



**INTERNATIONAL TROPICAL  
TIMBER COUNCIL**

**JOINT SESSION OF THE COMMITTEES**

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**REPORT TO THE INTERNATIONAL TROPICAL TIMBER COUNCIL**

**FIFTY-NINTH SESSION OF THE  
JOINT SESSION OF THE COMMITTEES**



**Report on JOINT SESSION OF THE COMMITTEES – ITTC 61<sup>st</sup>**

**Item 1 - CSAG Panel Discussion**

The ITTC-61 theme of the 2025 ITTO Civil Society Advisory (CSAG) Panel Discussion was: “Advancing Sustainable Tropical Forest Management: Integrating Biodiversity Conservation and Livelihoods under the ITTA and Global Biodiversity Framework”. The discussion was chaired by Ms. Cassandra Price (Australia) and moderated by Evelyn Jimenez, Office of Environment for Indigenous Peoples of the Panamanian Ministry of Environment.

The objective is to explore the growing role of sustainable forest management in achieving biodiversity conservation and enhancing sustainable livelihoods, aligned to the International Tropical Timber Agreement (ITTA) and the Kunming-Montreal Global Biodiversity Framework.

**PRESENTATIONS SUMMARIES**

**1 Forests in the Global Biodiversity Agenda: Insights from UNFF Major Groups at CBD SBSTTA-27.**

Speaker: Fernanda Rodrigues, UNFF Women Major Group / Rede Mulher Florestal (Brazil)

- Reporting of forests in the Global Diversity Agenda needs to unify indicators at national level to respond to the diversity of frameworks but there is lack of financial resources to collect and process data, and to implement actions on the ground
- Adaptation to climate change is key in the context of forests
- SFM is key to biodiversity conservation: spatial planning (landscape approach) is very important in this context considering set aside areas and management areas
- Improve communication to larger audiences around the importance of SFM to forest biodiversity conservation as well as to promote socio-economic development and benefits were informed
- Focuses on implementation and on action that really generate benefits on the ground are key in the context of an international environment with many different frameworks

**2 International Timber/NTFP Trade and Its Implications for Biodiversity: Challenges and Opportunities.**

Speaker: Karen Noboa, TRAFFIC

- Tropical forests hold 40%+ of terrestrial biodiversity and support millions of livelihoods
- 1 in 5 people rely on wild plants, algae, and fungi for food and income
- Forests are threatened by unsustainable extraction, land-use change, and weak governance
- Sustainable Forest Management (SFM) balances conservation and development
- Trade can either drive pressure on forests or serve as a solution if managed sustainably
- Unsustainable trade causes habitat loss, species decline, and undermines conservation
- Poorly managed trade reduces access and long-term benefits for communities
- Sustainable trade incentivizes conservation, supports local economies, and strengthens supply chains
- Key challenges: weak governance, fragmented policies, insecure tenure, limited capacity, short-term market incentives
- TRAFFIC tackles: illegal/unreported trade, low transparency, regulatory gaps, and pressure for cheap, uncertified products
- Solutions: inclusive SFM frameworks, certification and traceability, community-based management, remote sensing, digital tools, AI risk analysis
- TRAFFIC projects: promote legal, sustainable trade, biodiversity-friendly harvesting, and community empowerment; tools include dashboards, guides, and risk assessments
- Recommendations: strengthen governance, integrate trade and biodiversity data, scale up verification tools, promote certified supply chains, support sustainable livelihoods, reduce demand for illegal products.

**3 Global Biodiversity Framework and the role of women in Sustainable Forest Management: Cases from Cameroon, Togo, and Benin.** Speaker: Rose Pélagie Masso, REFACOF

- Women play a vital role in biodiversity conservation and sustainable forest management
- In Africa, women are at the heart of agricultural activity and are increasingly involved in the sustainable management of forest resources
- Women are well aware of the importance of forests for their lives, their families, their communities, and humanity as a whole
- Source of food, income, medicine, shelter, cultural practices and beliefs, etc.
- Challenges: a lack of funding to scale up landscape restoration initiatives, which contribute to biodiversity conservation, climate change mitigation, and improved livelihoods
- It is urgent and imperative to support rural women in their efforts to manage forests sustainably
- REFACOF has committed to planting 20 million trees as a contribution to the United Nations Decade on Ecosystem Restoration and is seizing this opportunity to reach out to development partners to support it in achieving this ambitious but possible commitment

**4 Community-Based Landscape Approaches to Biodiversity and Livelihoods: A Model from Indonesia.**

Speaker: Christine Wulandari, FKKM, Indonesia

- Landscape-based forest management is necessary for both humans and the environment to support the sustainability of the earth
- Evidence from the field i.e. Lampung and Aceh show that communities in upland, midland, and downstream areas have specific skills in managing forests and biodiversity based on landscapes
- The Indonesian government has regulations for landscape-based forest management from upstream to downstream, namely Multi-Forestry Business or Multiusaha Kehutanan (explained in Government Regulation no. 23/2021)
- Management in conservation areas is regulated in Laws 32/2023

**5 Sustainable Forest Management in Panama's Production Forests: A Model for Conservation and Improvement of Livelihoods in Indigenous Territories.** Speaker: Ramón Chiari, Forestry Directorate, Ministry of Environment, Panama

- Panama is working toward a conservation model in which production forests are managed under principles of sustainability, social inclusion, and respect for biodiversity
- The legal and institutional framework (Constitution, General Environmental Law, Forestry Law) supports the rational management of natural resources and community participation in forest governance
- Production forests cover more than 800,000 hectares, of which around 700,000 are located within indigenous territories
- Indigenous communities manage 170,000 hectares under approved management plans
- Tangible benefits generated by community forest management include:
  - Improvement of housing and basic infrastructure
  - Creation of community enterprises and social funds
  - Reforestation and restoration of degraded areas
  - Strengthening of indigenous leadership and local technical capacity
- Significant challenges: partial compliance with management plans, weak monitoring and control, and the need to strengthen technical capacities and traceability mechanisms
- The institutional response is structured through new alliances and projects:
  - Collaborative Conservation Agreement for State Heritage Forests (2024–2034)
  - GEF-8 Project “Critical Biomes – Darién”
  - Collaborative Conservation Project (MiAMBIENTE)
- These efforts integrate restoration, FSC certification, community monitoring, and innovative financial mechanisms, promoting a shared governance approach among the State, communities, and the private sector.

