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**PROGRESS REPORT ON THE IMPLEMENTATION OF  
THE ITTO THEMATIC PROGRAMMES**

(Item 14(a) of the Provisional Agenda)



List of Acronyms

|        |  |
|--------|--|
| BWP    | Biennial Work Programme  |
| CBD    | Convention on Biological Diversity   |
| CFME   | Community Forest Management and Enterprises  |
| FFPRI  | Forestry and Forest Products Research Institute                                    |
| FLEGT  | Forest Law Enforcement, Governance and Trade of the European Union                 |
| IDE    | Industrial Development and Efficiency  |
| ITTC   | International Tropical Timber Council  |
| ITTO   | International Tropical Timber Organization   |
| IUFRO  | International Union of Forest Research Organizations                               |
| JICA   | Japan International Cooperation Agency   |
| MP     | Monitoring Protocol  |
| NOL    | No Objection Letter  |
| NTFP   | Non Timber Forest Products   |
| OLMS   | Online Monitoring System   |
| PSC    | Project Steering Committee   |
| PTC    | Project Technical Committee  |
| REDD   | Reducing Emissions from Deforestation and Forest Degradation                       |
| REDDES | Reducing Deforestation and Forest Degradation and Enhancing Environmental Services |
| TFLET  | Forest Law Enforcement, Governance and Trade                                       |
| TLAS   | Timber Legality Assurance System   |
| TMT    | Trade and Market Transparency  |
| TP     | Thematic Programme   |
| TPAC   | Thematic Programme Advisory Committee  |
| TPD    | Thematic Programme Document  |
| TPP    | Thematic Programme Profile   |
| UNFCCC | United Nations Framework Convention on Climate Change                              |
| UNFF   | United Nations Forum on Forests  |
| YPO    | Yearly Plan of Operation   |

## 1. Introduction

This document is prepared pursuant to Decisions 8 (XLIV) on the Thematic Programmes (TP) subaccount under the Special Account, 9 (XLIV) on the Operational Procedures and Guidelines of the Thematic Programmes on a Pilot Basis and 10 (XLIV) on the Thematic Programme Profiles (TPP), requesting the Executive Director to prepare annual progress reports on the implementation of the ITTO Thematic Programmes for Council's review.

The Thematic Programmes approved by the Council are:

- Forest Law Enforcement, Governance and Trade (TFLET)
- Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests (REDDES)
- Community Forest Management and Enterprises (CFME)
- Trade and Market Transparency (TMT)
- Industry Development and Efficiency (IDE)

In keeping with the above Decisions, this document reports on the progress made in the implementation of the ITTO Thematic Programmes since the end of the 46<sup>th</sup> session of the ITTC held in Yokohama, Japan, 13-18 December 2010.

## 2. Thematic Programme Development

The funding pledged (US\$ 5.393.784) to the Thematic Programmes during the 46<sup>th</sup> session of the ITTC allowed for the launch of one call for proposals in 2011 under REDDES and TMT. Although pledges were also received for CFME and TFLET the total funding remaining under those programmes was not considered sufficient to launch a call for proposals in 2011. By the third year of the Thematic Programme pilot phase, four out of the five programmes approved by Council have been implemented with partial funding, while the Thematic Programme on Industry Development and Efficiency (IDE) has not received funding yet. Annex 1 of this progress report provides information on the progress made by each activity, pre-project and project.

## 3. PROGRAMME MANAGEMENT AND MONITORING

The integrated web-based ITTO Online Monitoring System (OLMS) has been developed with the aim to conduct more efficient monitoring and evaluation and more effective overall project management. It allows for systematic interaction between the Executing Agency Project Coordinators and the ITTO Project Managers and establishes an electronic database of projects with a complete dossier of project related documentation and information including Project Document, Project Agreement, Technical Reports, Monitoring Mission Reports, PSC/PTC Reports, NOL requests, Financial Statements and Cash Flow information. The system has been (and will continue to be) continually updated and fine-tuned to reflect technical developments and comments received from system users, including Executing Agencies and Project Managers. Technical assistance is provided by the system developers (Brainweb Solutions Co., Campinas, Brazil). The use of the OLMS is now mandatory for all ITTO projects. After translation of the system into Spanish and French, a new layout following the layout of the ITTO website has been implemented in early 2011 for easier navigation and to enhance user-friendliness.

Following the development and completion of the 'Monitoring Protocols' (MP) for the four active TPs on CFME, REDDES, TFLET and TMT in 2010, the format of proposals submitted under the Thematic Programmes was amended to reflect this development. An additional section was requested from all proposals submitted under the TP 1<sup>st</sup> Cycle 2011. Besides a section elaborating on the proposal's conformity with the respective Thematic Programme deliverables (referring to the Thematic Programmes Document, TPD), all proposals had to address the association of the expected project results with the respective TP Monitoring Protocol including Means of Verification.

#### 4. TP Calls for Proposals

##### The 1st Cycle 2011

The 1<sup>st</sup> Cycle 2011 Call for Proposals was launched on 25 February 2011 for REDDES and TMT. The deadline for receipt of proposals under the cycle was 22 April 2011. By the deadline, 42 eligible proposals were received from 21 member countries and the ITTO Secretariat, seeking a total of US\$ 15,725,260.

Under REDDES, 37 proposals were received from 19 member countries (Brazil, Cameroon, China, Ecuador, Gabon, Ghana, Guatemala, Honduras, Indonesia, Liberia, Malaysia, Mexico, Myanmar, Netherlands, Nigeria, Peru, Philippines, Thailand, Togo) and the ITTO Secretariat, seeking a total of USD 14,510,686. The proposals included 23 project proposals, 6 small-project proposals and 8 pre-project proposals.

Under TMT, five proposals were received from four member countries (Austria, Ghana, Guatemala, Guyana) and the ITTO Secretariat, seeking a total of USD 1,214,574. The proposals included 3 project proposals, 1 small-project proposal and 1 pre-project proposal.

All proposals were subject to the established three-step review process applied under the TPs, including:

- proposal screening for compliance with the requirements under the Spring Cycle;
- technical pre-appraisal by the ITTO Secretariat;
- expert review by the members of the respective Thematic Programme Advisory Committee (TPAC).

Based on the Secretariat pre-appraisal and the TPAC expert review, the ITTO Executive Director gave conditional approval for funding to seventeen proposals, that is fourteen under REDDES and three under TMT. Final approval was given after reviewer comments had been addressed and properly integrated into revised proposals. The approved proposals are listed in Table 1. The total funding allocation under the 1<sup>st</sup> Cycle 2011 is US\$ 4,875,003, divided into US\$ 4,134,251 under REDDES and US\$ 740,752 under TMT. The activities are currently getting underway.

**Table 1.** TP 1<sup>st</sup> Cycle 2011 approved proposals (REDDES, TMT)

| <b>REDDES 1<sup>st</sup> Cycle 2011 Allocation</b> |   |                        |                     |                      |
|--|---|------------------------|---------------------|----------------------|
| <b>Project ID</b>                                  |   | <b>Submitted by*</b>   | <b>ITTO Funding</b> | <b>Project Total</b> |
| RED-PD<br>031/11 Rev.1<br>(F)                      | Rehabilitation and restoration of residual forests and arid savannah lands in the Akpé and Akama valleys  | Togo                   | \$478,894           | \$773,349            |
| RED-PD<br>033/11 Rev.2<br>(F)                      | Value adding to environmental services from managed forests belonging to seven communities in the Ucayali region  | Peru                   | \$415,384           | \$654,965            |
| RED-PD<br>037/11 Rev.2<br>(F)                      | Reducing forest degradation and emissions through sustainable forest management (SFM) in peninsular Malaysia  | Malaysia               | \$590,922           | \$864,622            |
| RED-PD<br>038/11 Rev.3<br>(F)                      | Capacity building for developing REDD+ activities in the context of sustainable forest management   | Myanmar                | \$571,890           | \$645,692            |
| RED-SPD<br>039/11 Rev.1<br>(F)                     | Improving the quality and coverage of the estimates of carbon stocks in Thailand's forests and trees outside forest: Phase I  | Thailand               | \$113,373           | \$158,279            |
| RED-PPD<br>041/11 Rev.2<br>(F)                     | Designing a Programme for Capacity Building and Meaningful Stakeholder Participation in Forest Governance and REDD+ in Honduras and Guatemala                         | Honduras/<br>Guatemala | \$144,650           | \$170,320            |
| RED-PD<br>045/11 Rev.2<br>(M)                      | Environmental assessment and economic valuation of ecosystem services provided by coastal forests (mangrove forests, flood forests, rain forests and scrub forests on | Mexico                 | \$470,682           | \$871,825            |

|   |   |           |             |           |
|---|---|-----------|-------------|-----------|
|   | dunes) and their agricultural replacement systems on the central coastal plain of Veracruz, Mexico  |           |             |           |
| RED-PPD<br>050/11 Rev.1<br>(F)                      | Participatory development, conservation and rehabilitation of degraded forest areas in the Bamboutos Mountain chain, West Cameroon  | Cameroon  | \$73,613    | \$93,713  |
| RED-PPD<br>051/11 Rev.1<br>(F)                      | Contribution to the implementation of REDD mechanisms by enhancing the participation of stakeholders in sustainable forest management in Cameroon   | Cameroon  | \$81,864    | \$100,864 |
| RED-SPD<br>055/11 Rev.1<br>(F)                      | Integrating sustainable livelihoods, environmental mortgages, and science-based reforestation for tangible forest conservation change in the Ecuadorian Chocó   | Ecuador   | \$149,922   | \$207,744 |
| RED-PA<br>056/11 Rev.1<br>(F)                       | Strengthening the capacity of ITTO producer countries in Africa in generating and disseminating scientific information on Reducing Deforestation and Forest Degradation and Enhancing Environmental Services from Forests | ITTO      | \$253,120   | \$348,120 |
| RED-SPD<br>058/11 Rev.2<br>(F)                      | Developing REDD+ES in the Brazilian Atlantic Rain Forest  | Brazil    | \$142,110   | \$164,610 |
| RED-PD<br>064/11 Rev.2<br>(F)                       | Promoting Local Community Initiative on the Rehabilitation of Mangrove Ecosystem with Demonstration Activities in Bintan Island to Reduce further Deforestation and Forest Degradation                                    | Indonesia | \$504,317   | \$555,887 |
| RED-PA<br>069/11 Rev.1<br>(F)                       | Quantifying the REDD+ effect of ITTO projects   | ITTO      | \$143,510   | \$143,510 |
| REDD+ES 1 <sup>st</sup> Cycle 2011 Allocation Total |   |           | \$4,134,251 |           |

| <b>TMT 1<sup>st</sup> Cycle 2011 Allocation</b> |  |                      |                     |                      |
|---|--|----------------------|---------------------|----------------------|
| <b>Project ID</b>                               | <b>Title</b>   | <b>Submitted by*</b> | <b>ITTO Funding</b> | <b>Project Total</b> |
| TMT-PD<br>004/11 Rev.2<br>(M)                   | Strengthening of the forest information system of Guatemala to improve market and trade transparency and decision-making in the forest sector. | Guatemala            | \$359,716           | \$656,562            |
| TMT-PD<br>006/11 Rev.3<br>(M)                   | Strengthening market information systems to enhance trade and market intelligence in the forest sector of Guyana                               | Guyana               | \$320,920           | \$420,820            |
| TMT-PA<br>007/11 Rev.1<br>(I)                   | Methodological Development for Life Cycle Analysis of Tropical Wood Products to Improve their Competitiveness in International Markets         | ITTO                 | \$60,116            | \$60,116             |
| TMT 1 <sup>st</sup> Cycle 2011 Allocation Total |  |                      | \$740,752           |                      |

\* in alphabetical order by submitting country

The activities are currently getting underway.

## 5. Thematic Programme Financing

Subsequent to the pledges made during the 46<sup>th</sup> ITTC, no further pledges to the Thematic Programmes were received during 2011. The financing status of the Thematic Programmes by programme is as follows:

### TFLET:

The pledges received under TFLET amount to US\$ 6,481,711 or 43,21 % of the programme total (US\$ 15 million) envisaged for the programme pilot phase, leaving a balance sought of US\$ 8,518,289 or 56.79 %. TFLET donors include the Netherlands, Japan, United Kingdom, Switzerland, USA, Germany, Australia, New Zealand, Finland, Norway, Republic of Korea and the Japan Lumber Importers Association.

| TP    | ITTC approved indicative budget | Total Pledges            | Remaining Balance        | Donors  |
|-------|---------------------------------|--------------------------|--------------------------|---|
| TFLET | \$ 15,000,000<br>(100%)         | \$ 6,481,711<br>(43,21%) | \$ 8,518,289<br>(56,79%) | Netherlands, Japan, UK, Switzerland, USA, Germany, Australia, New Zealand, Finland, Norway, Republic of Korea. Japan Lumber Importers Association |

A total of US\$ 5,966,652 has been committed under TFLET, leaving an amount available for allocation of US\$ 515,059.

|              |              |                                     |
|--------------|--------------|-------------------------------------|
| a) Pledges   | b) Committed | c) Available for Allocation (a – b) |
| \$ 6,481,711 | \$ 5,966,652 | \$ 515,059                          |

The amount remaining available for allocation to proposals under TFLET (US\$ 515,059) is not considered sufficient to launch another call for proposals under the programme before new pledges have been received.

### REDDES:

The pledges received under REDDES amount to US\$ 9,232,742 or 51.29 % of the programme total (US\$ 18 million) envisaged for the programme pilot phase, leaving a balance sought of US\$ 8,767,258 US\$ or 48.71 %. Programme Donors include Norway, Japan, Switzerland and the USA.

| TP     | ITTC approved indicative budget | Total Pledges            | Remaining Balance        | Donors                          |
|--------|---------------------------------|--------------------------|--------------------------|---------------------------------|
| REDDES | \$ 18,000,000<br>(100%)         | \$ 9,232,742<br>(51.29%) | \$ 8,767,258<br>(48.71%) | Norway, Japan, Switzerland, USA |

A total of US\$ 8,353,616 has been committed under REDDES, leaving an amount available for allocation of US\$ 879,126.

|              |              |                                     |
|--------------|--------------|-------------------------------------|
| a) Pledges   | b) Committed | c) Available for Allocation (a – b) |
| \$ 9,232,742 | \$ 8,353,616 | \$ 879,126                          |

The amount remaining available for allocation to proposals under REDDES (US\$ 879,126) is not considered sufficient to launch another call for proposals under the programme before new pledges have been received.

### CFME:

The pledges received under CFME amount to US\$ 1,100,000 or 11.00 % of the programme total (US\$ 10 million) envisaged for the programme pilot phase, leaving a balance sought of US\$ 8,900,000 US\$ or 89.00 %. Programme Donors include Japan, USA, Switzerland, Norway and Sweden.

| TP   | ITTC approved indicative budget | Total Pledges            | Remaining Balance        | Donors                                  |
|------|---------------------------------|--------------------------|--------------------------|---|
| CFME | \$ 10,000,000<br>(100%)         | \$ 1,100,000<br>(11.00%) | \$ 8,900,000<br>(89.00%) | Japan, USA, Switzerland, Norway, Sweden |

A total of US\$ 1,000,524 has been committed under CFME, leaving an amount available for allocation of US\$ 99,476.

| a) Pledges   | b) Committed | c) Available for Allocation (a – b) |
|--------------|--------------|-------------------------------------|
| \$ 1,100,000 | \$ 1,000,524 | \$ 99,476                           |

The amount remaining available for allocation to proposals under CFME (US\$ 99,476) is not considered sufficient to launch another call for proposals under the programme before new pledges have been received.

TMT:

The pledges received under TMT amount to US\$ 1,200,000 or 24.00 % of the programme total (US\$ 5 million) envisaged for the programme pilot phase, leaving a balance sought of US\$ 3,800,000 US\$ or 76.00 %. Programme Donors include Switzerland, USA, Japan and Finland.

| TP  | ITTC approved indicative budget | Total Pledges            | Remaining Balance        | Donors                              |
|-----|---------------------------------|--------------------------|--------------------------|-------------------------------------|
| TMT | \$ 5,000,000<br>(100%)          | \$ 1,200,000<br>(24.00%) | \$ 3,800,000<br>(76.00%) | Switzerland, USA, Japan and Finland |

A total of US\$ 926,752 has been committed under TMT, leaving an amount available for allocation of US\$ 273,248

| a) Pledges   | b) Committed | c) Available for Allocation (a – b) |
|--------------|--------------|-------------------------------------|
| \$ 1,200,000 | \$ 926,752   | \$ 273,248                          |

The amount remaining available for allocation to proposals under TMT (US\$ 273,248) is not considered sufficient to launch another call for proposals under the programme before new pledges have been received.

IDE:

No pledges or expressions of interest have been received yet under the Thematic Programme on Industry Development and Efficiency

| TP  | ITTC approved indicative budget | Total Pledges | Remaining Balance       | Donors |
|-----|---------------------------------|---------------|-------------------------|--------|
| IDE | \$ 10,000,000<br>(100%)         | none          | \$ 10,000,000<br>(100%) | none   |

Recalling Decision 9(XLIV) to urge members to contribute to the Thematic Programmes Sub-Account to initiate implementation of the thematic programmes, the Council may wish to re-emphasize the urgent need for additional financial pledges to initiate and implement ALL thematic programmes.

