ITTC and also noted that four nominations each were required from the Consumer and Producer caucuses for the Credentials Committee. Three nominations from the Producer caucus (one from each region) and Consumer caucus 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. Nominations were also needed for new Vice-Chairpersons for the Council and Committees in 2026.
30. Mr. Zahrul indicated that nominations for Subaccount B membership will be discussed during the first Producer caucus meeting at Council.

F. Consideration of draft Decisions/Elements of Decisions submitted pursuant to ITTC Decision 7(XXXIII)

31. 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(LXI)]
 - ii. Adoption of the Administrative Budget for the 2026-2027 Financial Biennium [Decision 2(LXI)]
 - iii. ITTO Biennial Work Programme for the Years 2026-2027 [Decision 3(LXI)]; and
 - iv. Matters Pertaining to Article 44 of ITTA, 2006 [Decision 4(LXI)].

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

32. 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 be funded at the session.

Adoption of the Administrative Budget for the 2026-2027 Financial Biennium [Decision 2(LXI)]

33. The representative of Japan raised concern about the potential withdrawal of US funding from ITTO in 2025 and possibly beyond, including from the administrative budget and pointed out we cannot always rely on Working Capital Reserve. She asked whether a reduction in the administrative budget for 2026-27 should be considered to take account of the potential loss of US funds. The ED noted that US's

assessed contribution is around 5% of the total assessed contributions and actual funds received to the administrative account were usually about \$2 million less than the approved budget and that the Secretariat has been able to operate at current levels within the amount usually received. She expected the same for 2025 regardless of whether US funds were forthcoming and the IAG agreed that the draft budget could be considered by the CFA and Council at the level proposed by the Secretariat (which is, as usual, a zero percent increase from the previous biennium and many bienniums prior).

ITTO Biennial Work Programme for the Years 2026-2027 [Decision 3(LXI)]

34. The representative of Japan recommended re-inserting a sentence used in Decision 3 (LIX), indicating that the BWP would be implemented in collaboration with the CPF and other partners in the final draft decision to be considered by Council. This change has been made in the version of the draft Decision appended to this report.

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

35. The ED noted the progress of the PWG and the recommendation to extend its mandate contained in the draft Decision. The representative of Japan noted that we can say that the elements were finalized as the PWG report clearly stipulated, but there were still some differences of opinion on the Co-Chairs' recommendations on Elements to Consider, so was in favour of extending the continuation of the PWG but expressed some concern on the proposed costs contained in the draft Decision. Mr. Merrell noted there were still many issues outstanding for the PWG to consider, and that there had been less than optimal participation in the PWG, especially from producer members. The ED reiterated some of the outstanding issues that might usefully be taken up by the PWG in 2026 and indicated that every effort would be made to minimize costs. The proposed costs were extracted and adjusted from the PWG Roadmap approved by Council in December 2024 in Document ITTC(LX)/5.
36. The IAG recommended the following list of decisions to be considered for adoption by the Council at its Sixty-first Session:
- i. Projects, Pre-Projects and Activities [Decision 1(LXI)]
 - ii. Adoption of the Administrative Budget for the 2026-2027 Financial Biennium [Decision 2(LXI)]
 - iii. ITTO Biennial Work Programme for the Years 2026-2027 [Decision 3(LXI)]
 - iv. Matters Pertaining to Article 44 of ITTA, 2006 [Decision 4(LXI)].

37. Draft proposals for these decisions (except the first) are included in Annex A to this report.

G. Other Matters

38. There were no other matters.

H. Adjournment

39. The Thirty-ninth meeting of the IAG was adjourned at 21:45 pm Japan time with a vote of thanks to the participants of the meeting.

ANNEX A

Draft Decisions

Only text of draft Decisions is appended to this Report.

The full text of the draft BWP 2026-2027 can be found in Document ITTC(LXI)/7.



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Draft DECISION 2 (LXI)

ADMINISTRATIVE BUDGET FOR THE 2026 AND 2027 FINANCIAL BIENNIUM

The International Tropical Timber Council,

Recalling the Financial Rules and Rules Relating to Projects of the ITTO, Rule 3.3, which stipulates that Council shall approve and adopt the budget for the Administrative Account through a Council Decision;

Decides to:

1. Approve and adopt the Biennial Administrative Budget for the Financial Years 2026 and 2027 as contained in document CFA(XL)/2 Rev.1, in the amount of US\$7,102,185 and US\$7,102,278, respectively.

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Draft DECISION 3 (LXI)

ITTO BIENNIAL WORK PROGRAMME FOR THE YEARS 2026-2027

The International Tropical Timber Council,

Appreciating the work of the Secretariat in liaising with Members, the Trade Advisory Group (TAG) and the Civil Society Advisory Group (CSAG) in preparing its proposal to Council on the Biennial Work Programme for the years 2026-2027;

Noting further that activities listed in the Annex to this Decision are derived from the following: (a) ITTA, 2006; (b) the ITTO Strategic Action Plan 2022-2026; (c) the four ITTO Committee Reports to the Sixty-first Session of Council; and (d) previous Council Decisions;

Decides to:

1. Adopt the Biennial Work Programme for the years 2026-2027 as contained in the Annex to this Decision;
2. Authorize the Executive Director to seek voluntary contributions from Member Countries and other funding sources to finance implementation of the activities listed in the Annex;
3. Request the Executive Director to implement and/or facilitate the implementation of activities in the approved Biennial Work Programme for the years 2026-2027, as contained in the Annex;
4. Request the Executive Director to ensure that future activities to be funded outside the core budget are formulated as Concept Notes and included in the database, or as Council Decisions, in order to assess Member priorities and donor interest and financing, prior to being incorporated into the Biennial Work Programme (BWP).
5. Request the Secretariat to continue to indicate in the BWP how each activity aligns with the Programmatic Line(s);
6. Request the Executive Director to continue close collaboration with members of the CPF and other international partners in implementing the BWP for the years 2026-2027; and
7. Request the Executive Director to report to Council on the progress in implementing the Biennial Work Programme for 2026-2027 during the Sixty-second and Sixty-third Sessions of the Council.

ANNEX

BIENNIAL WORK PROGRAMME FOR 2026-2027 TO BE INSERTED BELOW
IF COUNCIL AGREES TO DECISION



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Draft DECISION 4 (LXI)

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 under Decision 4(LVIII), 5(LIX) and 4(LX) to assess the need for negotiation and/or further extension of the ITTA 2006, as contained in Document ITTC(LIX)/5;

Further noting Decision 5(LIX), operative paragraph 4, making the virtual intersessional working group 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 61th Session of the Council;

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

Decides to:

1. Extend the mandate of the Preparatory Working Group (PWG) until the 62nd Session of the Council in 2026;

2. Request the PWG work in line with the revised Roadmap in Document ITTC(LXI)/4 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;
3. 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;
4. Request the PWG to submit a report, including all the deliverables, to the ITTC62;
5. Encourage all Members to be actively engaged in the open-ended PWG to enhance inclusivity in the preparatory work for the future negotiation; and
6. Noting the estimated costs of US\$290,000 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.

* * *