## DISCUSSION AND INTERVENTIONS

1. The EU representative thanked all presentations that shared examples, stories, experience and so much good work is going on and heard a lot of things that the EU really warmly supports. In relation to the CBD, the big issue is with the global review of implementation of the Kunming Montreal Global Biodiversity Framework (KMGBF) that will be discussed at the Conference of the parties, the COP 17 in October 2026 in Armenia. The first opportunity is to assess progress on the KMGBF. He invited everyone to engage in this process because it can help a lot to strengthen implementation. This is not a process which finger points who is doing well and who's doing bad. It's non-punitive, non-intrusive. It's really an opportunity. From his perspective, the EU really wish to work with all parties to see how that process can also support the work under the ITTO. It was said that there were challenges with the indicators which is a difficult matter. It is expected that the seventh national report will not be perfect by the deadline of February. Based on existing materials, it should be seen as a work in progress. This system is set up not to repeat every four years. There was discussion also on an expanded program of work on forest biodiversity. There was a bit of discussion on the terminology sustainable forest management, conservation and restoration. He thought it is well understood that sustainable forest management includes conservation and restoration.
2. Canada thanked panelists for the informative presentations and European Union for the intervention. A quick follow up question for Ms. Fernanda regarding the CBD and colleague from EU who raised this towards the end of his intervention was if there are any thoughts or insights on the CBD Convention on Biological Diversity program of work and how it is seen under some of the activities of UNFF and the ITTO that are being negotiated and if there's any insights could be shared.
3. Fernanda Rodrigues (CSAG-Brazil) was very grateful for the EU's comments on this. Regarding the revision of the CBD Forest program, it will be the third revision but there is still no agreement if it will be revised due to uncertainties on what the priorities will be. She said that because there are many programs of work, some parties state that there is a need to review the program of work before revising the forest program. There is no consensus on how the secretariat should really conduct the revision - the text is under brackets and will be decided at COP 17. Regarding the interlinkage between the other conventions and agreements, the CBD is seeking to increase these interconnections between the different frameworks mainly through indicators aimed at streamlining the national reports. They already have a standardized online tool to report progress.
4. New Zealand thanked the panelists for the fantastic presentations and for really highlighting how sustainable trade and sustainable forest management complement the work of many CBD's sister organizations. She wants to reiterate, call on all members here, colleagues at home. If parties are not part of this CBD revision of the forestry program of work, she called to get in touch with them and communicate the message that our panelists have worked very hard to bring forward today powerful ways to protect biodiversity, by enabling people, and enabling sustainable trade. And that ties very strongly with our work here at the ITTO.
5. Panama agreed with the comment made by the EU and New Zealand. The delegate noted that a month ago, a meeting of the FAO Commission was held in Panama. During the meeting, it became evident that in some countries of the region (though not all), there is a clear separation within ministries between those working on forest management and those working on biodiversity. Similar situations have also been observed in countries outside the region. The delegate emphasized the importance of ensuring active participation in discussions under the CBD, given the strong connection between forestry management and biodiversity conservation. These issues cannot be treated in isolation, as sustainable forest management is integral to the conservation of biodiversity.

6. The EU representative emphasized the CBD process for the expanded program of work on forest biodiversity. What has been negotiated is an addition to the existing program. experts considered existing progress and considered, what is missing and needed to be part of the global biodiversity framework. There is indeed also a wider discussion on how to review all the other programs of work.
7. The ITTO Executive Director was invited to give remarks. She thanked all the insights, views and thoughts, and evidence of work that's been done in the field and shared. She addressed a couple of matters that were raised by delegates from ITTO member countries and wanted to provide the assurance that the ITTO is very much engaged in reporting on the implementation of the Kunming Montreal Global Biodiversity Framework (KMBGF). ITTO had submitted one report on the KMGBF implementation in early October, and this was the submission of case studies and information on traditional knowledge innovations, practices and technologies of indigenous peoples and local communities in support of the Global Report. ITTO had probably three or four different requests to help the CBD prepare this Global Report. A recent request received focused more on collaboration and cooperation. It is unfortunate that the CBD SBSTA was being held just before the ITTC-61. Due to the Secretariat being small, ITTO could not spare any professional staff to attend the CBD SBSTA. ITTO has sent a draft ITTO-CBD MOU to the CBD Secretariat for their review. The intention was to have signed that MOU between the CBD and the ITTO last week. Unfortunately, the CBD Secretariat was incredibly occupied with the CBD SBSTA and they were unable to get clearance from their legal office in time. The MOU will tentatively be ready before the end of this year. We are also very mindful that there is a paragraph in the CBD prior to the last CoP which incorporated ITTO's inputs on the sustainable use of biodiversity and the sustainable use of forest products in order to regenerate biodiversity in either production forests or in natural forests. And the last thing she wanted to say is that the ITTO is a very active member among the 16 members of the CPF.

#### **CSAG statement**

Ms. Fernanda Rodrigues (CSAG-Brazil) read out a prepared statement to participants attending the CSAG Side Event. This statement is appended as it was presented in Appendix A.

#### **Theme for 2026 CSAG Panel Discussion**

The CSAG decided to defer its decision on the theme for the 2026 CSAG Panel Discussion. A theme will be conveyed to the ITTO Secretariat in advance of the next ITTC.

#### **Item 2 – Policy Work under the Committees**

##### **a) Committee on Reforestation and Forest Management**

1. Monitor Progress in the Application of Criteria and Indicators for Sustainable Forest Management [Activity 5, ITTO BWP 2024-2025] and 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 highlighted the training workshop on criteria and indicators (C&I) held in Trinidad and Tobago in 2024, noting that its report and presentations are available on the ITTO website. The Secretariat also pointed out that further funds were needed to organize two additional C&I workshops in Africa, one for African anglophone and another for African francophone members.

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

3. The Secretariat introduced the prototype of the Tropical Integrated Fire Management Toolkit. The Toolkit's primary goal is to establish an online clearinghouse of curated existing fire knowledge resources specifically focused on tropical forests. It will serve as a single, reliable access point for practitioners, policymakers, and researchers, structured around the internationally recognized 5Rs Fire Framework (Review and analysis, Risk reduction, Readiness, Response, and Recovery).
4. Three regional consultants have been engaged, resulting in the collection of over 400 resources currently undergoing validation. The Toolkit focuses on practical information such as guidelines, training manuals, legislative frameworks, and weblinks to significant decision-making tools. The prototype design emphasizes user-friendliness, scalability, and optimization for various devices.
5. A "Contribute knowledge resources" function allows users to submit materials; however, all submissions will require Secretariat's curation to maintain database integrity. The Secretariat anticipates the first version to be released publicly in the first quarter of 2026. The Secretariat expressed its gratitude to the governments of United States of America, Japan, and Canada for their contributions to this initiative, and noted that additional financial resources are needed for the Toolkit's long-term upkeep and optimized functionality.
6. The Secretariat explained that ITTO leads on a new CPF Joint Initiative on "Integrated Fire Management (IFM) in Tropical Forests," with partners including FAO, GFMC, RECOFTC, and UNFF. ITTO holds a specialized niche focusing on tropical IFM issues.
7. Colombia appreciated ITTO's collaboration with other organizations in the fire sphere and highlighted the upcoming Call of Action on Integrated Fire Management and Wildfire Resilience at CoP30 being led by the efforts of Brazil in collaboration with FAO.
8. The delegate of Canada expressed support for the IFM Toolkit, noting that wildfires remain a priority for many members. In this context, Canada and the G7 developed the Kananaskis Wildfire Charter to raise global awareness on the prevention, response, and recovery from wildfire. Regarding the long-term management of the tool, Canada requested clarification on the expected contributions for its upkeep and maintenance. Canada also suggested exploring the use of artificial intelligence (AI) for maintenance and updates. Finally, Canada sought clarification on the planned collaboration between the Secretariat and the FAO Global Fire Management Hub.
9. The Secretariat clarified that ITTO's Toolkit is the first of its kind, and if the Hub develops a global clearinghouse, it will hopefully reference ITTO's Toolkit as a component rather than duplicating the effort. Earlier this year, ITTO hosted a side event on Tropical Fire at the Global Fire Management Hub Plenary. The conclusion of the side event recommended to the GFMH that a Tropical Fire Working Group be established. The GFMH Secretariat responded that they would like to focus on the first three already identified Working Groups during this upcoming year, before additional Working Groups are added. The hope is if such a WG is established, that ITTO will take a leading role.
10. The Secretariat also acknowledged the member's request to incorporate references that address the ecological role of fire and Indigenous Peoples' knowledge. It was noted that regional consultants were instructed to include communities in their stakeholder advisory groups, suggesting that some of this knowledge may have already been captured. The Secretariat also noted that the volume of resources "mined" using AI was significantly greater than without its use. However, the Secretariat stressed that AI is still evolving, and some level of human screening by experts remains necessary.
11. The delegation of Brazil introduced the Amazon Regional Observatory (ORA), which provides real time early warning information and fire training in the Amazon, and encouraged ITTO to seek ways to work with them. The Secretariat confirmed that a link to ORA's website will be included as a resource in the Tropical IFM Toolkit.