## 6. Outreach Activities

General information on the Thematic Programme is available through the ITTO website ([http://www.itto.int/en/thematic\\_programme\\_general/](http://www.itto.int/en/thematic_programme_general/)). The site provides general information on the ITTO Thematic Programmes including the Thematic Programme Profiles (TPP), Thematic Programme Documents (TPD), Monitoring Protocols (MP), summary information on approved projects, information on calls for proposals as well as links to relevant ITTO Manuals and other documentation relevant for the preparation of proposals. The Thematic Programme Brochure produced in 2010 has been published in English, French and Spanish and is distributed at workshops, meetings and/or conferences. Furthermore a poster on the TPs has been produced. ITTO staff members routinely refer to the Thematic Programmes during meetings and in presentations and provide TP information and/or updates as appropriate. Visits to (potential) TP donors included the Netherlands (Ministry of Foreign Affairs), Norway (Ministry of Foreign Affairs, Ministry of Environment), UK (Department of International Development, DFID), Germany (BMELV) and Spain (Ministry of Environment and Rural and Marine Affairs, Climate Change Bureau)

Information on the Thematic Programmes was presented at various meetings and conferences, including (among others):

- International Conference on Forest Tenure, Governance and Enterprise: Experienced and Opportunities for Asia in a Changing Context, Lombok, Indonesia, 11-15 July 2011
- Tropical Forest Summit, Brazzaville, Republic of Congo, 31 May – 1 June 2011
- 5<sup>th</sup> International Wildland Fire Conference, Sun City, South Africa, 9-13 May 2011
- International Technical Seminar on REDD+ (FFPRI), Tokyo, Japan, 16-17 February 2011
- UNFF-9 / Side Event Workshop on Community-based Approaches to Sustainable Forest Management (SFM), New York City, USA, 3 February 2011
- UNFCCC COP16 (ITTO side event on 'REDD+: Environmental services and private sector participation') Cancun, Mexico, 2 December 2010
- CBD COP10 (ITTO side event on Biodiversity Conservation in Tropical Forests), Nagoya, Japan, 22 October 2010

## 7. Concluding Remarks

The Thematic Programmes continue to receive a very positive feedback from the ITTO member countries, which is reflected in the numbers of member country inquiries and proposals received. The TP pilot phase will now enter its third and final year, by which four out of the five approved Thematic Programmes approved by the Council have been launched and had at least one call for proposals. The Thematic Programme on Industry Development and Efficiency (IDE) has not received any pledges yet. Out of the estimated total funding envisaged for the pilot phase (US\$ 58 million), the amount of US\$ 18,014,453 or 31.06% has been pledged across all TPs. The pledges have allowed for the launch of four calls for proposal cycles, that is: 1) the Spring Cycle 2009 under REDDES and TFLET and formally launching the TP pilot phase; 2) the Autumn Cycle 2009 under REDDES and TFLET; 3) the Spring Cycle 2010 under CFME, TFLET and TMT; and 4) the 1<sup>st</sup> Cycle 2011 under REDDES and TMT. The four calls have attracted 100 proposals (REDDES: 60; TFLET: 24; CFME: 9; TMT: 7) out of which 43 have been approved for funding, representing a financial commitment of US\$12,946,475. Divided by region and country this results in nine projects in four African countries, fourteen projects in six Asia-Pacific countries, thirteen projects in eight Latin America countries and seven others (ITTO Secretariat, Germany) as shown in Table 2. Furthermore 8 proposals with a financial commitment of US\$ 2,858,149 receive funding under the TFLET pre-cursor. This results in 51 projects with a total commitment of US\$ 15,804,624. Table 3 provides an overview of the TP funded projects by proposal cycle.

The funding pledged so far for the TP pilot phase has allowed to already address a substantial spectrum of Thematic Programme Outputs, albeit partially, as defined in the Thematic Programme

Documents. However, the funds remaining for allocation under CFME, REDDES, TFLET and TMT do not permit the launch of another call for proposals. New funding is needed to more comprehensively address the defined outputs in pursuit of achieving the programmatic objectives and to enable ITTO to launch the fifth approved Thematic Programme on Industry Development and Efficiency (IDE).

Pursuant to Decision 9(XLV) the effectiveness of the pilot operation of the Thematic Programmes is expected to be reviewed and evaluated in 2012 and an activity has been included into the Draft Biennial Work Programme for 2012-2013 [Decision 9(XXXIV), Item 13(b) of the Provisional Agenda, Activity 12]

**Table 2.** Number of TP funded proposals by programme, region and country

| Country/Region             | TFLET          | REDDES    | CFME     | TMT      | Funded proposals | Funding US\$      |
|----------------------------|----------------|-----------|----------|----------|------------------|-------------------|
| Cameroon                   | 2              | 2         |          |          | 4                | 823,565           |
| DRC                        |                | 1         |          |          | 1                | 476,820           |
| Ghana                      | 1              | 1         | 1        |          | 3                | 970,984           |
| Togo                       |                | 1         |          |          | 1                | 478,894           |
| <b>Africa Total</b>        | <b>3</b>       | <b>5</b>  | <b>1</b> |          | <b>9</b>         | <b>2,750,263</b>  |
| China                      | 1              | 1         |          |          | 2                | 471,096           |
| Indonesia                  | 2              | 3         | 1        |          | 6                | 2,536,865         |
| Malaysia                   |                | 1         |          |          | 1                | 590,922           |
| Myanmar                    |                | 1         |          |          | 1                | 571,890           |
| PNG                        |                |           | 1        |          | 1                | 122,040           |
| Thailand                   | 1              | 1         | 1        |          | 3                | 201,447           |
| <b>Asia Pacific Total</b>  | <b>4</b>       | <b>7</b>  | <b>3</b> |          | <b>14</b>        | <b>4,494,260</b>  |
| Brazil                     |                | 2         |          |          | 2                | 1,266,894         |
| Colombia                   | 1              |           |          |          | 1                | 91,498            |
| Ecuador                    |                | 1         |          |          | 1                | 149,922           |
| Guatemala                  | 1              | 1         |          | 1        | 3                | 1,005,135         |
| Guyana                     |                | 1         |          | 1        | 2                | 721,600           |
| Honduras/Guatemala         |                | 1         |          |          | 1                | 144,650           |
| Mexico                     |                | 1         |          |          | 1                | 470,682           |
| Peru                       |                | 2         |          |          | 2                | 771,903           |
| <b>Latin America Total</b> | <b>2</b>       | <b>9</b>  |          | <b>2</b> | <b>13</b>        | <b>4,622,284</b>  |
| TFLET pre-cursor           | 8              |           |          |          | 8                | 2,858,149         |
| Germany                    | 1              |           |          |          | 1                | 175,742           |
| ITTO Secretariat           |                | 3         | 1        | 2        | 6                | 903,926           |
| <b>Others Total</b>        | <b>1 (+8)</b>  | <b>3</b>  | <b>1</b> | <b>2</b> | <b>7 (+8)</b>    | <b>3,937,817</b>  |
|                            | <b>10 (+8)</b> | <b>24</b> | <b>5</b> | <b>4</b> | <b>43 (+8)</b>   | <b>15,804,624</b> |

**Table 3:** TP approved projects by proposal cycle

| <b>TFLET pre-cursor approved projects</b>        |                     |  |                     |                      |
|--|---------------------|--|---------------------|----------------------|
| <b>Project ID</b>                                | <b>Submitted by</b> | <b>Title</b>   | <b>ITTO Funding</b> | <b>Project Total</b> |
| PP-A/43-193                                      | Under BWP 2008/2009 | Enhance capacity of small and medium size enterprises to produce and trade timber from legally and sustainable source  | \$ 300,000          | \$ 300,000           |
| PP-A/43-194                                      | Under BWP 2008/2009 | Promote trade in tropical timber and tropical timber products from sustainably managed and legally harvested sources   | \$ 600,000          | \$ 600,000           |
| PP-A/43-200                                      | Under BWP 2008/2009 | Provide technical assistance for selected poor local/indigenous communities to formulate project proposals for submission to ITTO for management of forests and sustainable timber production  | \$ 100,000          | \$ 100,000           |
| PP-A/43-202                                      | Under BWP 2008/2009 | Global assessment of the status of tropical forest tenure with identification of trends and implications for investment and management, and for convening an expert workshop on Tropical Forest Tenure and Business Models, including formulation of a project to assist Civil Society Organization(s) to set up and operate on a pilot basis a remote sensing system to detect illegal logging activities in areas known to be critically affected by such activities | \$ 200,000          | \$ 200,000           |
| PD 124/01 Rev.2 (M) Phase II – Stage 2           | Africa              | Promotion of Sustainable Management of African Forests (ITTO/ATO)  | \$ 544,070          | \$ 591,070           |
| PPD 138/07 Rev.1 (M)                             | Peru                | Verifying the Legality of Timber Forest Products in Peru   | \$ 79,844           | \$ 79,844            |
| PD 449/07 Rev.2 (M,I)                            | PNG                 | Enhancing Forest Law Enforcement in Papua New Guinea   | \$ 473,040          | \$ 473,040           |
| PD 493/07 Rev.1 (F)                              | Cambodia            | Strengthening Capacity of Forest Law Enforcement and Governance (Cambodia)   | \$ 561,195          | \$ 561,195           |
| <b>TFLET Spring Cycle 2009 approved projects</b> |                     |  |                     |                      |
| TFL-PPD 005/09 Rev.1 (F)                         | Thailand            | Strengthening the capacity of local communities of Chaiyapum Province (Thailand) to manage community forest  | \$56,970            | 78,678               |
| <b>TFLET Autumn Cycle 2009 approved projects</b> |                     |  |                     |                      |
| TFL-PPD 001/09 Rev.2 (M)                         | Colombia            | Implementing and promoting sustainable forest management through formulation of an action plan for improved forest law enforcement and governance in Colombia  | \$91,498            | 122,598              |
| TFL-PD 003/09 Rev.2 (M)                          | Cameroon            | Improving governance and transparency of timber harvests and trade in Cameroon   | \$365,526           | 418,626              |
| TFL-SPD 007/09 Rev.1 (M)                         | Ghana               | Strengthening the capacity of small-medium enterprises in Ghana to produce and trade in timber products from legal and sustainable sources   | \$163,039           | 180,704              |
| TFL-PD 010/09 Rev.1 (M)                          | Indonesia           | Strengthening the capacity of related stakeholders in Java on implementing new Indonesian TLAS   | \$474,163           | 555,163              |
| TFL-PD 014/09 Rev.1 (M)                          | Cameroon            | Reduction of illegal logging through better governance of community forests in the Lom et Djerem Division, East region, Cameroon   | \$302,562           | 355,562              |
| <b>TFLET Spring Cycle 2010 approved projects</b> |                     |  |                     |                      |
| TFL-PD 017/09 Rev.2 (M)                          | China               | Equipping small and medium sized forestry enterprises in China for procurement of tropical timber from legal and sustainably managed forests   | \$322,056           | \$505,036            |
| TFL-PD 019/10 Rev.2 (M)                          | Indonesia           | Developing collaborative management in the Cibodas Biosphere Reserve, West Java Indonesia  | \$496,670           | \$591,278            |
| TFL-PPD 023/10 Rev.1 (F)                         | Germany             | Development and implementation of a species identification and timber tracking system in Africa with DNA fingerprints and stable isotopes  | \$175,742           | \$198,242            |
| TFL-PPD 024/10 Rev.2 (M)                         | Guatemala           | Improvement of forest law enforcement at the national level to promote forest governance in Guatemala  | \$563,339           | \$804,419            |

| <b>REDDES Spring Cycle 2009 approved projects</b>         |                        |  |                     |                      |
|---|------------------------|--|---------------------|----------------------|
| <b>Project ID</b>   | <b>Submitted by</b>    | <b>Title</b>   | <b>ITTO Funding</b> | <b>Project Total</b> |
| RED-A 004/09 Rev.1 (F)                                    | ITTO                   | Building a voluntary carbon marketing scheme to promote sustainable forest management  | \$97,180            | \$97,180             |
| <b>REDDES Autumn Cycle 2009 approved projects</b>         |                        |  |                     |                      |
| RED-PD 005/09 Rev.2 (F)                                   | Guyana                 | Strengthening Guyana's capacity to manage forest resources and environmental services through resources assessment and monitoring changes in deforestation and degradation   | \$400,680           | \$540,880            |
| RED-PPD 006/09 Rev.2 (F)                                  | Guatemala              | Local REDDES programme for development and addressing climate change in Guatemala: Building social processes for sustainability  | \$82,080            | \$177,660            |
| RED-PD 007/09 Rev.2 (F)                                   | Indonesia              | Enhancing forest carbon stock to reduce emission from deforestation and degradation through sustainable forest management (SFM) initiatives in Indonesia   | \$447,071           | \$539,617            |
| RED-SPD 009/09 Rev.2 (F)                                  | Indonesia              | Promoting the partnership efforts to reduce emission from deforestation and forest degradation of tropical peatland in south Sumatra through the enhancement of conservation and restoration activities  | \$149,493           | \$181,287            |
| RED-PD 018/09 Rev.1 (F)                                   | Peru                   | Sustainable forest management and utilization of ecosystem services in forests managed by the Ese'Eja naïve community in Infierno, Peru  | \$356,519           | \$523,319            |
| RED-SPD 020/09 Rev.1 (F)                                  | China                  | Development and demonstration on scheme of payment for environmental services (PES) derived from degraded and secondary tropical production forests in China.  | \$149,040           | \$203,040            |
| RED-A 023/09 Rev.1 (F)                                    | DRC                    | Technical Support for the Development of a National Forest Inventory in the Democratic Republic of Congo to assess carbon stocks and changes in carbon stocks of forest land   | \$476,820           | \$510,220            |
| RED-PD 026/09 Rev.1 (F)                                   | Ghana                  | Reducing emissions from deforestation and forest degradation through collaborative management with local communities   | \$658,716           | \$760,408            |
| RED-PD 029/09 Rev.1 (F)                                   | Brazil                 | Monitoring deforestation, logging and land use change in the Pan Amazonian Forest - PANAMAZON II   | \$1,124,784         | \$6,262,784          |
| <b>REDDES 1<sup>st</sup> Cycle 2011 approved projects</b> |                        |  |                     |                      |
| RED-PD 031/11 Rev.1 (F)                                   | Togo                   | Rehabilitation and restoration of residual forests and arid savannah lands in the Akpé and Akama valleys   | \$478,894           | \$773,349            |
| RED-PD 033/11 Rev.2 (F)                                   | Peru                   | Value adding to environmental services from managed forests belonging to seven communities in the Ucayali region   | \$415,384           | \$654,965            |
| RED-PD 037/11 Rev.2 (F)                                   | Malaysia               | Reducing forest degradation and emissions through sustainable forest management (SFM) in peninsular Malaysia   | \$590,922           | \$864,622            |
| RED-PD 038/11 Rev.3 (F)                                   | Myanmar                | Capacity building for developing REDD+ activities in the context of sustainable forest management  | \$571,890           | \$645,692            |
| RED-SPD 039/11 Rev.1 (F)                                  | Thailand               | Improving the quality and coverage of the estimates of carbon stocks in Thailand's forests and trees outside forest: Phase I   | \$113,373           | \$158,279            |
| RED-PPD 041/11 Rev.2 (F)                                  | Honduras/<br>Guatemala | Designing a Programme for Capacity Building and Meaningful Stakeholder Participation in Forest Governance and REDD+ in Honduras and Guatemala  | \$144,650           | \$170,320            |
| RED-PD 045/11 Rev.2 (M)                                   | Mexico                 | Environmental assessment and economic valuation of ecosystem services provided by coastal forests (mangrove forests, flood forests, rain forests and scrub forests on dunes) and their agricultural replacement systems on the central coastal plain of Veracruz, Mexico | \$470,682           | \$871,825            |
| RED-PPD 050/11 Rev.1 (F)                                  | Cameroon               | Participatory development, conservation and rehabilitation of degraded forest areas in the Bamboutos Mountain chain, West Cameroon   | \$73,613            | \$93,713             |
| RED-PPD 051/11 Rev.1 (F)                                  | Cameroon               | Contribution to the implementation of REDD mechanisms by enhancing the participation of stakeholders in sustainable forest management in Cameroon  | \$81,864            | \$100,864            |
| RED-SPD 055/11 Rev.1 (F)                                  | Ecuador                | Integrating sustainable livelihoods, environmental mortgages, and science-based reforestation for tangible forest conservation change in the Ecuadorian Chocó  | \$149,922           | \$207,744            |

| REDDES 1 <sup>st</sup> Cycle 2011 approved projects (cont.) |              |   |              |               |
|---|--------------|---|--------------|---------------|
| Project ID  | Submitted by | Title   | ITTO Funding | Project Total |
| RED-PA 056/11 Rev.1 (F)                                     | ITTO         | Strengthening the capacity of ITTO producer countries in Africa in generating and disseminating scientific information on Reducing Deforestation and Forest Degradation and Enhancing Environmental Services from Forests | \$253,120    | \$348,120     |
| RED-SPD 058/11 Rev.2 (F)                                    | Brazil       | Developing REDD+ES in the Brazilian Atlantic Rain Forest  | \$142,110    | \$146,610     |
| RED-PD 064/11 Rev.2 (F)                                     | Indonesia    | Promoting Local Community Initiative on the Rehabilitation of Mangrove Ecosystem with Demonstration Activities in Bintan Island to Reduce further Deforestation and Forest Degradation                                    | \$504,317    | \$555,887     |
| RED-PA 069/11 Rev.1 (F)                                     | ITTO         | Quantifying the REDD+ effect of ITTO projects   | \$143,510    | \$143,510     |