12. The delegate of India highlighted the recommendations from its Country Led Initiative (CLI) presented in 2024 at the UNFF and requested that these recommendations be taken into consideration by the Council and within the Toolkit. The Secretariat reaffirmed that the clearinghouse's purpose is not to duplicate the work of other organizations or innovations in fire management. Instead, the Toolkit is designed to be a one-stop for effective dissemination of available resources to practitioners, policymakers, and communities.
13. The representative of Satellites on Fire stressed the urgency and importance of ITTO's Toolkit. The company introduced its early warning fire detection system which is supported by AI and satellites. The Secretariat recognized the leaps in technological innovation to address fire management needs, including the increasing number of applications available for use.
14. Regarding other fire related activities, ITTO organized a side-event during the 2025 Global Fire Management Hub Plenary focusing on responding to changing fire dynamics and needs in the tropics; participated in the RECOFTC-hosted Southeast Asia Fire Dialogue in May 2025 and will be a partner in the Southeast Asia Fire Mechanism; and participated in the recent UNFF Country Led Initiative on Fire hosted by the Government of Türkiye in October 2025. ITTO continues to participate in the quarterly meetings of the Wildfire International Fire Liaison Committee.
15. Developing and Operationalizing ITTO's Policy Guidelines to Members [Activity 8, ITTO BWP 2024-2025].
16. Dissemination of the ITTO Guidelines for Forest Landscape Restoration in the Tropics [Activity 8 (b), ITTO BWP 2024-2025].
17. The Secretariat recalled the ITTO Guidelines for Forest Landscape Restoration developed in collaboration with several partners under the Joint Initiative of the Collaborative Partnership on Forest Landscape Restoration which were published in 2020. The Secretariat informed that a series of virtual workshops were carried out between 2021 and 2023 to disseminate the guidelines in Asia and Latin America.
18. The Secretariat noted that for Africa, physical workshops have been identified as the most suitable vehicle for dissemination and that with the funds received in late 2025, there are plans for conducting the two workshops in 2026, one for anglophone and another for francophone members.
19. Support for Women's Groups with Gender Empowerment and Forest Land Restoration in Togo [Activity 8 (c), ITTO BWP 2024-2025].
20. The Secretariat presented a video that showcases the activities and achievements of activities conducted under a previous phase in Togo. The Secretariat informed the Committee that two Biennial Work Programme based activities on forest landscape restoration led by women will be reported at CRF59, one in Togo to be declared as completed and another ongoing in Benin, both funded by Soka Gakkai. The Secretariat concluded by noting the potential of replication of the activity to empower other women groups in Africa.
21. Joint ITTO-CBD Collaborative Initiative for Tropical Forest Biodiversity/ Biodiversity / Programme document 2024–2025 in relation to the Kunming-Montreal Global Biodiversity Framework [Activity 9, ITTO BWP 2024-2025].
22. The Secretariat informed the Committee that the ITTO/IUCN guidelines for the conservation and sustainable use of biodiversity in tropical timber production forests, first published in 1993 and revised in 2009, are being updated to incorporate new knowledge and guidance. ITTO has engaged a consultant to assist in this process and held an expert meeting to get feedback on the first draft of

the updated guidelines in Mexico in June 2025, with a second expert meeting expected to take place in Asia in the first quarter of 2026.

23. The Secretariat noted that under the current memorandum of understanding (MoU) with the Convention of Biological Diversity (CBD) Secretariat, ITTO published a brochure highlighting how the Organization's projects contribute to the Kunming-Montreal Global Biodiversity Framework (KMGBF); submitted a case study on traditional knowledge, innovations, practices and technology of Indigenous Peoples and local communities for the global report on collective progress in the implementation of the KMGBF; and provided inputs to the CBD's Strategic review and analysis on their current expanded programme of work on forest biodiversity in the context of the KMGBF. The Secretariat also participated in the CBD's Forest Ecosystem Restoration Initiative (FERI)'s 'Global Workshop on Forest Ecosystem Restoration Initiative' in Korea in August 2025.
24. To conclude, the Secretariat informed the Committee that ITTO is currently working with CBD Secretariat to renew the existing MoU which expires at the end of this year. The Secretariat further noted that under the current MoU, funding has predominantly come from ITTO funding for the projects implemented under the ITTO-CBD Collaborative Initiative. Thus far, the MOU has not strengthened the Organization's ability to access CBD financing mechanisms (GEF and Kunming Biodiversity Fund). The Secretariat expressed its gratitude to the governments of Canada, Australia, Japan, Korea, and the United States of America for the funding which allowed for the work conducted under this BWP.
25. Following the report by the Secretariat, the delegate of Colombia noted the collaboration between CBD and UNFF and informed that Colombia participated in a consultancy under this collaboration. The delegate stated that Colombia wishes to highlight ITTO's fundamental role in promoting biodiversity conservation in sustainably managed tropical forests.
26. The delegations of Canada and the European Union took the floor to express their appreciation for the Secretariat's report on this topic.
27. Cooperation and consultation with CPF, UNFF and others [Activity 10, ITTO BWP 2024-2025]

The Secretariat informed the Committee on its active engagement with the Collaborative Partnership on Forest (CPF) and other organizations, which allows a broader dissemination of the Organization's policy and field work and the recognition of the key role of tropical forest and tropical timber in international processes. The Secretariat highlighted the following activities undertaken in 2025:

- Active participation in UNFF country-led initiatives hosted by the governments of Morocco (Community Based Forest Management) and Türkiye (Fire)
- The development of a new ITTO-AFoCo Joint Programme on "Advancing Nature Based Solutions through Sustainable Based Community Based Timber and Forestry Based Enterprises"
- Revitalization of ITTO's engagement with ASEAN and participation in the ASEAN Working Group (WG) on Forest Management and ASEAN WG on Forest Products Development

Following the report by the Secretariat, the delegate of Indonesia took the floor to express the importance of ITTO's collaborative work within the CPF.

28. Collaboration on Criteria and Indicators for Sustainable Forest Management (SFM) [Activity 11, ITTO BWP 2024-2025]

The Secretariat informed the Committee that despite the lack of recent funding pledged for this activity, ITTO was able to participate in the Forest Resource Assessment (FRA) Advisory Group; Collaborative

Forest Resources Questionnaire; and the FRA Task Force in further refining the definition of “forest degradation”, utilizing remaining funds received in prior funding years. The Secretariat encouraged additional contributions to continue the work in the next biennium.

**b) Committee on Economics, Statistics and Markets**

1. Legality frameworks

The Secretariat reported on developments relating to legality framework in 2024-2025, including four major legislative instruments: the EU Timber Regulation/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 regulations geared towards monitoring and controlling the flow of timber into their domestic markets. In addition, the update also covered legislative developments in other important timber markets, namely: the Korean Revised Sustainable Use of Timber Act, Ghana's FLEGT License, as well as the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

The Delegate of Colombia took the floor and informed the Committee that, with regard to the upcoming COP20 CITES, there are proposed amendments that include certain species of interest to member countries, though not specifically to Colombia. The Delegate noted that, based on the activities and discussions throughout the reporting period, there has been notable engagement from the organization on this matter. In light of the forthcoming COP meeting, the Delegate inquired whether there are any recommendations that should be taken into consideration.