| CFME Spring Cycle 2010 approved projects |              |  |              |               |
|--|--------------|--|--------------|---------------|
| Project ID                               | Submitted by | Title  | ITTO Funding | Project Total |
| CFM-PD 001/10 Rev.1 (F)                  | Indonesia    | Strengthening capacity of stakeholders for the development of community-based plantation forest at 3 selected areas in Indonesia   | \$465,151    | \$553,711     |
| CFM-PPD 005/10 Rev.1 (M)                 | Thailand     | Increasing access to markets and capital for teak plantation smallholders in Thailand  | \$31,104     | \$53,904      |
| CFM-PPD 006/10 Rev.1 (F)                 | PNG          | Enabling customary landowners to participate effectively in CFM and REDD schemes within four pilot areas of PNG  | \$122,040    | \$156,040     |
| CFM-SPD 007/10 Rev.1 (F)                 | Ghana        | Enrichment of young forest plantations with selected NTFPs for livelihood improvement and support of forest fringe communities in Atwima Mponua District of Ghana, in order to secure and protect the resources on a sustainable forest management basis | \$149,229    | \$290,079     |
| CFM-PA 009/10 Rev.2 (F)                  | ITTO         | International Conference on Forest Tenure, Governance and Small and Medium Forest Enterprises with Focus in the Asia Pacific   | \$ 200,000   | \$ 200,000    |

| TMT Spring Cycle 2010 approved projects          |              |  |              |               |
|--|--------------|--|--------------|---------------|
| Project ID                                       | Submitted by | Title  | ITTO Funding | Project Total |
| TMT-SPD 002/10 Rev.1 (M)                         | ITTO         | Improving resilience of the tropical timber sector to the impacts of global and regional economic and financial crises                         | \$150,000    | \$150,000     |
| TMT 1 <sup>st</sup> Cycle 2011 approved projects |              |  |              |               |
| TMT-PD 004/11 Rev.2 (M)                          | Guatemala    | Strengthening of the forest information system of Guatemala to improve market and trade transparency and decision-making in the forest sector. | \$359,716    | \$656,562     |
| TMT-PD 006/11 Rev.3 (M)                          | Guyana       | Strengthening market information systems to enhance trade and market intelligence in the forest sector of Guyana                               | \$320,920    | \$420,820     |
| TMT-PA 007/11 Rev.1 (I)                          | ITTO         | Methodological Development for Life Cycle Analysis of Tropical Wood Products to Improve their Competitiveness in International Markets         | \$60,116     | \$60,116      |

**ANNEX 1: STATUS OF APPROVED ACTIVITIES, PRE-PROJECTS, SMALL PROJECTS AND PROJECTS****Enhance capacity of small and medium size enterprises to produce and trade timber from legally and sustainable source**

|                        |  |              |  |
|------------------------|--|--------------|--|
| Project number:        | Activity PP-A/43-193   |              |  |
| Project country:       | Global   |              |  |
| Budget:                | Total:   | US\$ 300,000 |  |
|                        | ITTO Contributions:  | US\$ 300,000 |  |
| Submitted by:          | Included in ITTO Biennial Work Programme 2008-2009: Activity ref. 12 |              |  |
| Implementing agencies: | ITTO   |              |  |
| Duration:              | 24 months  |              |  |
| Financed at:           | TFLET pre-cursor   |              |  |

**Summary:**

Assist countries in developing initiatives that will enhance capacity of small and medium-sized enterprises to produce and trade timber from legal and sustainable sources with the aim of promoting progress towards sustainable forest management, verifiable legality and certification.

**Progress:**

- Review and updating of the procedures, guidelines and criteria for selecting civil society/private sector partnership proposals previously applied to include the new element of verifiable legality.
- Five (5) partnership proposals were received and duly assessed by the ITTO Secretariat. Subsequently, three (3) proposals were selected and approved by the Executive Director for funding and implementation as follows:

**Tropical Forest Foundation (TFF)/PT Suka Jaya Makmur (PTSJM)[Indonesia]**

29.05.2009 MOU governing the implementation of the proposal signed by ITTO and partnership.  
05.06.2009 First installment of ITTO funds amounting to US\$45,000.00 disbursed to partnership.  
20.12.2009 Mid-term progress report submitted to ITTO Secretariat.  
06.01.2010 Second installment of ITTO funds amounting to US\$40,000.00 disbursed to partnership.  
22.11.2010 Final report submitted to ITTO Secretariat.  
16.12.2010 Presentation on the partnership made at Forty-sixth Session of ITTC.  
01.04.2011 Third and final installment of ITTO funds amounting to US\$3,200.00 disbursed to partnership; activity completed.

**The Forest Trust (TFT)/Manejo Florestal e Pretação de Servicos Ltda (MAFLOPS)[Brazil]**

25.09.2009 Proposal approved for funding and implementation by the Executive Director.  
09.10.2009 MOU governing the implementation of the proposal signed by ITTO and partnership.  
30.10.2009 First installment of ITTO funds amounting to US\$45,000.00 disbursed to partnership.  
03.12.2010 Mid-term progress report submitted to ITTO Secretariat.  
17.03.2011 Submission of report including financial report and request for termination of activity.  
14.04.2011 TFT requested to return unspent ITTO funds of US\$43,298.00.

**The Foundation for People and Community Development (FPCD)/Innovision (PNG) Ltd (IPNGL)[Papua New Guinea].**

25.09.2009 Proposal approved for funding and implementation by the Executive Director.  
07.10.2009 MOU governing the implementation of the proposal signed by ITTO and partnership.  
14.10.2009 First installment of ITTO funds amounting to US\$45,000.00 disbursed to partnership.  
25.04.2010 Mid-term progress report submitted to ITTO Secretariat.  
30.04.2010 Second installment of ITTO funds amounting to US\$40,000.00 disbursed to partnership.  
16.12.2010 Presentation on partnership made at Forty-sixth Session of ITTC.

17.01.2011 Final report submitted to ITTO Secretariat.  
23.02.2011 Third and final installment of ITTO funds amounting to US\$3,495.00 disbursed to partnership;  
activity completed.

**Promote trade in tropical timber and tropical timber products from sustainably managed and legally harvested sources**

|                        |  |              |  |
|------------------------|--|--------------|--|
| Project number:        | Activity PP-A/43-194   |              |  |
| Project country:       | Global   |              |  |
| Budget:                | Total:   | US\$ 600,000 |  |
|                        | ITTO Contributions:  | US\$ 600,000 |  |
| Submitted by:          | Included in ITTO Biennial Work Programme for 2008-2009, Activity ref. 13 |              |  |
| Implementing agencies: | ITTO   |              |  |
| Duration:              | 24 months  |              |  |
| Financed at:           | TFLET pre-cursor   |              |  |

**Summary:**

This activity is divided into two components namely (a) establishment and operation of a web-based information system and (b) development of timber tracking systems. It is included in the ITTO Biennial Work Programme 2008-2009 in a reverse sequence of the two components and a planned commencement of implementation during the second half of 2008. The objectives of the activity are to be achieved principally through the establishment and maintenance of a website containing relevant information on legally and sustainably produced timber and providing ITTO funding of approved proposals from private sector forest companies operating in ITTO producer and developing consumer member countries to develop innovative (paperless) timber tracking systems using commercially available hardware and software, building upon the experience gained from previous work on ITTO pilot schemes on the feasibility of adopting timber tracking systems under the ITTO Biennial Work Programme 2006-2007. The approved funding of US\$300,000.00 for component (b) of the activity at the Forty-third Session of the ITTC in November 2007 will enable ITTO to support six proposals, two for each of the three producing regions at a maximum amount of US\$44,247.00 for each approved proposal.

**Progress:**

Component (a)

1. Conceptualization, determination of feasibility and cost-effectiveness of options to be finalized for implementation in 2009.
2. Invitations sent out in March 2009 to relevant NGOs to submit proposals for consideration by the ITTO Secretariat.
3. Selection of the proposal from The Forest Trust (TFT) by the Executive Director in May 2009.

**The Forest Trust**

18.06.2009 MOU governing the implementation of the proposal signed by TFT and ITTO.  
 24.06.2009 First installment of ITTO funds amounting to US\$135,000.00 disbursed by TFT.  
 08.09.2009 First progress report submitted by TFT to the Secretariat.  
 19.02.2010 Submission of mid-term progress report by TFT to the Secretariat.  
 12.05.2010 Submission of Interim Financial Report by TFT to the Secretariat.  
 04.06.2010 Second installment of ITTO funds amounting to US\$110,000.00 disbursed to TFT.  
 14.07.2011 Draft final report submitted by TFT to the Secretariat.

Component (b)

4. Review and updating of procedures, guidelines and criteria for selecting proposals previously applied under the ITTO pilot schemes on the feasibility of adopting timber tracking systems.
5. Posting an invitation for the submission of proposals on innovative timber tracking systems to private sector forest companies operating in ITTO producer and developing consumer member countries on ITTO website on 23 October 2008. The invitation indicates a maximum amount of ITTO funding of US\$44,247.00 for each approved proposal and requests proposals not exceeding five pages containing the purpose and goals, methodology, intended outputs and impacts, key activities to be carried out,

duration, budget by activity and sources including counterpart funding if it exceeds US\$44,247.00 and workplan

6. Similar invitations have been disseminated to the ITTO official contact points in member countries on 27 October 2008 and through the Tropical Timber Market Report, the Tropical Forest Update, the ITTO Trade Advisory Group (TAG) and the ITTO Civil Society Advisory Group (CSAG)
7. As of 31 December 2009, eight (8) proposals were received and assessed by the ITTO Secretariat

Green Gold Forestry Ltd. (GGF)[Peru]

- 11.05.2009 MOU governing the implementation of the proposal signed by ITTO and company.
- 20.05.2009 First installment of ITTO funds amounting to US\$20,000.00 disbursed to company.
- 16.04.2010 Mid-term progress report submitted to ITTO Secretariat.
- 22.04.2010 Second installment of ITTO funds amounting to US\$20,000.00 disbursed to company.
- 15.12.2010 Presentation made at the Forty-fourth Session of CEM, 2010.

P.T. Seng Fong Moulding Perkasa (PTSFMP)[Indonesia]

- 28.08.2009 MOU governing the implementation of the proposal signed by ITTO and company.
- 02.09.2009 First installment of ITTO funds amounting to US\$20,000.00 disbursed to company.
- 22.12.2009 Mid-term progress report submitted to ITTO Secretariat.
- 05.01.2010 Second installment of ITTO funds amounting to US\$20,000.00 disbursed to company.
- 06.04.2010 Final report submitted to ITTO Secretariat.
- 15.12.2010 Presentation made at the Forty-fourth Session of CEM 2010.

Demerara Timbers Limited (DTL)[Guyana]

- 28.06.2010 MOU governing the implementation of the proposal signed by ITTO and company.
- 01.07.2010 First installment of ITTO funds amounting to US\$20,000.00 disbursed to company.

Industries forestières de Batalimo (IFB)[Central African Republic]

- 08.03.2010 MOU governing the implementation of the proposal signed by ITTO and company.
- 11.03.2010 First installment of ITTO funds amounting to US\$20,000.00 disbursed to company.

Furniture Exports (PNG) Ltd. (FEL)[Papua New Guinea]

- 22.04.2010 MOU governing the implementation of the proposal signed by ITTO and company.
- 26.04.2010 First installment of ITTO funds amounting to US\$20,000.00 disbursed to company.
- 23.08.2011 Mid-term progress report submitted to ITTO Secretariat.
- 25.08.2011 Second installment of ITTO funds amounting to US\$20,000.00 disbursed to company.

John Bitar & Co. Ltd. (JBCL)[Ghana]

- 26.11.2010 MOU governing the implementation of the proposal signed by ITTO and company.
- 06.12.2010 First installment of ITTO funds amounting to US\$20,000.00 disbursed to company.
- 23.07.2011 Final report submitted to ITTO Secretariat.
- 15.08.2011 Second installment of ITTO funds amounting to US\$20,000.00 disbursed to company.

**Provide technical assistance for selected poor local/indigenous communities to formulate project proposals for submission to ITTO for management of forests and sustainable timber production**

|                        |  |              |  |
|------------------------|--|--------------|--|
| Project number:        | PP-A/43-200  |              |  |
| Project country:       | Global   |              |  |
| Budget:                | Total:   | US\$ 100,000 |  |
|                        | ITTO Contributions:  | US\$ 100,000 |  |
| Submitted by:          | Included in ITTO Biennial Work Programme 2008-2009: Activity ref. 15 (a) |              |  |
| Implementing agencies: | ITTO   |              |  |
| Duration:              | 12 months  |              |  |
| Financed at:           | TFLET pre-cursor   |              |  |

**Summary:**

This activity is included in the ITTO Biennial Work Programme 2008-2009 with a planned commencement of implementation during the first half of 2008.

The activity will provide a maximum of US\$20,000.00 to up to five communities to prepare, in collaboration with relevant national agencies, project proposals to improve forest management and the marketing of forest goods for submission to ITTO or other relevant funding bodies. As part of this activity, project proposals will be submitted to ITTO and other funding agencies by forest-dependent communities.

Consultants have been engaged in early 2009, in order to assist the forest-based communities to develop up to five project proposals.

**Progress:**

A consultant was engaged in the preparation of a pre-project proposal in Thailand, a small project proposal in Guatemala and a project proposal in Cameroon. The pre-project proposal in Thailand was submitted to the ITTO Secretariat and subsequently approved by the Executive Director for funding and implementation under the ITTO TFLET Thematic Programme. The small project proposal in Guatemala was submitted to the ITTO Secretariat and had been returned to the submitter for revision. The project proposal in Cameroon has not been submitted to the ITTO Secretariat for approval and funding under the ITTO TFLET Thematic Programme.

The Secretariat has yet to receive the submission of the revised small project proposal from Guatemala as well as the project proposal from Cameroon.

**Global assessment of the status of tropical forest tenure with identification of trends and implications for investment and management, and for convening an expert workshop on Tropical Forest Tenure and Business Models, including formulation of a project to assist Civil Society Organization(s) to set up and operate on a pilot basis a remote sensing system to detect illegal logging activities in areas known to be critically affected by such activities**

|                        |  |              |  |
|------------------------|--|--------------|--|
| Project number:        | PP-A/43-202  |              |  |
| Project country:       | Global   |              |  |
| Budget:                | Total:   | US\$ 200,000 |  |
|                        | ITTO Contributions:  | US\$ 200,000 |  |
| Submitted by:          | Included in ITTO Biennial Work Programme 2008-2009: Activity 15c |              |  |
| Implementing agencies: | ITTO   |              |  |
| Duration:              | Activity under the 2008/2009 BWP                                 |              |  |
| Financed at:           | TFLET pre-cursor   |              |  |

**Summary:**

The task refers to Activity 15c of ITTO Biennial Work Programme 2008-2009.

**Progress:**

The workshop was successfully held in Yaoundé, Cameroon, on 25-29 May 2009 co-organized with various partners including the Government of Cameroon, Rights and Resources Initiative (RRI), FAO, IUCN, CIFOR, InterCooperation, the Global Alliance for Community Forestry and ICRAF. ITTO sponsored two participants from each of its member countries in Sub-Saharan Africa, being one from Government and one from Civil Society or Local Community Organizations.

The Conference results were presented during the 45<sup>th</sup> ITTC held in Yokohama in 9-14 November 2009.

The Government of Netherlands put as a condition for financing that "... *serious efforts are being made that as an outcome of the Conference one or more NGO's will be supported in a project to set up and operate on a pilot basis a remote sensing system to detect illegal logging activities in areas know to be critically affected by such activities*". In this regard, an expert in remote sensing with previous experience in Africa was hired and supported interested civil society organization(s) in the region in the development of a project proposal to enhance their activities in forest law compliance in critical areas of West Africa.

The project proposal has been prepared and submitted by Ghana, Togo and Côte d'Ivoire to the ITTO 39<sup>th</sup> Expert Panel which convened in February 2010 for appraisal. After comments from the Expert Panel, the proposing countries submitted a revised proposal for assessment of the 41<sup>st</sup> EP on February 2011, and it will be open for funding thereafter.

The Activity can be considered as successfully completed.

**Promotion of Sustainable Management of African Forests (ITTO/ATO)**

|                        |                                      |              |
|------------------------|--------------------------------------|--------------|
| Project number:        | Pd 124/01 Rev.2 (M) Phase II Stage 2 |              |
| Project country:       | Africa                               |              |
| Budget:                | Total:                               | US\$ 544,070 |
|                        | ITTO Contributions:                  | US\$ 544,070 |
|                        | ATO                                  | US\$ 47,000  |
| Submitted by:          | ITTO/ATO                             |              |
| Implementing agencies: | ITTO                                 |              |
| Duration:              | 24 months                            |              |
| Financed at:           | TFLET pre-cursor                     |              |

**Summary:**

This project is designed to assist ten ITTO African member countries (all of which are also members of the African Timber Organization - ATO) to implement the harmonized ITTO/ATO Principles, Criteria and Indicators (PCI) for the Sustainable Management of African Tropical Forests. The specific objectives of the Project are to establish key elements of adequate capacity to implement ATO/ITTO PCI at national level in the African member countries of ITTO and for effective regional-level cooperation through ATO to support individual Member countries to implement the ATO/ITTO PCI. It involves extensive capacity building in ten member countries and within ATO itself. The project has been divided into three phases, with the first and second phases split again into two stages each to facilitate funding.