The ITTO Secretariat responded that one of the key proposals to be addressed during the upcoming Conference of the Parties (COP) concerns Brazilwood (*Paubrasilia echinata*), submitted by Brazil, which seeks to transfer the species from Appendix II to Appendix I of CITES. Additionally, there are two species from Africa, namely *Afzelia bipindensis* and *Pterocarpus soyauxii* proposed by group of countries from the Congo Basin region, for removal from Appendix II. The Secretariat further noted that these species had only been proposed for inclusion in the appendix II during the previous COP meeting held in Panama in November of 2022.

The ITTO Secretariat further informed the Committee that another species from India, proposed for listing by the European Union, was not supported by India. As part of the CITES consultation process, ITTO is regularly requested by the CITES Secretariat to provide technical comments on species proposed for listings by parties before any COP. Accordingly, ITTO convened a meeting to review and discuss the comments submitted by the European Union and other proponents. During the consultation process, several members provided their inputs, which were consolidated and subsequently transmitted to the CITES Secretariat as ITTO's official comments and observations for consideration during the upcoming COP meeting. Members were informed that they may access the detailed comments submitted by ITTO for reference.

The Secretariat also noted that another proposal concerned a conifer species from Argentina. However, as ITTO's mandate does not extend to coniferous species, the Organization did not provide any comments or observations on that proposal.

The Delegate of Malaysia reaffirmed the country's strong commitment to promoting the legal and sustainable trade of tropical timber. Since 2013, Malaysia has implemented the Timber Legality Assurance System (TLAS), which comprises MyTLAS in Peninsular Malaysia, the Sabah TLAS, and the Sarawak Timber Legality Verification System (STLVS). These systems ensure that all timber produced complies fully with national laws and regulations. Building on this foundation, Malaysia completed a comprehensive study in August 2025 aimed at further strengthening its TLAS. The study focuses on

harmonizing the existing regional systems into a unified national TLAS, thereby enhancing legality, traceability, transparency and sustainability. This initiative underscores Malaysia's proactive approach to aligning with international due diligence requirements and reinforces its position as a trusted and responsible supplier of legally and sustainably sourced tropical timber.

The Delegate of Indonesia reaffirmed the country's commitment to strengthening its Forest Legality Framework through the Enhanced Timber Legality Assurance System (ETLAS+) - Timber Legality Verification System (SVLK+). Indonesia continues to promote the legal and sustainable trade of tropical timber through active participation in international fora, including APEC EGILAT. Key initiatives include the full implementation of the SVLK, development of the Timber Legal Area Guidance Template, and ongoing contributions to regional and global dialogues. These efforts demonstrate Indonesia's dedication to sustainability, transparency, and good regulatory practices in the forestry sector. Furthermore, Indonesia continues to actively contribute to the implementation of ITTO projects that promote sustainable forest management (SFM) and help address the funding gaps that cannot be fully met through natural resource revenues alone.

## 2. Certification, traceability, and transparency

The Secretariat reported on recent developments in forest certification, traceability and transparency in ITTO producer member countries, covering the period of 2024-2025. In 2025, the total area of certified forests (FSC + PEFC) in ITTO producing member countries was 46.4 million hectares, accounting for 8.5% of the world total. The number of chain of custody (CoC) certificates in ITTO producer countries was 8,674 in 2024 (11% of the world total), an increase of 13%.

The FSC certified forest area in ITTO producer countries reached 26.4 million hectares which was 16% of global FSC certified area, while the PEFC certified area reached 19.9 million hectares, accounting for about 6.7% of the world total of PEFC. Eight (8) ITTO producer member countries that have PEFC certified areas were: Malaysia, Brazil, Indonesia, Congo, Gabon, Vietnam and Thailand.

Malaysia continues to strengthen forest certification through the Malaysian Timber certification scheme or MTCS. As of September 2025, 5.78 million hectares of natural forest and about 146,000 hectares of forest plantations have been certified under The MTCS together with 387 companies holding. This achievement reflects Malaysia's steadfast commitment to sustainable forest management and responsible timber production.

The Delegate of Australia stated that Australia takes the legal and sustainable trade of timber very seriously. Australia has recently reformed its legal logging laws, which place due diligence obligations on importers and processors to assess and mitigate the risk of illegally logged timber. Under these laws, importing illegally logged timber is a criminal offense, and certification is now formally recognized. The Delegate expressed appreciation for updates from the ITTO Secretariat and key trading partners, including Indonesia and Malaysia, on their efforts to ensure timber legality and sustainability. Australia also highlighted its strong focus on traceability in timber supply chains.

The Delegate of Panama provided an update on forest certification in the country. Panama is in the process of obtaining forest certification for approximately 155,000 hectares managed in eastern Panama and the Darien region. This initiative is part of the Government's efforts to consolidate sustainable forest management nationwide.

The Delegate of Colombia reaffirmed the country's commitment to supporting forest communities and implementing a system of sustainable forest concessions. Colombia continues to work with Afro-descendant and Indigenous communities to expand access to forest concessions and promote sustainable forest management.

The Delegate of India highlighted the country's robust national legislation on legal and sustainable forest management, which classifies all timber, whether inside or outside forests, as forest products. India has long relied on the National Working Plan Code for scientific management of forest resources and has implemented felling and transit regulations. In alignment with sustainability and legality standards, India launched the Indian Forest and Wood Certification Scheme (IFWCS), known as PRAMAAN, in December 2023. Additionally, India is developing tools for timber traceability and waste management, transitioning from the National Transit Park System to the National Transit Management System, which will cover all stages from plantation through harvesting and timber movement.

### 3. 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:

- The 27th APEC-EGILAT Plenary Meeting, Gyeongju (Korea), 26-28 February 2025. ITTO presented the progress of programme in line with legal and sustainable supply chains, entitled 'Sustaining legal supply chains of tropical wood and wood products'. The ITTO has also provided an update on its efforts to support the use of sustainably produced tropical timber in domestic markets of member countries through Japan funded Sustainable Wood Use (SWU) projects implemented in Viet Nam (completed), Thailand and Indonesia (to be declared complete at this Session).
- The 28th APEC-EGILAT Plenary Meeting and Workshop on Enhancing Enforcement and Legal Timber Trade, Incheon (Korea), 28-30 July 2025. In the workshop organized by the Government of Malaysia and the Government of Korea, ITTO made a presentation entitled 'Sustainable Tropical Forest and Legal Supply Chains – Pathways to 2030'. In the plenary meeting, ITTO provided an update on ITTO's efforts to support the use of sustainably produced tropical timber in domestic markets of member countries through Japan funded SWU projects implemented in Indonesia, Thailand, Malaysia, and India.

### c) Committee on Forest Industry

#### 1. 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 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 Delegate of Japan congratulated the Ministry of Forestry of Indonesia, Kasetsart University, and the Royal Forest Department of Thailand on the successful completion of important projects. Japan expressed hope that the results of these projects will continue to be disseminated, further promoting sustainable production and consumption and contributing to the improvement of domestic markets in both Thailand and Indonesia.