**Progress:**

The project was reported as completed to the Committee on Economic Information and Market Intelligence (Document CEM-CFI(XLIV)/2).

Funding (US\$500,000) for Stage 1 of Phase III was approved at the Forty-sixth ITTC Session. The revised workplan and budget for Phase III Stage 1 incorporating the above aspects are available on request from the Secretariat (French only).

## Verifying the Legality of Timber Forest Products in Peru

|                        |                      |             |  |
|------------------------|----------------------|-------------|--|
| Project number:        | PPD 138/07 Rev.1 (M) |             |  |
| Project country:       | Peru                 |             |  |
| Budget:                | Total:               | US\$ 79,844 |  |
|                        | ITTO Contributions:  | US\$ 79,844 |  |
| Submitted by:          | Government of Peru   |             |  |
| Implementing agencies: | ITTO                 |             |  |
| Duration:              | 9 months (planned)   |             |  |
| Financed at:           | TFLET pre-cursor     |             |  |

### Summary:

This pre-project was approved and financed by the ITTC at its Forty-fourth Session in November 2008. The development objective of the pre-project is to contribute to the consolidation of the system of forest concessions for timber production purposes in Peru by establishing favourable conditions to ensure that the Peruvian products that reach the international market can demonstrate their legal origin from sustainably managed forests. The specific objective of the pre-project is to design and test a pilot system for the traceability of Peruvian export timber, while assessing the status of the export chain and identifying the requirements for the implementation of the traceability system as well as institutional and budgetary requirements for the voluntary implementation of the system by national companies, to be reflected in a project proposal.

### Progress:

The aim of the pre-project was to promote voluntary chain-of-custody networks and generate competitive forest products on the basis of socially and environmentally sound practices. To this end, the pre-project assessed and validated instruments that will help develop trust among producers towards ensuring the sustainability and legality of tropical timber products from Peru.

According to the Completion Report, submitted to ITTO in January 2011, outputs were achieved as follows:

- Pilot scheme for timber traceability to guarantee sustainability and legality: output has achieved. The pilot scheme was implemented involving the tracking of a timber consignment from the Peruvian Amazon to its destination in the USA. The pilot scheme covered all steps from the authorization of management plans to, harvesting, transportation, primary transformation, issuance of CITES certificates, shipping, and delivery to the port of destination in USA. The implementation of the pilot scheme also produced the following results, which have been documented in technical reports:
  - Assessment of Government capabilities in operating a timber traceability scheme (from control points to issuance of CITES certificates, infrastructure and, technology);
  - Policy proposals for the promotion of timber traceability systems;
  - Technological options for traceability systems for tropical forests;
  - Implementation of experimental timber tracking systems.

The cost-benefit analysis of the pilot scheme indicated that the market was not paying any premium for certified legal timber and that there is still skepticism about timber tracking systems: Nevertheless, traceability systems could improve productivity and save time in obtaining approvals from the government for management plans, verification, and issuance of certificates.

The actual cost of developing a pilot timber traceability scheme exceeded the approved budget of the pre-project. There was a significant increase in counterpart contribution, in particular from the private sector for items such as duty travel and utilization of technologies.

Relevant reports and presentations concerning the pre-project can be accessed from the pre-project website [www.trazabilidadforestal.com](http://www.trazabilidadforestal.com)

- A project proposal for the development of feasible timber traceability options in Peru: output achieved, a project proposal was developed in August 2010 and later submitted by the Government of Peru, to the ITTO project cycle for the assessment of the 42<sup>nd</sup> Expert Panel, the proposal entitled PD 621/11 (I) "Traceability of timber produced by forest concessions and native communities in Madre de Dios and Ucayali", received category 2.

The Executing Agency has submitted Technical Reports, Completion Report, Final Financial Audit, and an article for TFU.

**Enhancing Forest Law Enforcement in Papua New Guinea**

|                        |                       |              |  |
|------------------------|-----------------------|--------------|--|
| Project number:        | PD 449/07 Rev.2 (M,I) |              |  |
| Project country:       | Papua New Guinea      |              |  |
| Budget:                | Total:                | US\$ 473,040 |  |
|                        | ITTO Contributions:   | US\$ 473,040 |  |
| Submitted by:          | PNG                   |              |  |
| Implementing agencies: | ITTO                  |              |  |
| Duration:              | 24 months             |              |  |
| Financed at:           | TFLET pre-cursor      |              |  |

**Summary:**

This project was approved and financed by the Council at its Forty-third Session in November 2007. The development objective of this project is to further improve PNG's sustainable forest management regime by enhancing forest law enforcement and governance in the forestry sector. The specific objective is to enhance a forest law enforcement regime including products tracking and chain of custody verification systems, complemented by enhanced training and monitoring, to further support sustainable forest management in PNG's forestry sector.

**Progress:**

|            |  |
|------------|--|
| 19.05.2008 | Project agreement signed by ITTO and Executing Agency.   |
| 16.12.2009 | First installment of ITTO funds amounting to US\$103,000.00 disbursed to Executing Agency.                                       |
| July 2010  | Problems related to the replacement of project staff and consultants have delayed the implementation of the project.             |
| 01.08.2010 | After the submission of revised workplan and first Yearly Plan of Operation, the implementation of project activities commenced. |
| 01.10.2011 | The first progress report was received but only reflected one month of implementation  |
| 25.02.2011 | The second progress report was received  |
| 11.03.2011 | The first PTC meeting was held in Port Moresby of PNG  |
| 15.04.2011 | The revised second progress report was received  |
| 11.05.2011 | The second installment of ITTO funds amounting to US\$103,000.00 was disbursed to EA   |

The following activities have been carried out in the reporting period:

- Meetings of the Project Coordinating Committee were held in the Forestry Authority and field trips were made to inspect project sites of the Cloudy Bay forest operations and work proceeded on the preparation of the tracking system software, and liaison with stakeholders;
- The stakeholder consultation tools, techniques and milestones have been finalized with PNGFA counterparts for inclusion in the detailed Project Implementation Plan and the Roles & Responsibilities Matrix;
- The design of a database to capture timber products flow information has commenced;
- The software system to be used for the system under development was prepared to a beta stage. Field visits were carried out to test the prototype software with the two partner companies, Cloud Bay Sustainable Forestry Ltd, and Stetten Bay Logging Company Ltd;
- The field trials of the software assisted greatly, and several enhancements were identified. Subsequent to the field trials, the software was further developed to a pre-release version;
- User Acceptance Testing (UAT) was carried out on the pre-release version of the software. This was done by SGS, PNG FA, CBSF, and SBLC staff. The UAT was carried out on PDA units purchased as part of the project funding, and also on web versions of the software;
- Feedback from the UAT was sent to Helveta Ltd to assist in the refinement of the pre-release software. A final version of the software was developed, and manuals prepared for release during the training period to commence in September 2011;
- The initial stakeholder consultations were also undertaken leading to the preparation of a Findings Report. This document provides a sound basis for the drafting of the PNG Timber Legality Standard, Industry Code-of-Conduct and Stakeholder Monitoring Module.

**Strengthening Capacity of Forest Law Enforcement and Governance (Cambodia)**

|                        |                     |              |  |
|------------------------|---------------------|--------------|--|
| Project number:        | PD 493/07 Rev.1 (F) |              |  |
| Project country:       | Cambodia            |              |  |
| Budget:                | Total:              | US\$ 561,195 |  |
|                        | ITTO Contributions: | US\$ 561,195 |  |
| Submitted by:          | Cambodia            |              |  |
| Implementing agencies: | ITTO                |              |  |
| Duration:              | 36 months           |              |  |
| Financed at:           | TFLET pre-cursor    |              |  |

**Summary:**

This project proposal is the output of PPD 128/06 Rev.1 (F) "Strengthening Capacity of Forest Law Enforcement and Governance in Cambodia" that has been completed in December 2007. In order to control illegal logging, forest clearing and encroachment in Cambodia, the pre-project recommended that appropriate facilities and equipment should be in place with well qualified trained staff in all Forestry Administration offices.

The project aims to facilitate the implementation of the Government's policy platform in combating illegal logging, forest clearing and land encroachment through the improvement of capacity of human resources and the upgrading of operational means/equipment to ensure effective Forest Law Enforcement and Governance (FLEG) in Cambodia. In addition to staff members of the Forestry Administration, selected local communities will be trained in how an effective FLEG operation can benefit the community by protecting their interests, promote legal forest activities and ensure their legal access to timber and non-timber forest products and services.

The expected outputs of the project are: improved facilities and staff capabilities, effective monitoring and documentation of illegal forest activities, effective judicial processing, and effective extension of measures to all stakeholders. These outputs will contribute directly to the on-going capacity building program of the Forestry Administration of Cambodia as a high priority.

**Progress:**

The project will be reported as completed to the Committee on Reforestation and Forest Management.(Document CRF (XLV/3))

**Strengthening the capacity of local communities of the Chaiyaphum Province (Thailand) to manage community forests**

|                        |  |             |
|------------------------|--|-------------|
| Project number:        | TFL-PPD 005/09 Rev.1 (F)   |             |
| Project country:       | Thailand   |             |
| Budget:                | Total:   | US\$ 78,678 |
|                        | ITTO Contributions:  | US\$ 56,970 |
|                        | Government of Thailand:  | US\$ 21,708 |
| Submitted by:          | Government of Thailand   |             |
| Implementing agencies: | Bureau of Community Forest Management of the Royal Forest Department, Thailand |             |
| Duration:              | 6 months   |             |
| Financed at:           | TFLET Spring Cycle 2009  |             |

**Summary:**

The pre-project will develop a project proposal aimed at enhancing forest law enforcement and governance and strengthening communities' capacities to use their forests for poverty alleviation in the Chaiyaphum Province. To ensure an adequate project design, the pre-project will collect necessary baseline information on community forestry and define clear strategies on how to solve problems inhibiting sound community forestry development. The development objective of the pre-project is to contribute to the sustainable development of rural communities of the Chaiyaphum Province through the promotion of law enforcement, good governance and sustainable management and use of community forests. The specific objective is to develop a comprehensive project proposal aimed at strengthening the capacity of communities of Chaiyaphum Province to sustainably manage their forests.

**Progress:**

There has been a substantial delay in concluding the agreement regulating the implementation of the pre-project due to complicated internal procedures of the government of Thailand which requires the endorsement of the Thai Cabinet. It is expected that the pre-project agreement will be duly signed in November/December 2011

**Implementing and promoting sustainable forest management through formulation of an action plan for improved forest law enforcement and governance in Colombia**

|                      |  |              |
|----------------------|--|--------------|
| Project number:      | TFL-PPD 001/09 Rev.2 (M)   |              |
| Project country:     | Colombia   |              |
| Budget:              | Total:   | US\$ 122,598 |
|                      | ITTO Contribution:   | US\$ 91,498  |
|                      | Government of Colombia:  | US\$ 31,100  |
| Submitted by:        | Government of Colombia   |              |
| Implementing agency: | Asociación de Corporaciones Autónomas Regionales y de Desarrollo Sostenible (ASOCARS)<br>[Association of Regional Autonomous Corporations and Sustainable Development] |              |
| Duration:            | 12 months  |              |
| Financed at:         | TFLET Autumn Cycle 2009  |              |

**Summary:**

The pre-project will develop a full project proposal to specify and integrate the problems related to illegal logging as well as the weaknesses of the forest legislation and the forest management capacity of the relevant institutions, so as to facilitate the future formulation of a strategic action plan for the improvement of forest law enforcement and governance in Colombia.

The pre-project is specifically aimed at analyzing and evaluating policies, programs, management capacity and the national forest legislation and their compatibility with the policies and sectoral programs and standards of the agricultural and mining sectors, through a participatory process with relevant stakeholders. The output of the pre-project will be a sound project proposal developed in cooperation with forest sector stakeholders.

**Progress:**

The signing of the pre-project agreement governing the implementation of the pre-project was completed in September 2010. Subsequently, the memorandum of understanding (MOU) between the implementing agency and the Ministry of Environment, Colombia on the implementation of the pre-project was signed on 14 October 2010.

As of 30 June 2011, eight regional workshops on forest law enforcement have been carried out with a total of 259 participants, in the regions of Nariño, Caquetá, Guaviare, Chocó, Antioquia, and Cesar as well as interviews with 18 Regional Autonomous Corporations. With the input from the workshops and the interviews an analysis of the current forest legislation has been done. The analysis includes the revision of 36 national laws; 53 regional laws; 5 national policies, and 12 international treaties. The analysis points out the gaps that need to be filled for the enforcement of the current forest laws, and highlights the critical points of illegal activities in terms of harvesting, transportation and surveillance.

At the time of reporting the full project proposal was under preparation.

As for pre-project finances, ITTO has disbursed US\$80,000.00, while counterpart contribution is reported at US\$24,350.00

The pre-project is on-track and it is expected that pre-project activities will be concluded by 30 September 2011.

**Improving governance and transparency of timber harvests and trade in Cameroon**

|                      |                         |              |
|----------------------|-------------------------|--------------|
| Project number:      | TFL-PD 003/09 Rev.2 (M) |              |
| Project country:     | Cameroon                |              |
| Budget:              | Total:                  | US\$ 418,626 |
|                      | ITTO Contribution:      | US\$ 365,526 |
|                      | Traffic International:  | US\$ 53,100  |
| Submitted by:        | Government of Cameroon  |              |
| Implementing agency: | Traffic International   |              |
| Duration:            | 24 months               |              |
| Financed at:         | TFLET Autumn Cycle 2009 |              |

**Summary:**

The project is designed to contribute to the improvement of governance and transparency of timber harvest and traded in Cameroon and internationally by strengthening the national process for controlling illegal logging and associated trade in Cameroon in order to contribute to transparency of timber trade in Cameroon with a view to address the problems of unsustainable timber harvesting, weak forest law enforcement and illegal trade of the country's timber.

**Progress:**

The signing of the project agreement governing the implementation of the project was completed on 22 March 2010. Traffic International as the project EA has been working on the preparation of the inception report, including discussions with its collaborating counterpart, the MINFOF of Cameroon. The first draft of inception report and a detailed workplan were received on 8 October 2010. Although several revisions have been carried out, a number of sections still need improvement and the inception report and the detailed workplan could not yet be approved. The EA is currently revising the inception report and the detailed workplan, following the comments and suggestions provided by the ITTO Secretariat. Consequently, no funds have been transferred yet.

**Strengthening the capacity of small-medium enterprises in Ghana to produce and trade in timber products from legal and sustainable sources**

|                      |                                       |              |
|----------------------|---------------------------------------|--------------|
| Project number:      | TFL-SPD 007/09 Rev.1 (M)              |              |
| Project country:     | Ghana                                 |              |
| Budget:              | Total:                                | US\$ 180,704 |
|                      | ITTO Contribution:                    | US\$ 163,039 |
|                      | Government of Ghana:                  | US\$ 17,665  |
| Submitted by:        | Government of Ghana                   |              |
| Implementing agency: | Kumasi Wood Cluster Association (KWC) |              |
| Duration:            | 24 months                             |              |
| Financed at:         | TFLET Autumn Cycle 2009               |              |

**Summary:**

The project will address the weak capacity of Small Medium Forest Enterprises in forest law enforcement and governance in Ghana. The main objective is to strengthen the capacity of SMFEs to produce and trade in legal timber through the development and implementation of internal wood control system (IWCS) consistent with legal and sustainable timber trade requirements. At the completion of the project, SMFEs will demonstrate understanding of the various standards covering Chain of Custody and wood tracking by documenting and implementing procedures to comply with and monitor compliance with legal timber trade requirements enabling an appreciable number of them to begin efforts towards CoC certification. Activities and approaches include training selected SMFEs on proper record capturing and storage practices, information management, how to use and implement IWCS; assisting SMFEs to set up their own IWCS and liaising with stakeholder institutions to audit SMFEs interested in certification. In order to ensure the sustainability of the project, SMFEs will be encouraged to join the Kumasi Wood Cluster Association (KWC) or form similar network(s) or association(s) to encourage and promote trade in legal and sustainable timber.

**Progress:**

The signing of the project agreement governing the implementation of the project was completed on 5 April 2010. The project inception report including the detailed work plan had been submitted to and approved by the ITTO Secretariat and the disbursement of the first installment of ITTO funds amounting to US\$70,000.00 to the implementing agency (KWC) was effected on 8 July 2010, marking the commencement in the implementation of the project. Following the selection and appointment of the project team and consultants, the implementation of a number of project activities has begun. The first meeting of the project technical committee (PTC) and project monitoring mission were conducted in Kumasi, Ghana on 21 September 2010. The meeting noted that the implementation of the project was on track and on schedule. The second meeting of the PTC is scheduled for 8 September 2011.