The Delegate of Canada expressed appreciation for the specific examples presented by the panelists regarding sustainable wood product markets and the promotion of sustainable wood use in domestic markets. Canada emphasized that this remains a national priority and encouraged the Secretariat and Council members to continue building on the work of existing initiatives, such as the Forest and Climate Leaders Partnership. The Delegate noted that at COP30 in Belem, Canada will co-chair the Forest Pavilion, which will address issues highlighted in the case studies and presentations, and looks forward to engaging with Council members during the event.

The Delegate of Korea expressed sincere thanks to the Secretariat for the excellent preparation of the project in Malaysia. Korea looks forward to the project's effectiveness in enhancing and diversifying domestic consumption and promoting local markets for sustainable wood and wood products.

The Indonesian Delegate reiterated its strong commitment in implementing and sustainably developing the legality frameworks and Forest and timber certification and traceability by SVLK+. Indonesia has demonstrated a strong commitment to APEC EGILAT forum through several concrete actions, including the implementation of the Timber Legality Verification System (SVLK+), participation in the development of the Timber Legality Guidance Template for Indonesia, and active contributions to APEC EGILAT meetings. Indonesia affirms its commitment to good regulatory practices, including in the forestry sector, to support sustainability and competitiveness. Furthermore, Indonesia has actively contributed in implementing ITTO Project to support SFM and to fill the funding gap due to budget limitation of the government budget

The committees take note of the views expressed and will reflect the agreed and will reflect all the results and updates on this policy work area.

### **Item 3 - Annual Market Discussion 2025**

The theme of the 2025 Annual Market Discussion organized by the ITTO Trade Advisory Group (TAG) was: "The Timber Industry Reimagined: Lessons from Market Struggles and Sustainability Efforts". The Market Discussion was chaired by Ms. Ashley Amidon and Dr. Ivan Tomaselli (TAG Co-Coordinators).

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

Ms. Emily Fripp  
Efeca (UK)

*Promoting Sustainable Tropical Timber Products Trade and Changing Consumer Perception: A New Phase*

Mr. Ngo Sy Hoai  
Vietnam Timber & Forest Products Association

*Learning from Viet Nam : How to Develop Value-added Tropical Timber Industry*

Mr. Jaime Sotela Montero  
Cámara Forestal Madera e Industria de  
Costa Rica

*The Future of the Tropical Timber Industry in the  
Central America Region – Towards a Comprehensive  
Agenda for Sustainability, Competitiveness and  
Legality*

Mr. João Baldasso  
CIPEM (Brazil)

*Forest Plantations in Latin America: Contributions to  
Ensure the Sustainable and Competitive Global  
Supply of Tropical Timber*

Ms. Tullia Baldassarri  
INTERHOLCO AG

*The Tropical Forest Industry in Africa: Efforts to  
Promote Integrated Social, Environmental and  
Economic Development*

The presentations were followed by a question-and-answer session with members of the Council. Following the event, Ms. Ashley Amidon (TAG Co-Coordinator) presented the TAG Statement (Appendix B). Presentations made during the 2025 ITTO Annual Market Discussion and the TAG Statement are available at <http://www.itto.int/ittc-61/presentations>.

## Summary of presentations

**Ms. Emily Fripp**, Director, Experts in Sustainable Forest & Agricultural Advice (Efeca), UK

### **Promoting Sustainable Tropical Timber Products Trade and Changing Consumer Perception: A New Phase**

Emily Fripp, the founder and Director of Efeca, provided a reflection on the current status and trends and the global tropical timber market. She also offered thoughts on the broader, evolving landscape of forest-related markets, consumers and the opportunities and challenges that this brings.

To begin with she flagged that forestry is no longer about timber, forests play a fundamental role in managing the earth's climate, nature and biodiversity while providing an income for local communities, businesses and the global economy. This presents both opportunities and challenges for the international forestry sector.

"Today, the sector is facing complex geo-political issues and uncertainty. However, the tropical timber trade is a resilient and adaptable sector. It survived three major economic shocks and many tropical producer countries remain value-added players in the export trade. The sector's ability to adapt will become increasingly important".

Tropical timber production is increasingly supplied by plantations, with natural forest supply predicted to decline further. Smallholders and agroforestry systems will become increasingly important given the limited possibilities for expansion of large-scale plantations.

Forest managers, producers, regulators and local communities operate in an increasingly complicated, evolving landscape. This has driven a change from a focus where forest value was placed solely on timber and forest products. Now there is growing recognition of the holistic nature of forests, the many services they provide, and the numerous actors involved. This adds to the complexity of our operating space, bringing with it challenges, but equally huge opportunities.

Success in meeting future challenges will hinge on five pillars of innovation; Financial, leveraging public and/or private finance to be invested within the forestry sector; Social, multi-stakeholder collaboration, including co-creation processes to create contextual solutions; Policy development and implementation at different levels for example by embracing overarching goals and guidelines and Compliance with governance and institutional mechanisms and technological advances.

**Mr. Ngo Sy Hoai**

Vice President and Secretary General, Vietnam Timber & Forest Product Association (VIFOREST), Viet Nam  
**Learning from Viet Nam: How to Develop Value-added Tropical Timber Industry**

In his presentation, Mr. Ngo Sy Hoai, distilled key lessons from Viet Nam's experience that can inform other tropical countries in their efforts to develop a sustainable, efficient and high-value timber industry.

He pointed out that Viet Nam, once widely criticised for overexploiting its natural forests, has achieved a remarkable transition from dependence on domestic natural forests to sustainable plantation forestry and from being a raw material exporter to becoming one of the world's leading suppliers of value-added wood products.

According to the Ministry of Agriculture and Environment the value of wood and wood product exports in the first six months of 2025 reached US\$8.21 billion, an increase of almost 9% compared to the same period in 2024.

To advance, Viet Nam is developing its timber industry to be sustainable, efficient and high-value by focusing on advanced technology, improving the legal timber supply chain and shifting to higher-value production.

Key strategies include increasing the use of legal and certified timber, modernising processing facilities, boosting domestic production and promoting research and design to meet international market needs. Viet Nam is increasing plantation areas and fostering private and community-based plantations.

**Mr. Jaime Sotela Montero**, President, Cámara Forestal Madera e Industria de Costa Rica (CFMI), Costa Rica  
**The Future of the Tropical Timber Industry in the Central America Region – Towards a Comprehensive Agenda for Sustainability, Competitiveness and Legality**

The tropical timber industry in Central America is facing a historic turning point. Natural tropical forests and forest plantations represent an ecological, social and economic asset of great strategic value. However, their continued existence depends on the ability of the region's countries to harmonize sustainable use with competitiveness and trade transparency, Mr. Montero said.

Central American countries have made progress in forest governance, sustainable forest management, certification, traceability and responsible trade systems. Some have modern legal frameworks and recognised certification while others face informal markets and weak oversight.

To overcome this scenario a regional vision is required where legality, sustainability, traceability and profitability coexist under the same value logic. The challenge is also cultural, repositioning tropical timber as a material of the future associated with the bio-economy and green construction.

The State has an essential role as a guarantor of forest sustainability and in this regard, Costa Rica is seeking a model of institutional coordination and public policy aimed at sustainable public procurement and developing the 'green economy', improving competitiveness, innovation and added value production and creating public-private partnerships and international cooperation.

**Mr. João Baldasso**

Center for Wood Producing and Exporting Industries of the State of Mato Grosso (CIPEM) (Brazil)

**Forest Plantations in Latin America: Contributions to Ensure the Sustainable and Competitive Global Supply of Tropical Timber**

Mr. Baldasso began his presentation with an explanation of the structure and objectives of CIPEM, the Mato Grosso Timber Production and Export Industries Center, which brings together eight forest-based employers' unions (523 individual companies).