**Strengthening the capacity of related stakeholders in Java on implementing new Indonesian Timber Legality Assurance System (TLAS)**

|                      |  |              |
|----------------------|--|--------------|
| Project number:      | TFL-PD 010/09 Rev.1 (M)                              |              |
| Project country:     | Indonesia  |              |
| Budget:              | Total:   | US\$ 555,163 |
|                      | ITTO Contribution:                                   | US\$ 474,163 |
|                      | Government of Indonesia:                             | US\$ 81,000  |
| Submitted by:        | Government of Indonesia                              |              |
| Implementing agency: | Secretariat Directorate General of Forest Production |              |
| Duration:            | 24 months  |              |
| Financed at:         | TFLET Autumn Cycle 2009                              |              |

**Summary:**

The Timber Legality and Verification System (*Sistim Verifikasi Legalitas Kayu - SVLK*) was developed to provide legal assurance on timber products from Indonesia. In June 2009 the Indonesian Ministry of Forestry issued a ministerial decree on sustainable forest management and timber legality verification through the Minister of Forestry decree No. P.38/Menhut-II/2009 concerning Standard and Guidelines on Assessment and Performance of Sustainable Production Forest Management and Verification of Timber Legality which applies to state and private forests. Additionally, with regard to the standard, an assessment guideline is stipulated under a decree of the Director General of Production Forest Management No. P.6/VI-Set/2009. The effective implementation of the regulation requires capacity building of relevant stakeholders and organizations, in particular for the owners of community forests. The project will focus on the dissemination of information on the new TLAS standard to communities and relevant stakeholders through workshops. It will support the establishment of institutions for independent monitoring of TLAS for timber resources from community forests and community plantation forests, conduct a series of training events to introduce and implement the standard to license holders of community forests and community plantation forest as well as local government officers and representatives of small/medium wood processing industries.

**Progress:**

The signing of the project agreement governing the implementation of the project was completed on 14 April 2010. The project inception report including the Yearly Plan of Operation (YPO) 1 had been submitted to and approved by the ITTO Secretariat and the disbursement of the first installment of ITTO funds amounting to US\$100,000.00 to the implementing agency was effected on 8 July 2010, marking the commencement in the implementation of the project. Following the selection and appointment of the project team and consultants, the implementation of initial project activities has begun in accordance with YPO 1. The first meeting of the Project Steering Committee (PSC) was held on 11 May 2011 which, *inter alia*, approved YPO2. The second and third installments of ITTO funds amounting to US\$74,470.00 and US\$151,628.00 were disbursed on 8 March and 23 August 2011 respectively and the implementation of the project is progressing satisfactorily.

**Reduction of illegal logging through better governance of community forests in the Lom et Djerem Division, East region, Cameroon**

|                      |   |              |
|----------------------|---|--------------|
| Project number:      | TFL-PD 014/09 Rev.1 (M)   |              |
| Project country:     | Cameroon  |              |
| Budget:              | Total:  | US\$ 355,062 |
|                      | ITTO Contribution:  | US\$ 302,562 |
|                      | Government of Cameroon:   | US\$ 52,500  |
| Submitted by:        | Government of Cameroon  |              |
| Implementing agency: | Forestry Department, Ministry of Forestry and Wildlife (MINFOF) |              |
| Duration:            | 24 months   |              |
| Financed at:         | TFLET Autumn Cycle 2009   |              |

**Summary:**

This project seeks to reduce illegal logging and poverty in the Lom and Djerem Division through better governance and development of community forestry. The specific objectives include to sufficiently satisfy the demand of wood in the north and neighboring countries through better organization of timber markets and promotion of the creation and implementation of legal timber titles; and to reduce poverty at the community level through good governance in managing existing community forest and micro-development projects in the Lom and Djerem Division. The expected outputs are:

- 1) to assist 6 communities in obtaining and managing community forests;
- 2) to sensitize the Lom and Djerem councils on the creation of council forests;
- 3) to supply the Northern markets with sawmill residues;
- 4) to better understand and disseminate the timber market chain from Lom and Djerem to the Northern regions;
- 5) to put in place a wood tracking system from the Koundi community forest;
- 6) to reinforce the capacities of members of the Koundi community in increasing and better managing revenues from their forest; and
- 7) to sensitize all actors on legal wood trade; and
- 8) to install and have a functional Coordination Unit in place

**Progress:**

- 22.03.2010 The project agreement was signed and consultations between the implementing agency, (MINFOF) and its collaborating agencies, FORUM VERT and TTRECED (NGOs) have been conducted.
- August 2010 The memorandum of understanding (MOU) between the implementing agency and the collaborating agencies has been signed
- 30.11.2010 The final revised inception report and the detailed workplan were received
- 22.01.2011 The EA confirmed the receipt of the first installation of ITTO fund and the project implementation was commenced
- 10.03.2011 The project was launched by the National Technical Committee

No progress report has yet been received

### Equipping small and medium sized forestry enterprises in China for procurement of tropical timber from legal and sustainably managed forests

|                      |   |  |              |
|----------------------|---|--|--------------|
| Project number:      | TFL-PD 017/09 Rev.2 (M)   |  |              |
| Project country:     | China   |  |              |
| Budget:              | Total:  |  | US\$ 505,036 |
|                      | ITTO Contribution:  |  | US\$ 322,056 |
|                      | Government of China:  |  | US\$ 112,820 |
|                      | Industry Association (China):   |  | US\$ 70,160  |
| Submitted by:        | Government of China   |  |              |
| Implementing agency: | Institute of Forestry Policy and Information, Chinese Academy of Forestry (CAF) |  |              |
| Duration:            | 36 months   |  |              |
| Financed at:         | TFLET Spring Cycle 2010   |  |              |

#### Summary:

Small and medium sized wood processing enterprises (SMFEs) in China play a vital role in the domestic and international markets for processing wood products as they account for around 90% of the total output value of China's timber enterprises. The project will provide the means for SMFEs to become equipped for procurement of timber from legal and sustainably managed tropical forests. SMFEs in Zhangjiagang in the Jiangsu Province, Huzhou and Jiashan in the Zhejiang province and in Shanghai will be surveyed to assess the status of their procurement management. Training and advice will be delivered to enterprises along with information (via a technical bulletin) on marketing, trade, procurement and corporate social responsibility. Policy suggestions will be made and selected SMFEs will be guided through COC certification. A web-based platform for better communication between SMFEs, government and other stakeholders will be established.

#### Progress:

|            |  |
|------------|--|
| 14.01.2011 | The Project agreement was signed   |
| 14.02.2011 | The first draft of inception report with YPO was received  |
| 11.04.2011 | The final revised inception report and the YPO1 were received  |
| 01.05.2011 | The first installment of ITTO funds amounting to US\$100,000.00 was received by the Executing Agency and the project commenced |
| 26.08.2011 | The first progress report was received from the EA   |

The project is in the final stages of the 'Start-up Phase' with necessary arrangements for project implementation about to be concluded. The start-up phase mainly comprises of desk works such as materials review, trade data procurement, materials references collection, questionnaires design and establishment of the project coordination. Up to 20 of August, the implementation activities were well on track according to the workplan. The relevant activities were carried out as follows:

- Collecting and procuring relevant data and information. The following data and materials have been collected and/or reviewed. Tropical log and lumber imports through ports servicing the project area
  - 2000 and 2010 tropical log imports(source countries, volumes, and value)
  - 2000 and 2010 tropical lumber imports(source countries, volumes, and value)
  - 2010 company names and addresses of the importers of the above-mentioned tropical timber
- Collecting and reviewing relevant materials
  - related policies and institutions on forest enterprises, specifically SMFEs
  - Forest certification
  - Procurement policy and regulations
  - Tropical forestry products trade and market
  - Wood industry
- Questionnaires for mail or telephone survey were designed

- Coordination of the project was established
  - Information exchange with supporting organizations and stakeholders was established in project area, including associations located at Jiashan, Huzhou of Zhejiang provinces, forest bureau at HuZhou of Forestry Department of Forestry of Zhejiang province.
  - Three coordination meetings were held with different stakeholders such as SFA, Ministry of Commerce, General Custom Administration.
  - The International consultant has been selected and TOR has been signed.

**Developing collaborative management in the Cibodas Biosphere Reserve, West Java Indonesia**

|                      |  |              |
|----------------------|--|--------------|
| Project number:      | TFL-PD 019/10 Rev.2 (M)  |              |
| Project country:     | Indonesia  |              |
| Budget:              | Total:   | US\$ 591,278 |
|                      | ITTO Contribution:   | US\$ 496,670 |
|                      | Government of Indonesia:   | US\$ 94,608  |
| Submitted by:        | Government of Indonesia  |              |
| Implementing agency: | Balai Besar Taman Nasional Gunung Gede Pangrango Mountain Gede Pangrango National Park, Directorate General Forest Protection and Natural Conservation, Ministry of Forestry |              |
| Duration:            | 24 months  |              |
| Financed at:         | TFLET Spring Cycle 2010  |              |

**Summary:**

The project will support the implementation of a collaborative management activity as the key tool for the effective management of the Cibodas Biosphere Reserve. The specific objective of the project is to strengthen forest law enforcement and governance, conservation, and the sustainable use of biodiversity and environmental services rendered by the Cibodas Biosphere Reserve. The expected outputs of the project are: 1) increased stakeholders commitment to the effective management of the Cibodas Biosphere Reserve; 2) Development of an integrated management plan for the Cibodas Biosphere Reserve; and 3) Enhanced community awareness on the conservation and sustainable use of biodiversity and environmental services, and on forest law enforcement and governance.

**Progress:**

The signing of the project agreement governing the implementation of the project was completed on 25 May 2011 and the Inception Report incorporating YPO1 and appointment of the Project Coordinator was approved on 19 August 2011. The first installment of ITTO funds amounting to US\$100,000.00 was disbursed to the Executing Agency on 23 August 2011, paving the way for the commencement in project implementation in September 2011.

**Pre-project to develop a proposal on 'Development and implementation of a species identification and timber tracking system in Africa with DNA fingerprints and stable isotopes'**

|                      |  |              |
|----------------------|--|--------------|
| Project number:      | TFL-PPD 023/10 Rev.1 (F)   |              |
| Project country:     | Germany, Cameroon, CAR, DRC, Congo, Gabon, Ghana, Kenya  |              |
| Budget:              | Total:   | US\$ 198,242 |
|                      | ITTO Contribution:   | US\$ 175,742 |
|                      | vTI:   | US\$ 22,500  |
| Submitted by:        | Government of Germany  |              |
| Implementing agency: | Johann Heinrich von Thünen Institute (vTI), Federal Research Institute for Rural Areas, Forestry and Fisheries |              |
| Duration:            | 7 months   |              |
| Financed at:         | TFLET Spring Cycle 2010  |              |

**Summary:**

Based on experiences from pilot-studies in Cameroon and Latin-America the pre-project will develop a full project proposal on "Development and implementation of a species identification and timber tracking system in Africa with DNA fingerprints and stable isotopes" with regional focus on the timber producing countries Cameroon, Central African Republic, Congo Dem. Rep, Congo Rep. and Gabon, Ghana, and Kenya as an important timber transit country. The pre-project will (a) define the role and contribution of collaborating agencies (b) seek support and agreements with the governments of African countries involved in the project; (c) draw conclusions from former pilot studies and to define the technical work plan, (d) identify the stakeholders and define their roles in the full project; and (f) seek additional financial support for the full project. Expected outputs of the full project to be developed include (a) a timber tracking system with DNA and stable isotopes working for 5 important timber species in Africa, (b) reference databases on genetic and isotopic spatial patterns ready for control uses, and (c) facilities for DNA-fingerprinting and stable isotopes with trained staff in timber producer and timber consumer countries.

**Progress:**

The pre-project has been successfully completed and a full proposal for a regional ITTO project on tree species identification and timber tracking system with DNA fingerprints and stable isotopes was developed. Seven African timber producer countries will be involved in the project: Cameroon, Central African Republic, Congo Dem. Rep, Congo Rep., Gabon, Ghana and Kenya. The work-programme, the contribution and participation of the different partners from Europe, Australia and Africa as well as the stakeholder involvement in the project have worked out as foreseen in the proposal in two workshops: one in Hamburg, Germany 1-3 March 2011 and one in Yaoundé, Cameroon 23-24 March 2011. At the workshop in Hamburg 31 persons mostly from Europe but also from USA, Australia, Singapore and Cameroon participated. The workshop in Yaoundé was organized by the collaborating agency The Forest Trust (TFT). At this workshop 50 persons participated. Each of the 7 target countries of the project was represented by at least one participant from the forest ministry or forest administration and one participant from the research sector. Very helpful was the involvement of the ITTO's regional co-ordinator Ms Celestine Ntsame Okwo. At both workshops specific sessions for potential stakeholders were organized. TFT successfully communicated the project concept and the advantages of a participation to the ITTO focal points in the six involved African ITTO member countries and to the forest administration and forest research sector of Kenya. All seven countries confirmed their intention to participate in the full project through endorsement letters. The full proposal was prepared with a total financial volume of US\$2,786,299 including US\$1,695,342 requested from ITTO. Due to the fact that there was no open call for proposals under TFLET in 2011, the proposal was submitted in July 2011 under the ITTO regular cycle and was rated Category 1. Following the incorporation of Expert Panel comments, a revised proposal was submitted in September 2011 and project implementation is expected in January 2011.

One expected output of the pre-project was the search for additional funding. For this purpose two satellite projects covering complementary parts of the ITTO project have been submitted by the University of Adelaide and the vTI at the Australian Research Council (requested additional budget US\$723,000) and by the Ghana Forestry Commission to the ACP-FLEGT call (requested additional budget US\$134,000). The requested

ITTO contribution will be covered by the German Federal Ministry of Food, Agriculture and Consumer Protection (BMELV).

The project will focus primarily on three target species chosen by timber producing countries representatives: iroko (*Milicia excelsa*, *M. regia*), sapelli (*Entandrophragma cylindricum*) and ayou (*Triplochiton scleroxylon*). The Institute of Forest Genetics at the Johann Heinrich von Thünen Institute (vTI) in Germany will be the Executing Agency and coordinator of the project, supported by 14 Collaborative Agencies from Europe, Africa and Australia.

**Improvement of forest law enforcement at the national level to promote forest governance in Guatemala**

|                      |                                      |              |
|----------------------|--------------------------------------|--------------|
| Project number:      | TFL-PPD 024/10 Rev.2 (M)             |              |
| Project country:     | Guatemala                            |              |
| Budget:              | Total:                               | US\$ 804.419 |
|                      | ITTO Contribution:                   | US\$ 563.339 |
|                      | Government of Guatemala:             | US\$ 200.880 |
|                      | IUCN:                                | US\$ 40.200  |
| Submitted by:        | Government of Guatemala              |              |
| Implementing agency: | National Institute of Forests (INAB) |              |
| Duration:            | 36 months                            |              |
| Financed at:         | TFLET Spring Cycle 2010              |              |

**Summary:**

The project will improve the effective implementation of sustainable forest management plans in Guatemala, through strengthening the capacity of forest institutions to enforce the forest management legislation and relevant regulations, as well as through the provision of better services and instruments for the promotion of sustainable forest management. It will strengthen the capacity of INAB to control forest law enforcement through improvement of observation systems and inter-institutional coordination at the national, regional and local levels. The project will increase the involvement of civil society, institutions and local governments in the implementation of activities aimed at strengthening actions to reduce illegal activities and ensure compliance with current forest laws and regulations, among other activities focused on improving forest governance.

**Progress:**

The Project Agreement was signed by all parties on May 2011, and at the time of preparation of this report, the EA was finalizing the signature of the MoU with the Collaborative Agency in order to fulfill the conditions for the release of the advance of funds.

**REDD**

**Building a Voluntary Carbon Marketing Scheme to Promote Sustainable Forest Management**

|                        |                        |             |
|------------------------|------------------------|-------------|
| Project number:        | RED-A 004/09 Rev.1 (F) |             |
| Project country:       | Global                 |             |
| Budget:                | Total:                 | US\$ 97,180 |
|                        | ITTO Contribution:     | US\$ 97,180 |
| Submitted by:          | ITTO Secretariat       |             |
| Implementing agencies: | ITTO Secretariat       |             |
| Duration:              | 9 months               |             |
| Financed at:           | REDD Spring Cycle 2009 |             |

**Summary:**

The Activity will develop a feasibility study for the establishment of a mechanism in ITTO to capture funds from private sector and other potential contributors, to fund voluntary forest related carbon offsetting schemes, including REDD and PES projects. The Activity shall also generate a design and strategy for the implementation of the proposed scheme.