The aim of CIPEM is to organise and strengthen the forest sector in Mato Grosso and throughout Brazil. CIPEM is at vanguard of sustainable forest management in Brazil, and it sees a huge potential in exploiting medium and low-density Amazonian species that are currently ignored by the market. Baldasso asserted that the Amazon region offers the opportunity to develop profitable and ecologically sound forest plantations, focusing on its native species.

In 2024 Brazil's forestry exports generated approximately US\$17 billion of this US\$11 billion came from plantation forest pulp. The forest sector in Brazil today is dominated by plantations. Eucalyptus and pine are the major drivers of wood exports with the pulp and paper industries being key consumers. Over the past 30 years forest plantation productivity has nearly doubled with a lower cost base in Brazil compared to some traditional exporters thereby providing a significant competitive advantage.

The presentation includes a wealth of statistics and data on the distribution of plantations, species and end uses. He determined that the adoption of forest certification and compliance with legal frameworks are essential for market access.

The area of forest plantations in Brail continues to expand. Currently there are around 10 million hectares and in 10 years this is forecast to grow to 15-16 million hectares with an investment of US\$70 billion and the potential creation of about 200,000 jobs in rural areas.

As the area of plantations expand there needs to be a parallel expansion of processing capacity and development of an efficient physical infrastructure.

Baldasso recommended that to build on the success so far achieved it would be advisable to focus on productivity and prioritise plantations located close to domestic markets, integrate plantations for energy production with agro-industrial end users, strengthen legality, traceability and certification, mobilise green finance and invest in R&D to improve genetics, forestry techniques and product development.

**Ms. Tullia Baldassarri**, Communication and Marketing, INTERHOLCO AG, Switzerland

**The Tropical Forest Industry in Africa: Efforts to Promote Integrated Social, Environmental and Economic Development**

Ms. Baldassarri introduced the company she represents, Interholco, a supplier of 'Sustainable Hardwood – Made in Africa'. She explained the company manages a 1.16-million-hectare forest concession in the Republic of Congo which is FSC and PAFC certified.

The industry in Congo, she explained, has been challenged to achieve the 'Fourth Industrial Revolution', (Industry 4.0) to be advanced by analytics, automation and advanced manufacturing technology backed-up by skill up-grading. This, says Ms. Baldassarri, can elevate the 'Made in Africa' brand.

To close the loop the timber sector needs allies linking achievements in the forest with external expectations, not to just to legitimise what companies do but to understand where and when they meet external expectations for social, environmental, economic and regulatory performance and compliance.

She added that when wood is harvested for the common good it becomes an agent of innovation and that social innovations emerge from interactions among stakeholders to construct solutions to social needs.

She said, for the future there are three milestones to be met: a halt in deforestation, restoration of degraded forests and continued promotion of sustainable forest management.

In conclusion Ms. Baldassarri quoted the following she attributed to Dr. Qu Dongyu, Director General FAO of the United Nations, "Protecting, Restoring and Managing forests are cost-effective options to provide multiple benefits for both people and planet".

**Discussion and interventions**

The delegation from Colombia made an intervention, asking the panellists how to overcome challenges related to engaging forest communities and sustaining income. Colombia is consolidating its forest economy and linking it with biodiversity and is concerned that due to a long delay (7+ years) before timber yields income that they will be replaced with non-timber forest products that are needed for short-term livelihood. The delegate asked how local communities can be motivated and supported in maintaining forest-based livelihoods, especially in remote areas like the Congo Basin.

Mr. Jaime Montero explained that success is based on three main factors: Environmental services payments since the 1990s provide continuous cash flow to forest users, established by national law and not dependent on external donors, Promotion of agroforestry and diversified forest supply chains with private sector participation, and Private partnerships between forest owners and companies facilitate deforestation control and sustainable procurement. He also emphasized planning reforms carefully to prevent land-use conflicts.

Mr. Ngo Sy Hoai explained that forest protection is linked to food security — when people have enough food, they stop shifting cultivation. Vietnam is now a leading rice exporter, which allows focus on forest protection and many farmers have diversified their livelihoods. He also added that Vietnam receives USD 150 million annually for forest communities from hydropower and ecotourism users. This has resulted in successful forest regeneration and reduced deforestation.

Ms. Tullia Baldassarri highlighted participatory approaches in forest concessions, especially related to Indigenous and local peoples, who are consulted under Free, Prior and Informed Consent (FPIC) principles. Engagement begins two years before logging to prevent conflicts. Grievance mechanisms exist and communities choose their own local benefit projects.

The delegate from Malaysia made an intervention focused on the trade-offs between forest carbon and sustainable forest management (SFM). There is a concern that Carbon markets currently yield less revenue than traditional forest-based industries, and asked panellists' views on balancing both.

Ms. Emily Fripp noted that carbon should be an additional income source, not a replacement. She also noted that opportunities exist at national, plantation, and smallholder levels (especially through agroforestry). She also placed an emphasis on credibility and robust MRV (monitoring, reporting, verification) systems.

Mr. Jaime Montero noted that an optimal model combines SFM revenues + carbon markets to ensure steady cash flow. He noted that relying only on carbon income is unsustainable.

Mr. Ngo Sy Hoai noted that carbon trade and wood trade should complement each other, and he warned against overpromising profits from carbon credits. Vietnam earned USD 50 million from its first carbon credit sale via the World Bank but urges patience.

The delegate from China commended Vietnam and suggested deeper China–Vietnam collaboration through ITTO and trade frameworks (e.g., ASEAN, SAP). They also supported expansion of the BMIC (Bamboo and Forest Products Market Information Center) initiative for reducing small enterprise costs. The also praised African forest initiatives and expressed interest in sharing best practices.

Mr. Ngo Sy Hoai agreed and called for understanding from the U.S. and noted that developing countries supply quality furniture to U.S. consumers.

The First Women's Network made an intervention, thanking Mr. Joel Baldasso for supporting gender inclusion. They cited a mentorship program for 300 women in Brazil's forest sector and noted that women now represent 18% of the workforce. They also emphasized importance of equity and inclusion, not just participation numbers.

The Republic of Korea's made an intervention which highlighted the need for traceability and legal timber systems and introduced Korea's DNA-based verification system to detect illegal timber. They also called for education, infrastructure, and information exchange among ITTO members.

The European Union's made an intervention, explaining the EU Deforestation Regulation (EUDR) proposal context and recent delay due to IT system capacity concerns. The EU aims for a smooth rollout rather than premature launch. They also introduced new EU initiatives for biodiversity credits, complementing carbon markets and promoting investment in biodiversity protection.

Ms. Ashley Amidon as moderator thanked all participants, noting lively exchanges and constructive ideas on forest sustainability, community livelihoods, and balancing environmental and economic priorities.

### **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 2026 Annual market discussion**

The Trade Advisory Group (TAG) decided to defer its decision on the theme for the 2026 Annual Market Discussion. A theme will be conveyed to the ITTO Secretariat in advance of the next ITTC.

### **Item 4 - Report of the Expert Panel for Technical Appraisal for Project Proposals**

Document ITTC/EP - 60]

The Joint Session of All Committees considered the report of the Sixtieth Virtual Expert Panel for Technical Appraisal of Project Proposals. With the absence of the panel members attending the Council Session, Dr. Gerhard Bruehlmann from the Secretariat presented the report, as contained in document ITTC/EP-60 (presentation available at <https://www.itto.int/itcc-61/presentations/>).

The Sixtieth Panel appraised eleven (11) proposals. The Panel noted that:

- Eight (8) Project Proposals (73 percent of the total) were commended to the Committee for final appraisal with minor modifications required (category 1); and
- Three (3) Project Proposals (27 percent of the total) will be sent back to proponent for essential revision, rated as category 2.

### **Item 5 - Report of the Ex-post Evaluation Reports** [Document CRF(LIX/4)], [Document CRF(LIX/5)]

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: PD 741/13 Rev.3 (F) implemented in Peru and PP-A/53-323 implemented in the Congo Basin.

The primary purpose was to conduct an in-depth evaluation of the implementation of both completed capacity building 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.

The consultant, Maria Soledad Jaime Arteaga made a presentation before the Committee on PD 741/13 Rev.3 (F), "Capacity building for the sustainable management of tropical dry forests on the north coast of Peru" reporting that while the project was an operational success, it did not bring the expected behavioral changes due to an economic disconnect between sustainable use of natural resources versus survival needs and lack of institutional continuity. The consultant pointed out that improvements could be made to project design by stressing that projects should not be designed for implementation but rather for a transformational change. The consultant concluded that the project was not a failure but a learning laboratory, as it laid out a crucial foundation and provided a clear roadmap for future initiatives.

The consultant, Jean Marcial Bell, presented the ex-post evaluation of the BWP based-activity PP-A/53-323 "Capacity building for the implementation of legal and sustainable supply chains in the Congo Basin countries". The consultant noted that unfortunately outputs were not sustained after project completion, limiting the positive impacts of the project. The consultant suggested the creation of a post-project mechanism for follow up for future similar projects. The consultant concluded by stating that capacity building in legal and sustainable supply chains is urgently needed in the Congo Basin and suggested a remobilization and update of the training manual produced under the project.

Following the presentation by the two consultants, the delegate of Panama asked Ms Arteaga for a brief reflection on how to face the challenges mentioned in the project implemented in Peru. The consultant replied that projects need to be designed for long-term sustainability and not only for accountability. This requires a deep understanding of political realities and scenarios for adequate planning into the future and ensuring that outcomes are assumed and continued by the project beneficiaries.

The delegate of Peru noted that project PD 741/13 Rev.3 (F) was implemented between 2017 and 2019, which was followed by the COVID-19 pandemic, and inquired if that influenced the lack of project sustainability. The consultant informed that impacts of the pandemic were considered for the ex-post evaluation assessment and that the lack of appropriation of project outcomes by stakeholders was independent of the pandemic. For example, there was no posting of project publications on SERFOR's webpage nor of the good practices documented by the project for future replication.

The delegate of the European Union thanked the consultants for their presentation, noted the value of independent evaluations and inquired how the Secretariat incorporates lessons learned into project manuals and guidelines. The Secretariat replied that recommendations from ex-post help members to improve project design (a bottom-up approach that differs to other organizations), thus contributing to building in-country capacity on project formulation. The Secretariat stressed that when project manuals or guidelines are developed or updated, lessons learned from project implementation and recommendations from ex-post evaluations are considered.

The delegate of Colombia, noted that executive agencies in implementing countries are normally smaller agencies not comparable to GEF or GFC implementers, reason for which is important for national governments to create links with its implementors and strengthen governance, as Colombia is doing with the University of Tolima, which has help in crafting relevant policy.

The Secretariat highlighted the necessity of national governments' commitment to sustain project outcomes. One of the consultants suggested the use of mid-term evaluations to ensure sound project design and sustainability of project outcomes.

#### **Item 6 - Other Business**

The Joint Session of All Committees took note presentations of two private sectors from Peru (Arena Verde and La Selva), under the theme: "Sowing the Future Together - Opportunities for land restoration and commercial forest plantations in conjunction with large-scale agro-industrial crops".

**Arena Verde** Arena Verde is a carbon-neutral agricultural company, due to its offsetting actions, developed a plantation project for high-value commercial species in the north coast of Peru, especially in the Lambayeque Region (Morrope). The company has more than 2000 hectares of additional land available for mahogany and other timber species in an area adjacent to its forest reserve and its agricultural operations. The project demonstrates a balance between agricultural operations, the forest of native species of the north coast, and high-value commercial timber species.

**La Selva**, as the implementing agency, made a presentation of an ITTO project PD932/23 (F) entitled 'Assessment and dissemination of knowledge and experiences for ex-situ conservation and plantation of Caoba (*Swietenia macrophylla*; King) in Northern Coastal Area, Peru. The Caoba, which grows in the tropical rainforest, is of great commercial value, but is now listed as an endangered species on CITES by illegal logging and forest pests. This project was designed to prepare the foundation necessary to address the endangerment and increase its utilization. The biggest achievement of this project is to create and distribute reports that systematize knowledge and experience through successful case analysis, and it is expected that this will help expand investment for the ex-situ conservation and utilization of Caoba in the mid to long term period.

## Appendix A

### **Civil Society Advisory Group (CSAG) Statement to the ITTO 61<sup>st</sup> Council**

#### ***Securing a Future for Forests and People***

Honourable Chair, Distinguished Delegates, Secretariat, and Colleagues,

As the International Tropical Timber Council convenes in Panama, at a moment when the Preparatory Working Group advances the roadmap for a successor to the ITTA (following its extension to 2029), we face a defining opportunity. The ITTO can now align its mission with the urgency of the climate, biodiversity, and equity crises. CSAG affirms that a sustainable tropical timber trade is indispensable—but only if it is intrinsically tied to the health of natural forests, the rights and security of Indigenous Peoples and Local Communities (IPLCs), including Women and Youth, and transparent governance.

#### **1. Safeguarding Natural Forest Integrity**

Natural tropical forests are irreplaceable. CSAG calls on ITTO to reaffirm Sustainable Forest Management (SFM) in natural forests as the core of its mandate and to channel the new financing architecture toward strengthening these systems. The Council should ensure that a majority of funds directly support SFM and community-led conservation, and that Kunming-Montreal Global Biodiversity Framework targets are embedded in ITTO's Strategic Action Plan.

#### **2. Advancing Rights, Equity, and Local Livelihoods**

Securing IPLC including rural women tenure and participation is the most effective safeguard against deforestation. CSAG urges the Council to adopt Free, Prior, and Informed Consent (FPIC) as a non-negotiable prerequisite for all ITTO-funded activities and to establish a dedicated funding window for IPLC and women-led enterprises within the Programme Line on Forest Landscape Restoration and Resilient Livelihoods.

#### **3. Ensuring Transparent and Credible Markets**

Global timber and NTFP markets demand traceability and accountability. CSAG calls for public disclosure of key project and concession data, the creation of a joint CSAG-TAG mechanism to address deforestation-free supply chains, and the co-design of the Annual Market Discussion to include women- and community-led enterprises as central actors in legality and sustainability.

#### **4. Strengthening ITTO's Effectiveness for 2030 and Beyond**

Predictable financing, robust monitoring, participatory and inclusive governance remain critical. The forthcoming Successor ITTA must embed the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), establish measurable targets for expanding natural forest areas under community-led, sustainable, and legal management, and position ITTO at the vanguard of integrating forests into global climate, biodiversity, gender justice and human-rights goals.

In closing, tropical forests stand at a crossroads. The trade in sustainably managed tropical timber can be a cornerstone of climate and biodiversity solutions—if it unites ecological integrity, social equity, and responsible markets. CSAG stands ready to work with all Members to ensure this Council marks a true turning point toward a stronger, more equitable, and strategically future-focused ITTO.