**Progress:**

The activity was reported completed to the 46<sup>th</sup> ITTC in December 2010. The report is available from the ITTO website at [http://www.itto.int/direct/topics/topics\\_pdf\\_download/topics\\_id=2137&no=0](http://www.itto.int/direct/topics/topics_pdf_download/topics_id=2137&no=0)

**Strengthening Guyana’s capacity to manage forest resources and environmental services through resources assessment and monitoring changes in deforestation and degradation**

|                      |                                  |              |
|----------------------|----------------------------------|--------------|
| Project number:      | RED-PD 005/09 Rev.2 (F)          |              |
| Project country:     | Guyana                           |              |
| Budget:              | Total:                           | US\$ 540,880 |
|                      | ITTO Contribution:               | US\$ 400,680 |
|                      | Government of Guyana:            | US\$ 140,200 |
| Submitted by:        | Government of Guyana             |              |
| Implementing agency: | Guyana Forestry Commission (GFC) |              |
| Duration             | 12 months                        |              |
| Financed at:         | REDDDES Autumn Cycle 2009        |              |

**Summary:**

This project seeks to address two main areas: conducting, at a demonstration level, an assessment of forest resources and environmental services including the completion of a feasibility study of targeting remuneration systems for environmental services; and secondly, by supporting sustainable forest management and resources utilization at the community level to maintain forest resources and prevent deforestation and degradation. The outcome of the project will be the strengthening of Guyana’s capacity to manage forest resources and environmental services through resources assessment and monitoring changes in deforestation and degradation. This will allow for planning and management of these resources to be significantly enhanced as will management of deforestation and forest degradation. Also, capacity building exercise will see improved management of forest and environmental resources by target communities and stronger compliance with sustainable forest management practices. These immediate benefits of these will be enhanced ability at the national and community level to manage forest and environmental services in Guyana.

**Progress:**

The Project Agreement regulating the implementation of the project was duly signed on 5 April 2010. The Project Inception Report and the Detailed Work Programme have been received and approved by the ITTO Secretariat and the first disbursement of funds was transferred to the Executing Agency on 30 August 2010.

Project activities have commenced in September 2010 and to date all project funds have been disbursed to the Executing Agency. Progress can be described by outputs and activities as follows:

**Output 1- Demonstrate the execution of a resources assessment of forest and environmental services in selected forested areas of Guyana**

This output has been 100% successfully achieved by activities, i.e.:

- 1.1 Remote sensing images were acquired and imagery analysis of selected forest areas were conducted;
- 1.2 Existing forest inventory data was assessed to evaluate forest and environmental services and ground verification and aerial surveys were conducted to verify results of remote sensing and forest inventory data;
- 1.3 An evaluation on forest and environmental services in selected areas of Guyana was completed;
- 1.4 Images for identification of areas for hotspot monitoring and assess compliance with legality and deforestation & degradation from analysis of images were also acquired and analyzed.

**Output 2- Assess the potential and feasibility of market based and other remuneration systems for compensating environmental services**

90% of the activities required to achieve this output have been completed and it is expected to be successfully completed shortly. Activity implementation is currently as follows:

- 2.1 Available market mechanisms, incentives programmes and remuneration systems for environmental services have been assessed, identified and documented; and

2.2 The necessary requirements to access identified markets and remuneration systems have been evaluated and are currently being documented.

**Output 3- Support SFM at the community level to help maintain low level of deforestation and forest degradation**

70% of the activities required to achieve this output have been carried out to date, as follows:

3.1 A manual and other training materials were produced for the sensitization workshop organized to share information on resource assessment and environmental services in Guyana. This workshop was conducted on 19-20 May, 2011. As part of the workshop, several group discussion sessions were held and key areas/approaches of training and sensitization were examined.

3.2 The workshops aimed at improving enforcement of regulations of sustainable forestry management (SFM) practices are currently in progress.

A Project Steering Committee (PSC) Meeting was held in June 2011 in Georgetown, Guyana. The Committee verified the aforementioned progress in the project's activities and further noted that the project is expected to be completed shortly, as originally scheduled.

**Local REDDES programme for development and addressing climate change in Guatemala: Building social processes for sustainability**

|                        |   |              |
|------------------------|---|--------------|
| Project number:        | RED-PPD 006/09 Rev.2 (F)  |              |
| Project country:       | Guatemala   |              |
| Budget:                | Total:  | US\$ 177,660 |
|                        | ITTO Contribution:  | US\$ 82,080  |
|                        | Government of Guatemala   | US\$ 95,580  |
| Submitted by:          | Government of Guatemala   |              |
| Implementing agencies: | Foundation of Integrated Development of Men and Environment, CALMECAC |              |
| Duration:              | 12 months   |              |
| Financed at:           | REDDES Autumn Cycle 2009  |              |

**Summary:**

In order to reduce deforestation and forest degradation, INAB and Calmecac are seeking to develop sustainable forest management and establish financial mechanisms derived from the management and conservation of resources and environmental services in 16 municipalities of the Departments of Huehuetenango and Quiché, while at the same time providing a climate change adaptation mechanism. Thus, this project is aimed at consolidating information and agreements with local communities on the management of natural resources, while generating quantitative and qualitative data on forest resources and environmental services potential in the area. Given the importance of the participation of local social stakeholders and the need to raise awareness on the significance of forests and climate change impacts on the implementation of a REDD project, the establishment of a local stakeholder network is also envisaged to create effective social processes geared to poverty and vulnerability reduction. This pre-project links and creates social dynamics between different sectors based on new models of participatory management of natural resources and sharing of benefits at the local level.

**Progress:**

The Pre-project Agreement regulating the implementation of the project was duly signed on 5 April 2010. The Pre-project Inception Report and the Detailed Work Programme have been received and approved by the ITTO Secretariat and the first disbursement of funds was transferred to the Executing Agency on 16 September 2010.

Pre-project activities have commenced in September 2010 and to date all project funds have been disbursed to the Executing Agency. Progress can be described by outputs as follows:

**Output 1: Stakeholders' social factors and interests relating to forest resource management identified in a participatory manner for 15 municipalities of Huehuetenango and Quiché**

This output has been 100% successfully achieved by activities, i.e.:

- 1.1:** 15 municipal workshops were conducted for consultation and consensus-building among communities on the collective use and management of local forest resources. Baseline information discussed at these workshops was extracted from 205 individual surveys previously executed and analyzed;
- 1.2:** The information gathered was systematized and digitized and consensus-based alternatives and mechanisms on REDD, forest harvesting and climate change were elaborated; and
- 1.3:** A participatory diagnosis document on the collective use and management of local forest resources was developed.

**Output 2: Potential environmental services identified and quantified in 6 localities of the region in relation to timber and non-timber resources, carbon sequestration and watersheds**

**2.1:** The forest regions of the 15 municipalities have been stratified. 4 medium-scale forest inventories for community and municipal forests and for estimation of carbon stocks are in the planning process and compiled data is currently being verified in the field (60% progress); and

**2.2:** GIS information is being compiled on the following 4 watersheds: Pojom, Ixcan, Copon y Xalbal. Water flow measurements in these 4 watersheds will follow later (30% progress).

**Output 3: Analysis of forest cover dynamics in 15 municipalities and identification of risks and vulnerability to climate change in the poorest 5 municipalities**

**3.1:** A methodology have been developed in collaboration with INAB so as to analyze the current forest cover and estimate the projected deforestation rates for the 15 municipalities of the northern region of Huehuetenango and Quiché and is to be applied soon (30% progress); and

**3.2:** In order to initiate the analysis of risks and vulnerability to climate change in the 5 poorest municipalities, the EA to date has compiled GIS information of disaster events occurring over the last 5 years from MAGA, SEGEPLAN and the European Union (30% progress).

**Output 4: A local REDD project document formulated with wide-based participation of local stakeholders, exploring the feasibility of developing a municipal and community program for the conservation of the forests of Huehuetenango and Quiche, Guatemala**

**4.1:** Information on ideas and proposals has been assembled from the municipalities as inputs for the planned regional workshop to present and discuss the results of the participatory diagnosis document on the collective use and management of local forest resources and the collection of information for the design of a local REDD program. This workshop is currently in the process of being organized and is to be held on the near future (30% progress); and

**4.2:** Once the local REDD project proposal has been elaborated by CALMECAC, an open-ended workshop will be organized for its presentation and participatory discussion and consensual approval by the municipalities and communities (0% progress).

**Output 5: Networks linking municipalities, communities, civil society organizations, and private sector and institutions organized**

**5.1:** A database on relevant stakeholders at the state, municipal, community and private sector levels has been developed (100% completed);

**5.2:** Six workshops focused on the consolidation of the coordination set-up at the regional level for the development of a REDD program have been organized and documented (100% completed?); and

**5.3:** A draft action plan focused on the development and consensus-building of a REDD program, forest harvesting and climate change is under development and is to be finalized in the near future (80% progress).

**Output 6: Dissemination and awareness program on climate change and REDD initiatives**

**6.1:** Local dissemination and awareness-raising tools on climate change and REDD initiatives are currently being designed. One radial spot has already been aired and three more informational materials are being prepared (60% progress);

**6.2:** The regional gathering on REDD initiatives and climate change is to be organized once all other pre-project activities have been completed (0% progress); and

**6.3:** Reproduction and distribution of dissemination and awareness-raising materials on REDD initiatives and climate change (0% progress).

A Pre-project Technical Committee Meeting and field visits were held in June 2011 in Guatemala City, Huehuetenango and Quiche, Guatemala. The Committee took note of the aforementioned progress in the project's activities in the communities themselves and further noted observed that, while the social components of the project are being extremely well implemented, the EA is having difficulties in implementing some technical aspects of the pre-project, particularly as regards those activities related to Outputs 2, 3 and 4. Moreover, these are currently creating delays and may require the EA to request an extension in time without additional funds in order to able to successfully be completed.

**Enhancing Forest Carbon Stock to Reduce Emission from Degradation through Sustainable Forest Management (SFM) Initiatives in Indonesia**

|                        |   |              |
|------------------------|---|--------------|
| Project number:        | RED-PD 007/09 Rev.2 (F)   |              |
| Project country:       | Indonesia   |              |
| Budget:                | Total:  | US\$ 539,616 |
|                        | ITTO Contribution:  | US\$ 447,071 |
|                        | Government of Indonesia:  | US\$ 92,545  |
| Submitted by:          | Government of Indonesia   |              |
| Implementing agencies: | Director General of Forest Production Development & Directorate of Planning Development for Forest Utilization, Ministry of Forestry of Indonesia |              |
| Duration:              | 24 months   |              |
| Financed at:           | REDDES Autumn Cycle 2009  |              |

**Summary:**

The project will promote SFM as an important option for forest based climate change mitigation to reduce emission from and by tropical forest. As a first priority it will focus on initiating multi-stakeholder processes for development of a national strategy to maintain and increase forest carbon stock through implementation of SFM. The expected outputs of the project are:(1) Information on SFM forest based carbon, C stock, CO2 sequestration, and green products; (2) Supporting infrastructure and mechanism to bring additional incentives in implementing SFM as important option in reducing emission from deforestation and forest degradation assessed; (3) Outreach activities to promote public awareness among relevant stakeholders on SFM initiatives in enhancing forest based carbon stock, sequestration, and carbon storage in green products in order to reduce GHG CO2 developed. After project completion it is expected that the strategy will be institutionalized. The successful implementation of the project will generate awareness among local people and other related stakeholders to participate in managing forestland in a sustainable way. Local government, communities and private sector will get incentives from the ongoing effort in implementing conservation and forest management in reducing emission from deforestation and degradation.

**Progress:**

The Project Agreement regulating the implementation of the project was signed on 28 May 2010. The first installment of funds was sent on 11 August 2010 following receipt of the project inception report and approval of the project coordinator. No objection letters were issued for relevant ITTO-supported project staff and the first project steering committee was convened in November 2010.

During 2011 to date numerous activities have occurred consistent with the project workplan. Terms of reference developed in January for Activities 1.1 (Study/analyze regulations on SFM and forest carbon), 2.1 (Review framework/mechanism for SFM to serve as an important option in REDD), 2.2 (Analyze economic incentive framework for SFM to serve as an important option in REDD), 3.1.1 (Collect/analyze data from SFM and REDD projects in Indonesia) and 3.1.2 (Develop forest carbon standard and carbon accounting system for small scale plantations) were approved by ITTO shortly after. An expert meeting was then convened in February with the consultants assigned to undertake these activities and other relevant experts to finalize arrangements for implementation of these activities. The project also published various information leaflets on its work in Bahasa and English in February.

Field activities took place from February to June 2011, with reports on the above activities submitted and forwarded to ITTO in July. Training workshops on forest-based climate change and climate-relevant lessons from certified forest concessions were convened by the Implementing Agencies in March, April, May and June for representatives of various government departments/ministries and other stakeholders. CDs containing the results of these workshops have been distributed to all participants and ITTO.

The Implementing Agencies have submitted a detailed project progress report covering the period January-June 2011. The YPO for the second year of project implementation has also been submitted and approved by

ITTO. These documents (English only) are available from the Secretariat. The activities to be carried out over the next 12 months are 1.2 (Develop public consultations on SFM and forest carbon), 2.3 (Conduct focus group discussions to formulate a strategy for maintaining/increasing forest carbon stocks through SFM), 3.2 (Strengthen information sharing/networking on forest-based climate initiatives in Indonesia) and 4 (International consultancy on SFM-REDD linkages in Indonesia). The second PSC meeting is scheduled for Jakarta in late November 2011 with an associated visit to project field sites in Riau province.

**Promoting the partnership efforts to reduce emission from deforestation and forest degradation of tropical peatland in south Sumatra through the enhancement of conservation and restoration activities**

|                      |   |              |
|----------------------|---|--------------|
| Project number:      | RED-SPD 009/09 Rev.2 (F)                  |              |
| Project country:     | Indonesia                                 |              |
| Budget:              | Total:                                    | US\$ 181,287 |
|                      | ITTO Contribution:                        | US\$ 149,493 |
|                      | Government of Indonesia:                  | US\$ 31,794  |
| Submitted by:        | Government of Indonesia                   |              |
| Implementing agency: | Regional Research Center of South Sumatra |              |
| Duration:            | 24 months                                 |              |
| Financed at:         | REDDES Autumn Cycle 2009                  |              |

Summary

The project is intended to enhance sustainable management and conservation of tropical PSF to reduce emissions and to increase carbon stocking through the involvement of stakeholders and local community in the conservation and rehabilitation of degraded PSF in South Sumatra. It is part of Reduced Emission from Deforestation and forest Degradation (REDD)-Indonesia, on the context of PSF. There are two major issues addressed in the project:

- 1) resolving the conflict of interest between authorities in the management of PSF and
- 2) reducing the emission from deforestation and forest degradation through the promotion of conservation and restoration of PSF ecosystem.

Five options for strategic management intervention specific to peatland, under REDO in Indonesia (Indonesia Forum on Climate Change Alliance-IFCA, Consolidation report 2008) will also be addressed, namely (1) Regulate and restore water table, (2) Prevent peatland from fire, (3) Build coordination and consistency across government jurisdiction and sectors to control cross boundary impacts of fire by controlling its sources and spread, (4) Regulate further conversion of peatlands and revise and reinforce rules for management of existing peatlands plantation sites and (5) Implement land swaps where possible to retain high carbon value forest and peat while allocating alternative land for new plantation. The project intervention will put the priority on the third and fourth option for strategic management intervention through awareness raising, capacity building and coordination and field implementation of restoring ecosystem function in the degraded peatland through plantation. Local-indigenous species, which have been identified earlier, will be used in this restoration of ecosystem.

Progress:

The Project Agreement regulating the implementation of the project was duly signed in May 2010. The project activities have been initiated from November 2010 after the completion of necessary administrative arrangements for the implementation of the project.

Review on existing schemes to prevent deforestation and forest degradation and lessons learned from the surrounding areas has been carried out and the preparation of a technical report is under way. Further discussion and analyses will be carried out in conjunction with a stakeholder consultation meeting to be held in Palembang in September 2011. Four indigenous local forest tree species have been collected and propagated to increase farmers' income. The four tree species are: Jelutung (*Dyera lowii*), Meranti (*Shorea belangeran*), Gelam (*Melaleuca leucadendron*) and Punak (*Tetramerista glabra*). To facilitate the demonstration activity, several partners have been identified and a large number of community members are expected to directly involve in plantation activities. Facilitators from local NGOs have been also invited to enhance the influence of this activity to other areas.

**Sustainable forest management and utilization of ecosystem services in forests managed by the Ese'Eja native community in Infierno, Peru**

|                        |  |              |
|------------------------|--|--------------|
| Project number:        | RED-PD 018/09 Rev.1 (F)                              |              |
| Project country:       | Peru   |              |
| Budget:                | Total:   | US\$ 523,319 |
|                        | ITTO Contribution:                                   | US\$ 356,519 |
|                        | Government of Peru                                   | US\$ 166,800 |
| Submitted by:          | Government of Peru                                   |              |
| Implementing agencies: | Association for Investigation and Development, AIDER |              |
| Duration:              | 36 months  |              |
| Financed at:           | REDDES Autumn Cycle 2009                             |              |

**Summary:**

The project is aimed at strengthening the management of forests over which the community has acquired utilization rights, so as to penetrate the emerging ecosystem services markets and thus generate additional income to allow the community to obtain resources for the adequate management of their territory and ecotourism concession. It will be implemented in the Ese'Eja native community of Infierno where a forest concession was granted by the Peruvian Government to the community for ecotourism purposes in areas located in the Madre de Dios region (Peru), within the buffer zone of the Tambopata National Reserve and the Bahuaje Sonene National Park. Community capacities will be developed for the planning and establishment of agreements approved by all community members for the use of forest resources and services, thus establishing the basis for the development of a project for the reduction of emissions from deforestation and degradation (REDD). Recognizing that well-defined utilization and marketing rights are a vital prerequisite for access to these markets, the project will facilitate the formalization of rights to trade ecosystem services and to resolve existing land tenure conflicts in the concession area. These objectives will be met with support from the Peruvian government, which will allow the community to progress towards sustainable development.

**Progress**

The Project Agreement regulating the implementation of the project was duly signed on 8 June 2010. The Project Inception Report and the Detailed Work Programme have been received and approved by the ITTO Secretariat and the first disbursement of funds was transferred to the Executing Agency on 13 September 2010. Progress by outputs and activities can be summarized as follows:

**Output 1: There is community consensus on the priority actions for the management of forest resources**

1.1 A socio-economic assessment of the community was completed and further documented. This study is currently being used by the Executing Agency as a baseline assessment of the community's socio-economic status and to ensure that all members of the community are involved in the execution of the project and that any benefits resulting from it are distributed fairly (100% completed);

1.2 Several community consultations and participatory workshops have been organized so as to define future strategies for community forest management and forest economic activities, including a REDD scheme being promoted among community members, and further develop an action plan. Strategies have been devised in a participatory manner within the community and the action plan is currently being finalized (50% progress); and

1.3 Community infrastructure to develop local capacities to support ongoing management activity of their forests has not been established yet, although an office has already been built in the community centre and is currently being furnished (10% progress).

**Output 2: Legal rights for the use of forest resources in the community territory and ecotourism concession area are endorsed and secured**

- 2.1 A legal review of the community's land and resource use rights on its' ecotourism concession is currently being conducted by a lawyer and is to finalized shortly (60% progress); and
- 2.2 Implement actions identified in legal review to ensure the community's land and resource rights are protected (0% progress).

**Output 3: Community forest management incorporated as part of a REDD scheme**

- 3.1 A regional baseline emissions model and and the related regulatory REDD mechanisms for the Madre de Dios region is currently being determined by the project team. However, this activity is taking longer than initially estimated, due mainly to the need of achieving political acceptance in the region (60% progress);
- 3.2 Stratified vegetation maps have been developed for the community lands and its conservation concession. These also served as inputs for the planning and execution of the carbon inventory, which is currently underway (50% progress);
- 3.3 Develop REDD project design document (PDD) (0% progress); and
- 3.4 Obtain validation and offer carbon credits (0% progress).

A Project Steering Committee (PSC) Meeting and field visit were held in June 2011 in both Lima and the Ese'Eja native community in Infierno, Madre de Dios, Peru. The Committee verified the aforementioned progress in the project's activities at the field itself and further noted that the project to date is being implemented as scheduled, albeit some minor delays due to the participatory and political nature of the project.

**Development and demonstration on scheme of payment for environmental services (PES) derived from degraded and secondary tropical production forests in China**

|                        |   |  |              |
|------------------------|---|--|--------------|
| Project number:        | RED-SPD 020/09 Rev.1 (F)  |  |              |
| Project country:       | People's Republic of China  |  |              |
| Budget:                | Total:  |  | US\$ 203,040 |
|                        | ITTO Contribution:  |  | US\$ 149,040 |
|                        | Government of China:  |  | US\$ 54,000  |
| Submitted by:          | Government of the People's Republic of China  |  |              |
| Implementing agencies: | Institute of Forest Resource Information Technique, Chinese Academy of Forestry (CAF) |  |              |
| Duration:              | 24 months   |  |              |
| Financed at:           | REDDES Autumn Cycle 2009  |  |              |

**Summary:**

The project attempts to reduce deforestation and forest degradation, enhance environmental services and help improve forest dependent livelihoods in the tropics of China. The Lingshui Li Autonomous County of the Hainan Province has been selected as project area and one typical forest-dependent community (village) will be chosen in the demonstration area. The project will develop an assessment report on environmental services derived from degraded and secondary tropical production forests in the selected area. A scheme of PES derived from degraded and secondary tropical production forests in demonstration areas based on community and other stakeholders' participation will be discussed, consulted, optimized, identified and implemented. Policy suggestions on the scheme of PES will be developed and submitted to local governments.

**Progress:**

The Project Agreement regulating the implementation of the project was duly signed in March 2010. The first installment of project funds was transferred from ITTO to the Executing Agency in May 2010 after the receipt of the first Yearly Plan of Operation (YPO).

A review of relevant literature and cases on PES derived from production and protection forests has been conducted. In addition, Chinese schemes of the Forest Ecological Benefit Compensation Funds in non-commercial forests operated by the central and local governments have been reviewed. The project demonstration site has been changed from Dagan village in the town of Qunying, Lingshui Li autonomous county, South China to Maohui community of Maoyang Town in Wuzhishan City in Hainan as the latter has a clear forest tenure system. The collection of baseline information and data for socioeconomic and environmental aspects of the new demonstration area is underway. An assessment report on environmental services derived from degraded and secondary tropical production forests in the demonstration site has been prepared.

A workshop on scheme of PES derived from degraded and secondary tropical production forests was held and the scheme of PES derived from production secondary forests in Maohui community based on community and other stakeholders participatory was discussed. A draft scheme of PES from production secondary forests in Maohui community has been developed and will be finalized in consultation with relevant stakeholders, including the local government.

**Technical Support for the National Forest Inventory Development in the Democratic Republic of Congo for the Evaluation of the Carbon Stock Changes in Forest Lands**

|                      |   |              |
|----------------------|---|--------------|
| Project number:      | RED-A 023/09 Rev.1 (F)                              |              |
| Project country:     | Democratic Republic of Congo                        |              |
| Budget:              | Total:  | US\$ 510,220 |
|                      | ITTO Contribution:                                  | US\$ 476,820 |
|                      | Government of D.R. Congo:                           | US\$ 33,400  |
| Submitted by:        | Government of D.R. Congo                            |              |
| Implementing agency: | Directorate of Forest Inventory and Planning (DIAF) |              |
| Duration:            | 12 months   |              |
| Financed at:         | REDDES Autumn Cycle 2009                            |              |

**Summary:**

The project will operate as support to the UN-REDD Programme in the DRC and complement the work of FAO in this exercise by ensuring that technical and logistical capacity exists in the DRC to carry out this activity. The objective of this Activity is to lay the strong foundations required for supporting a carbon inventory on national forest land in the DRC by providing national institutions:

- Qualified personnel to undertake field measurements and manage the information generated;
- Office equipment (e.g., laboratory with computers and printers) and field operations equipment.

The main beneficiaries of the activity are the DRC government and more specifically the Directorate of Forest Inventory and Planning (DIAF) and the Directorate for Sustainable Development (DDD) working within the Ministry of Environment, Tourism and Nature Conservation (MECNT) and the University of Kisangani (UNIKIS). Eventually the three institutions will have developed a productive working relationship. DIAF will have trained personnel to do field measurements and DDD will be staffed by trained personnel to manage the information generated through its Environmental Services Division and Carbon Stocks Management Bureau. UNIKIS will have developed expertise in training personnel for the measurement of ground-level carbon

**Progress:**

The Project Agreement regulating the Activity implementation was duly signed on 19 March 2010. The project inception report (required for the release of the first installment of project funds) and related first Yearly Plan of Operation were submitted on 28 April 2010 and approved. The activity began implementation with the disbursement of the first installment of TP funds on 13 May 2010

The implementation of this 12-months Activity-project was extended until August 2011, and contributed to get 90 technicians trained on the forest carbon stock inventory techniques through training sessions organized in the Yoko Gazetted Forest (Orientale Province) and in the Man and Biosphere (MAB) Forest Reserve of Luki (Province of Bas-Congo). The vehicles (5) and appropriate equipment and materials were purchased for the carbon forest inventory operations in five sites selected in the five main forest ecosystems of D. R. Congo. These operations were supposed to be supported by funds to be channeled through FAO, which has not been able to get the funds on time. FAO was contacted and informed about the time lag between the training provided by ITTO through the implementation of this Activity-project and the full-scale implementation of the forest carbon inventory in the ground, with those technicians already trained, due to the delay in securing the funds as promised by FAO. The executing agency is preparing the completion report to be submitted shortly, as well as the final financial audit report.

## Reducing Emissions from Deforestation and forest Degradation through Collaborative Management with Local Communities

|                        |  |              |
|------------------------|--|--------------|
| Project number:        | RED-PD 026/09 Rev.1 (F)                      |              |
| Project country:       | Ghana  |              |
| Budget:                | Total:                                       | US\$ 760,408 |
|                        | ITTO Contribution:                           | US\$ 658,716 |
|                        | Government of Ghana                          | US\$ 101,692 |
| Submitted by:          | Government of Ghana                          |              |
| Implementing agencies: | Forestry Research Institute of Ghana (FORIG) |              |
| Duration:              | 48 months                                    |              |
| Financed at:           | REDDES Autumn Cycle 2009                     |              |

### Summary:

The project aims to contribute to sustainable management and conservation of Ankasa Conservation area to improve the provision of environmental services and reduce greenhouse gas (GHG) emissions. The Ankasa Conservation area incorporates the Nini-Suhien National Park and the Ankasa Resource Reserve and is considered as the most biologically diverse forest ecosystem in Ghana. The project specifically intends to develop and implement participatory, good governance and management system for the Ankasa conservation area, determine the financial value of the environmental services as well as methods for measurement, assessment reporting and verification (MARV) for forest carbon. The project will be participatory and thus will build on a high level community involvement and capacity building.

### Progress:

The Project Agreement regulating the implementation of the project was duly signed on 05 March 2010. An Inception Report and related first Yearly Plan of Operation were submitted on 15 April 2010 and approved. The activity began implementation with the disbursement of the first installment of TP funds on 20 April 2010.

The project work has been focusing on the following main activities:

- Development of management plans through a participatory process (identification of management options for different areas, selection of appropriate management strategy, preparation of draft management plans, and validation of draft management plans) in close collaboration with local communities;
- Development of framework for good governance and benefit sharing based on three basic pillars (assessing the clear coherence of policy, legal, institutional and regulatory frameworks with these systems; considering the degree of transparency, accountability and inclusiveness of key forest governance processes and institution while exploring their characteristics on the planning and decision-making; and examining the extent of the implementation, enforcement and compliance related to the policy, legal, institutional and regulatory frameworks while considering the level of effectiveness, efficiency and equitability of implementation);
- Determination of baseline forest carbon stocks and development of verifiable method for forest carbon estimation and monitoring (reviewing existing methodologies for forest carbon inventory; preparing the standard guidelines for field measurements of forest biomass; and undertaking pilot surveys of biomass stocks in selected forest lands).

These plans and documents have been developed through a participatory process involving relevant stakeholders including the following nine (9) communities: Amokwaw, Fia, Nungua-Cocoatown, Tweakor Navrongo, Aiyinasi-Ayawora, Ohiamadwen-Fiasoro, Asomasi, Naptoma and New Adiembra of the project area (Ankasa Conservation Area).

**Monitoring deforestation, logging and land use change in the Pan Amazonian Forest – PANAMAZON II**

|                        |   |                |
|------------------------|---|----------------|
| Project number:        | RED-PD 029/09 Rev.1 (F)                 |                |
| Project country:       | PanAmazonian                            |                |
| Budget:                | Total:                                  | US\$ 6,262,784 |
|                        | ITTO Contribution:                      | US\$ 1,124,784 |
|                        | ACTO Contribution:                      | US\$ 1,389,600 |
|                        | ACTO Member Countries:                  | US\$ 3,748,400 |
| Submitted by:          | Government of Brazil                    |                |
| Implementing agencies: | Amazon Cooperation Treaty Agency (ACTO) |                |
| Duration:              | 48 months                               |                |
| Financed at:           | REDDES Autumn Cycle 2009                |                |

**Summary:**

The project will address constraints that are limiting the use of the Indicator of the Forest Cover by implementing national monitoring systems as a key element so as to increase the governance in the Amazon. In order to facilitate countries interaction and integrated action in boundary zones the project will strengthen the dialogue and coordination platforms linked to the Amazon Cooperation Treaty Organization (ACTO). The project is divided in three components:

- (i) Coordination of participatory processes for the development of Forest Cover National Monitoring Systems;
- (ii) Implementation of Forest Cover National Monitoring Systems; and
- (iii) Strengthening of the existing platforms for regional dialogue and coordination on forest management, with focus on forest cover monitoring with the possibility to include other criteria and indicators for sustainable forest management.

The systems will make use of the technology platform developed by the Government of Brazil and the methodology already adopted in this country will be considered for the implementation of the National Systems. Furthermore, the project will contribute to the improvement of knowledge in the sector, to share new technologies, to prioritize lines of action for the regional cooperation and to share experiences on the enforcement of forest laws.

**Progress:**

Following the approval of the Inception Report, the first installment was transferred to the Executing Agency in July 2011. Subsequently, in August 2011 the project Regional Coordination Unit (RCU) has been established at ACTO in Brasilia, with the hiring of the Regional Administrative Manager and the Regional Technical Coordinator, supported by funds from the German Ministry for Economic Cooperation and Development (BMZ) and German Agency for International Cooperation (GIZ). National Focal Points have been designated by all participating countries (except Suriname).

Each country is in the process of assembling a National Technical Support Team composed of a National Technical Coordinator, Technical Assistant and a GIS Specialist. In parallel the location (host institution) for the country observation rooms is identified, with Bolivia (Universidad Mayor de San Simón, Cochabamba) and Venezuela (Dirección General de la Oficina de Bosques del MinAmb, Caracas) having completed the process. The RCU is providing support for the purchase and installation of necessary equipment for the observation rooms.

The Executing Agency (ACTO) has informed all participating countries (through the Ministries of Foreign Affairs) that two training courses will be held at INPE in Belem in November 2011 (Spanish) and December 2011 (English) with a request to nominate participants.

Two meetings were held with representatives of the Brazilian Development Bank (BNDES), Brazilian Ministry of Environment (MMA), Brazilian Agency for Cooperation, INPE, ACTO and representatives from BMZ/GIZ on 30 August 2011 (videoconference) and 20 September 2011 (at MMA) to discuss the project proposal submitted in November 2009 to the BNDES for funding within the framework of the Amazon Fund. The proposal is seeking funding to support a 2<sup>nd</sup> phase of the current project. The proposal will need updating to include recent progress made under RED-PD 029/09 Rev.1 (F) and will then be re-submitted.

**Rehabilitation and restoration of residual forests and arid savannah lands in the Akpé and Akama valleys**

|                        |  |              |
|------------------------|--|--------------|
| Project number:        | RED-PD 031/11 Rev.1 (F)                              |              |
| Project country:       | Togo   |              |
| Budget:                | Total:   | US\$ 773,349 |
|                        | ITTO Contribution:                                   | US\$ 478,894 |
|                        | Government of Togo                                   | US\$ 294,455 |
| Submitted by:          | Government of Togo                                   |              |
| Implementing agencies: | Office de Développement et d'Exploitation des Forêts |              |
| Duration:              | 36 months  |              |
| Financed at:           | REDDES 1 <sup>st</sup> Cycle 2011                    |              |

**Summary:**

The Project is the result of Pre-Project PPD 7/98 Rev. 2 (F) and simultaneously aims to implement the rehabilitation and restoration of residual forests and the conversion of arid savannah lands in the Akposso-Akébou landscape for timber production with the involvement of local communities in order to improve the socio-economic conditions of local communities.

It provides for the enrichment planting of natural forests (200 ha), agro-forestry lots (50 ha), gallery forests (50 ha) and the establishment of 300-ha new forest plantations. To secure the sustainability of this rehabilitation: i) A co-ordination mechanism will be established between stakeholders; ii) local communities will be effectively trained in participatory management; iii) and most of all, a management plan will be established and implemented by a management unit to be created.

**Progress:**

The project has been approved under the REDDES 1<sup>st</sup> Cycle 2011. The project is in the inception phase and arrangements for project implementation are in progress.

**Value adding to environmental services from managed forests belonging to seven communities in the Ucayali region**

|                        |   |              |
|------------------------|---|--------------|
| Project number:        | RED-PD 033/11 Rev.3 (F)   |              |
| Project country:       | Peru  |              |
| Budget:                | Total:  | US\$ 654,965 |
|                        | ITTO Contribution:  | US\$ 415,384 |
|                        | Government of Peru  | US\$ 239,581 |
| Submitted by:          | Government of Peru  |              |
| Implementing agencies: | Asociación para la Investigación y el Desarrollo Integral – AIDER |              |
| Duration:              | 24 months   |              |
| Financed at:           | REDDES 1 <sup>st</sup> Cycle 2011                                 |              |

**Summary:**

The project will be implemented in the territories of 7 native communities of the Ucayali Region. It is aimed at strengthening the management of community forests and enhancing the capacities of indigenous communities to incorporate the marketing of carbon and other environmental services into integrated forest management practices in order to penetrate carbon markets. This will allow the communities to generate additional income, providing them with the resources required for the adequate administration of their territories and management of their forests. The project will develop community skills for the planning and conclusion of agreements among all members regarding the use of forest goods and services, thus establishing the basis for the development of a project to reduce emissions from deforestation and degradation (REDD) and for the adjustment of forest production processes to the PES (payment for environmental services) scheme. The proposal is based on the premise that clearly defined use and marketing rights are an essential pre-requisite to access these markets. These objectives will be achieved with the support of the Peruvian government, which will ensure the progress of the communities towards sustainable development

**Progress:**

The project has been approved under the REDDES 1<sup>st</sup> Cycle 2011. The project is in the inception phase and arrangements for project implementation are in progress.