Thank you.  
**CSAG Chair**

Chen Hin Keong, TRAFFIC, Chair and official contact person for CSAG  
[hk.chen@traffic.org](mailto:hk.chen@traffic.org)

**South America Focal Point**

Ximena Buitrón, FairWild Foundation, Ecuador  
[ximebuitronci@gmail.com](mailto:ximebuitronci@gmail.com)

**Asia Pacific Focal Points**

Christine Wulandari, FKKM, Indonesia  
[chs.wulandari@gmail.com](mailto:chs.wulandari@gmail.com)

**Africa Focal Points**

Cecile Ndjebet, Cameroon Ecology, Cameroon  
[cecilendjebet28@gmail.com](mailto:cecilendjebet28@gmail.com)

Francis Colee, Green Advocates, Liberia  
[francis.colee@elaw.org](mailto:francis.colee@elaw.org)

**Other CSAG Observer Members:**

Ms Gwogon Gwet Jacqueline  
REFACOF Cameroon  
[jackiegwet1965@gmail.com](mailto:jackiegwet1965@gmail.com)

Chimene Musanga Timani  
REFACOF DRC, Femme Autochtone  
[musangatimani@yahoo.fr](mailto:musangatimani@yahoo.fr)

Shizuka Yasui  
Forest Stewardship Council, Asia Pacific Regional Office  
[s.yasui@fsc.org](mailto:s.yasui@fsc.org)

Delphine Ahoussi  
Presidente de l'Association MALEBI  
[Ahoussi\\_-\\_delphine@yahoo.fr](mailto:Ahoussi_-_delphine@yahoo.fr)

Fernanda Rodrigues  
Forest Women Network, Brazil / Brazilian Forests Dialogue  
[fe.rodrigues.1412@gmail.com](mailto:fe.rodrigues.1412@gmail.com)

Rose Pelagie Masso  
REFACOF Regional Planning and Cooperation Officer  
[rosymass1@yahoo.fr](mailto:rosymass1@yahoo.fr)

Danièle Ramiaramanana  
REFACOF Madagascar  
[ramiaramanana.daniele@gmail.com](mailto:ramiaramanana.daniele@gmail.com)

## APPENDIX B

### STATEMENT OF THE TRADE ADVISORY GROUP (TAG)

Presented at the 2025 Annual Market Discussion by  
Ashley Amidon (TAG)  
28 October 2025

Chair, Honored delegates and guests

Our industry stands at a crossroads internationally. Across the globe, we are navigating a period of profound uncertainty. Tariffs, retaliatory trade measures, declining consumer confidence, and intensifying regulatory burdens are creating a complex environment for those working to keep the tropical timber trade both sustainable and viable. As a result, we have entered a period of existential threat to forests, the trade, and ITTO.

Within the Trade Advisory Group these issues have been the focus of active and ongoing discussion. Today, I would like to highlight four key areas of concern that are shaping our future.

The first is Global Trade policy. TAG sees proposals and actions around the world that seek to limit market access, such as new tariffs on timber and wood product imports. Our members are deeply concerned that such measures will restrict market access, disrupt supply chains, and weaken global confidence in tropical timber. Worse still, these actions could accelerate the use of alternative, non-renewable materials in construction and design — materials that often carry a higher environmental cost than wood.

The 2025 FAO Global Forest Resources Assessment confirms that more than 50% of forests worldwide are now covered by long term management plans, which support forest sustainable management and use. Yet this narrative is not one understood by consumers or specifiers.

Frequent and unpredictable changes in trade policy, coupled with broader geopolitical tensions, are creating an unstable environment for wood and wood product exporters. This volatility makes it increasingly difficult to plan investments, maintain steady operations, and build long-term business partnerships.

The broader application of reciprocal tariffs further underscores the continuing risk for furniture, building materials, and other downstream product categories. Such measures will seriously weaken market demand, compounding existing pressures on both exporters and manufacturers throughout the value chain.

TAG urges policymakers to consider the broader implications of these policies — not only for trade, but for forests, for local communities, and for the credibility of sustainable forest management itself.

We are observing a global drift towards both higher tariffs and non-tariff barriers — and this threatens the very viability of the legal, sustainable tropical timber trade and makes diversification impossible. Forests retain their value to local communities only when they generate sustainable economic returns. If the ability to trade that timber is constrained, we risk creating incentives for forest conversion to agriculture or other land users. We urge all those involved in trade policy to think of the long-term harm that will be done to both businesses and forests if these policies continue.

TAG calls for trade frameworks that prioritize sustainable forest management — ensuring both continued market access and the long-term protection of the world's tropical forests. In short, TAG believes that good trade policy is good forest policy.

TAG would also recommend that the Trade Barriers study completed by ITTO in 2004 be revised and updated with actionable recommendations on how ITTO can help ease those barriers.

Our second concern is the Convention on International Trade in Endangered Species, or CITES. Many TAG members view recent developments under CITES as a serious business risk.

We fully support the intent of the Convention — ensuring that international trade in wild species remains sustainable — but we also emphasize that any new tropical timber listing proposals must be grounded in sound science and developed through transparent consultation with all range states. We also remain concerned that every COP, the list of species proposed and included increases, yet there is almost no additional investment in management and scientific authorities to cope with an increased workload. This has the effect of significantly delaying or even halting trade.

TAG remains deeply concerned about the long-term direction of CITES policy and its cumulative effect on legal, sustainable timber flows. We therefore strongly urge and recommend that future CITES proposals be brought before the ITTC for discussion as was intended. This would allow member countries, industry, and civil society to provide full and meaningful feedback before decisions are finalized.

The third topic is the EU Deforestation Regulation. TAG is aware that the EU is contemplating an additional delay and urges decisive action. Uncertainty affects planning and actions by both governments and the private sector. TAG's concerns remain as they have been since the passage of EUDR in that compliance pathways are still unclear for many operators — particularly small and medium-sized enterprises and that there is a risk of uneven rollout across member states.

TAG emphasizes that effective implementation depends on clear and consistent communication, transparency, certainty, and a defined pathway for implementation and enforcement. We urge the European Commission to continue providing clear guidance, training, and capacity-building support across the supply chain.

Our shared goal should be purposeful regulation that prevents deforestation without undermining legal and sustainable trade, or penalizing those who are already following best practices.

Finally, TAG remains very concerned over consumer and specifier attitudes towards timber in general and tropical timber in particular. Combined with economic headwinds and trade barriers globally, the industry is facing a prolonged period of upheaval. We want to ensure that that prolonged upheaval does not become a prolonged decline. Therefore, TAG has decided to form a working group internally to discuss the causes of the progressive decline in the international tropical timber trade and bring recommendations to the Council in the immediate future.

In conclusion, the Trade Advisory Group remains firmly committed to collaboration: Our industry is a bulwark against deforestation, not a driver, and we look forward to working with governments, civil society, and our partners throughout the private sector to halt land conversion.

We all share a common goal — to ensure that the global tropical timber trade continues to be a force for good: a force that supports livelihoods, sustains forests, and contributes to the world's transition towards renewable, climate-positive materials. We believe we have a strong story to tell about the good forests do for both the economy and the environment. We urge members to work with us as trade policy and regulations are developed and implemented so that together, we can support tropical forests.

Thank you.

Note: TAG can be contacted at [ti@itto.int](mailto:ti@itto.int)

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