**Reducing forest degradation and emissions through sustainable forest management (SFM) in peninsular Malaysia**

|                        |   |               |
|------------------------|---|---------------|
| Project number:        | RED-PD 037/11 Rev.2 (F)                   |               |
| Project country:       | Malaysia                                  |               |
| Budget:                | Total:                                    | US\$ 864,622  |
|                        | ITTO Contribution:                        | US\$ 590,922, |
|                        | Government of Malaysia                    | US\$ 273,700  |
| Submitted by:          | Government of Malaysia                    |               |
| Implementing agencies: | Forest Research Institute Malaysia (FRIM) |               |
| Duration:              | 36 months                                 |               |
| Financed at:           | REDDES 1 <sup>st</sup> Cycle 2011         |               |

**Summary:**

Forest management in Malaysia is based on the Selective Management System (SMS) which involves the selection of a management regime to optimize not only the objectives of efficient and economic harvesting and sustained yield but, more importantly, to ensure that forest development is ecologically and environmentally sustainable. However, forest degradation in terms of carbon stocks is occurring in production forests as a result of logging operations. Logging operations in Malaysia in the past have also been reported to be damaging, but significant improvements have been made. The extent of current forest degradation in terms of carbon stocks needs to be further studied as it is still not well understood in Malaysia. Reports have indicated that improved forest management could reduce degradation and reduce carbon emission. However, all these studies are confined to specific areas and with limited information for scaling up activities. Consequently, this project is implemented to assess enhancement of climate change mitigation through reduced emissions from forest degradation in Malaysia. Specifically, the project will determine emissions from forest degradation in logged forests and assess the value of enhancing forest management practices to reduce emissions from forest degradation. Financial evaluations of the improved management practices will be undertaken to provide avenues for assessing payment for ecosystem services.

**Progress:**

The project has been approved under the REDDES 1<sup>st</sup> Cycle 2011. The project is in the inception phase and arrangements for project implementation are in progress.

**Capacity building for developing REDD+ activities in the context of sustainable forest management**

|                        |   |              |
|------------------------|---|--------------|
| Project number:        | RED-PD 038/11 Rev.3 (F)   |              |
| Project country:       | Myanmar   |              |
| Budget:                | Total:  | US\$ 645,692 |
|                        | ITTO Contribution:  | US\$ 571,890 |
|                        | Government of Myanmar   | US\$ 73,802  |
| Submitted by:          | Government of Myanmar   |              |
| Implementing agencies: | Forest Department/Forest Research Institute. Ministry of Environmental Conservation and Forestry (MOECAF), Myanmar. |              |
| Duration:              | 36 months   |              |
| Financed at:           | REDDES 1 <sup>st</sup> Cycle 2011   |              |

**Summary:**

Forests in Myanmar have contributed to the provision of abundant benefits to local, regional and global communities especially in reducing Green House Gas (GHG) emissions and enhancing forest carbon stocks and environmental services. The Toungoo District in the Bago Yoma region of Myanmar is approximately 1,064,939 ha and it will be used as project site. Implementation on Reducing Emissions from Deforestation and forest Degradation and Enhancing Forest Carbon Stocks (REDD-plus) through sustainable forest management requires understanding and participation by all stakeholders. As the concept and methodologies of REDD-plus are new to Myanmar, capacity building and awareness raising for all levels of stakeholders are of crucial importance, and urgently needed. Accordingly, the development objective of this project is to contribute to sustainable forest management in the Bago Yoma region to improve the provision of environmental services and reduce GHG emissions from deforestation and degradation and enhancement of carbon stocks. The specific objective of the project is to strengthen the capacity of the Ministry of Forestry in REDD-plus initiatives. The expected outputs are: (i) REDD-plus national strategies prepared, (ii) Institutional setting for capacity building on REDD-plus strengthened and (iii) Capacity built to conduct MRV of the carbon stock

**Progress:**

The project has been approved under the REDDES 1<sup>st</sup> Cycle 2011. The project is in the inception phase and arrangements for project implementation are in progress.

**Improving the quality and coverage of the estimates of carbon stocks in Thailand's forests and trees outside forest: Phase I**

|                        |   |              |
|------------------------|---|--------------|
| Project number:        | RED-SPD 039/11 rev.1 (F)                  |              |
| Project country:       | Thailand                                  |              |
| Budget:                | Total:                                    | US\$ 158,279 |
|                        | ITTO Contribution:                        | US\$ 113,373 |
|                        | Government of Thailand                    | US\$ 44,906  |
| Submitted by:          | Government of Thailand                    |              |
| Implementing agencies: | Kasetsart University, Faculty of Forestry |              |
| Duration:              | 18 months                                 |              |
| Financed at:           | REDDES 1 <sup>st</sup> Cycle 2011         |              |

**Summary:**

The small project aims to develop and pilot-test methodology to construct new equations to estimate carbon stocks in Thailand's natural forests and tree resources outside forest (TROF). The existing tree carbon equations are inaccurate, the national reporting of carbon stocks is incomplete especially in TROF areas, and there is limited knowledge of the methods and benefits of carbon stock assessment among the potential stakeholders. This project shall contribute to well-informed policy decision-making and balanced public debate on climate change mitigation through carbon sequestration by trees. The project strategy is to construct tree carbon estimation equations for selected major tree species groups in a pilot project area (Ngao Demonstration Forest, Lampang province), and to promote carbon stock assessment methods and benefits through a national workshop. The Phase I project outputs are 1) methodology for constructing new tree carbon equations, and 2) an action plan to develop and promote new national equations for the major tree species groups in Thailand. The project main target beneficiaries are the various national agencies reporting on carbon stocks and a number of universities interested in the information for research and education.

**Progress:**

The project has been approved under the REDDES 1<sup>st</sup> Cycle 2011. The project is in the inception phase and arrangements for project implementation are in progress.

### Designing a Programme for Capacity Building and Meaningful Stakeholder Participation in Forest Governance and REDD+ in Honduras and Guatemala

|                        |   |              |
|------------------------|---|--------------|
| Project number:        | RED-PPD 041/11 Rev.2 (F)                        |              |
| Project country:       | Guatemala, Honduras                             |              |
| Budget:                | Total:  | US\$ 170,320 |
|                        | ITTO Contribution:                              | US\$ 144,650 |
|                        | Client Earth                                    | US\$ 25,670  |
| Submitted by:          | Government of Guatemala; Government of Honduras |              |
| Implementing agencies: | Client Earth                                    |              |
| Duration:              | 9 months  |              |
| Financed at:           | REDDES 1 <sup>st</sup> Cycle 2011               |              |

#### Summary:

The pre-project will specifically assist in the formulation of a comprehensive and appropriate programme of work that will build the capacity of stakeholders to effectively participate in forest governance and the successful implementation of REDD+ in Honduras and Guatemala. It will lay the groundwork for the intended project by assessing and reporting on existing stakeholder capacity and the need for further capacity building, as well as the desired processes and means necessary for effective multi-stakeholder processes for REDD. The major outputs include: (1) Information on stakeholders' capacity constraints and needs has been gathered and assessed, and comprehensive understanding of the processes and means necessary for effective stakeholder participation in forest governance has been established and documented; (2) The specific context and dynamics related to capacity building and participation in Honduras and Guatemala have been analyzed and reported on; and (3) A full project proposal for work on capacity building and participation of stakeholders in REDD+ in Honduras and Guatemala has been produced and is fully supported by all stakeholders.

#### Progress:

The project has been approved under the REDDES 1<sup>st</sup> Cycle 2011. The project is in the inception phase and arrangements for project implementation are in progress.

**Environmental assessment and economic valuation of ecosystem services provided by coastal forests (mangrove forests, flood forests, rain forests and scrub forests on dunes) and their agricultural replacement systems on the central coastal plain of Veracruz, Mexico**

|                        |                                       |              |
|------------------------|---------------------------------------|--------------|
| Project number:        | RED-PD 045/11 Rev.2 (M)               |              |
| Project country:       | Mexico                                |              |
| Budget:                | Total:                                | US\$ 871,825 |
|                        | ITTO Contribution:                    | US\$ 470,682 |
|                        | Institute of Ecology (INECOL), Mexico | US\$ 401,143 |
| Submitted by:          | Government of Mexico                  |              |
| Implementing agencies: | Institute of Ecology (INECOL)         |              |
| Duration:              | 36 months                             |              |
| Financed at:           | REDDES 1 <sup>st</sup> Cycle 2011     |              |

**Summary:**

The project aims at a quantitative assessment of the goods and services provided by the various types of tropical forests and coastal forests (mangrove forests, tropical flood forests, rain forests and scrub forests on dunes), on the coastal plains of Veracruz in the Gulf of Mexico. Services to be evaluated will include flood containment, carbon sequestration, improved water quality, and accelerated regeneration). These services will also be assessed from the economic point of view, and criteria will be developed jointly with local communities for monitoring and valuing these benefits, thus encouraging sustainable use of these ecosystems. A comparison will be drawn between technical data and local community perceptions of potential benefits and products from these tropical forests, and the evaluation of services gained for paddocks and agricultural fields created by cutting down these ecosystems. Material will be developed to publicize valuation and assessment of environmental services outcomes among the population, and workshops will be organised with government sectors to transfer information and seek their inclusion in payment for environmental services schemes. The project will contribute to sustainable forest management and to the valuation of coastal forests with similar conditions throughout the Gulf of Mexico and the Mexican Pacific Region.

**Progress:**

The project has been approved under the REDDES 1<sup>st</sup> Cycle 2011. The project is in the inception phase and arrangements for project implementation are in progress.

**Participatory development, conservation and rehabilitation of degraded forest areas in the Bamboutos Mountain chain, West Cameroon**

|                        |                                   |             |
|------------------------|-----------------------------------|-------------|
| Project number:        | RED-PPD 050/11 Rev.1 (F)          |             |
| Project country:       | Cameroon                          |             |
| Budget:                | Total:                            | US\$ 93,713 |
|                        | ITTO Contribution:                | US\$ 73,613 |
|                        | Government of Cameroon            | US\$ 20,100 |
| Submitted by:          | Government of Cameroon            |             |
| Implementing agencies: | MINFOF                            |             |
| Duration:              | 8 months                          |             |
| Financed at:           | REDDES 1 <sup>st</sup> Cycle 2011 |             |

**Summary:**

The degradation of the mountain ecosystem in the Bamboutos Range – the ‘water tower’ of the West Cameroon region, an area with high cultural tourism potentials which acts as a climate-control system – has reached a critical threshold during past twenty years. The cause of this degradation process has been ascribed to a combination of three main factors, which are: climate variability, the fragility of this particular ecosystem and population pressure. The pre-project aims to provide for the development of a strategic framework for sustainable management of the regional forests on the basis of a consensus that takes into account the interests of all stakeholders in generating an integrated management plan that includes a priority action plan. Such action plan will contribute to improving the welfare of communities, mitigate the degradation of the ecosystem and implement the restoration process. The implementation of this pre- project will also remove the constraints hindering the process of classification as Integral Reserve, currently under way in the region

**Progress:**

The project has been approved under the REDDES 1<sup>st</sup> Cycle 2011. The project is in the inception phase and arrangements for project implementation are in progress.

**Contribution to the implementation of REDD mechanisms by enhancing the participation of stakeholders in sustainable forest management in Cameroon**

|                        |   |              |
|------------------------|---|--------------|
| Project number:        | RED-PPD 051/11 Rev.1                                      |              |
| Project country:       | Cameroon  |              |
| Budget:                | Total:  | US\$ 100,864 |
|                        | ITTO Contribution:  | US\$ 81,864  |
|                        | Government of Cameroon                                    | US\$ 9,000   |
|                        | IUCN  | US\$ 10,000  |
| Submitted by:          | Government of Cameroon                                    |              |
| Implementing agencies: | International Union for the Conservation of Nature (IUCN) |              |
| Duration:              | 6 months  |              |
| Financed at:           | REDDDES 1 <sup>st</sup> Cycle 2011                        |              |

**Summary:**

Since the early 90s, Cameroon has embarked on a series of initiatives aimed at placing its forest resources under sustainable management. Despite a substantial body of legal and institutional framework, it has been noted that deforestation and ecosystem degradation continue abated together with persistent poverty. This situation could be explained partly by the lack of involvement of all stakeholders, including the local communities, in efforts to achieve the sustainable management of forest resources, which could be caused by the inadequate dissemination of relevant information in the sector, the low conspicuity of the beneficial impacts the sustainable management of these resources can achieve and the lack of adequate stakeholders' capacity. The pre-project will develop a project proposal for strengthening the participation of all stakeholders in the sustainable management of forest ecosystems in Cameroon. It will contribute to poverty reduction through minimizing the effects of deforestation and forest degradation through the enhanced participation and involvement of communities and all other stakeholders.

**Progress:**

The project has been approved under the REDDES 1<sup>st</sup> Cycle 2011. The project is in the inception phase and arrangements for project implementation are in progress.

**Integrating sustainable livelihoods, environmental mortgages, and science-based reforestation for tangible forest conservation change in the Ecuadorian Chocó**

|                        |                                    |              |
|------------------------|------------------------------------|--------------|
| Project number:        | RED-SPD 055/11 Rev.1 (F)           |              |
| Project country:       | Ecuador                            |              |
| Budget:                | Total:                             | US\$ 207,744 |
|                        | ITTO Contribution:                 | US\$ 149,922 |
|                        | Government of Ecuador              | US\$ 25,222  |
|                        | Others                             | US\$ 32,600  |
| Submitted by:          | Government of Ecuador              |              |
| Implementing agencies: | Pinchot Institute for Conservation |              |
| Duration:              | 24 months                          |              |
| Financed at:           | REDDES 1 <sup>st</sup> Cycle 2011  |              |

**Summary:**

In one of Ecuador's two remaining Chocó forest expanses, a new economic incentives program will be pilot tested, aimed at permanently reversing deforestation by facilitating livelihood improvements that are intrinsically linked to environmental stewardship. Toward creating a viable economic alternative for the reserve's 50-some rural communities, the current cacao market system will be revamped. Required funding for achieving this aim will be run through the new "environmental mortgages" microfinance model, in which lines of credit are calculated against the conservation value of a community's surrounding *de facto* environmental assets. The rural poor typically have no access to globally perceived existence values (e.g. carbon offsets, biodiversity) of these assets, which are often their most valuable. Tying the capital in a lending trust to that value creates incentives for sustainability, while providing the financial resources needed to climb out of poverty. The two year initiative will focus on developing and implementing the environmental mortgages framework in three reserve communities. Year one will focus on necessary due diligence (socio-political analyses, asset monitoring/evaluation protocols, microfinance details, market development) and community organization. Year two we will pilot the program.

**Progress:**

The project has been approved under the REDDES 1<sup>st</sup> Cycle 2011. The project is in the inception phase and arrangements for project implementation are in progress.

**Strengthening the capacity of ITTO producer countries in Africa in generating and disseminating scientific information on Reducing Deforestation and Forest Degradation and Enhancing Environmental Services from Forests**

|                        |  |              |
|------------------------|--|--------------|
| Project number:        | RED-PA 056/11 Rev.1 (F)                                      |              |
| Project country:       | Cameroon, Ghana, Liberia, Nigeria                            |              |
| Budget:                | Total:   | US\$ 348,120 |
|                        | ITTO Contribution:   | US\$ 253,120 |
|                        | International Union of Forest Research Organizations (IUFRO) | US\$ 95,000  |
| Submitted by:          | ITTO (Secretariat)   |              |
| Implementing agencies: | ITTO   |              |
| Duration:              | 24 months  |              |
| Financed at:           | REDDES 1 <sup>st</sup> Cycle 2011                            |              |

Summary:

The project will support ITTO producer countries in Africa in dealing with the challenges of reducing deforestation and enhancing the rehabilitation of degraded tropical forests. The project will generate scientific information on specific REDDES pilot areas in Cameroon, Ghana, Liberia and Nigeria, and disseminate the information to policy makers and forest practitioners at the national and regional level through science-policy interactions in close cooperation with the African Forest Forum (AFF). Regional networking and capacity building is further strengthened by jointly organizing a regional forest congress for forest scientists, policy makers and other forest stakeholders. The congress will mainstream project results, foster regional cooperation and strengthen the role of ITTO in the region and in networks such as FORNESSA and AFF.

Progress:

The project has been approved under the REDDES 1<sup>st</sup> Cycle 2011. The project is in the inception phase and arrangements for project implementation are in progress.

### Developing REDD+ES in the Brazilian Atlantic Rain Forest

|                        |                                   |              |
|------------------------|-----------------------------------|--------------|
| Project number:        | RED-SPD 058/11 Rev.2 (F)          |              |
| Project country:       | Brazil                            |              |
| Budget:                | Total:                            | US\$ 164,610 |
|                        | ITTO Contribution:                | US\$ 142,110 |
|                        | Instituto BioAtlantica (IBio)     | US\$ 3,750   |
|                        | Fibria, Brazil                    | US\$ 18,750  |
| Submitted by:          | Government of Brazil              |              |
| Implementing agencies: | Instituto Bio Atlantica (IBio)    |              |
| Duration:              | 12 months                         |              |
| Financed at:           | REDDES 1 <sup>st</sup> Cycle 2011 |              |

#### Summary:

Due to its exceptional biological diversity, the Brazilian Atlantic Rain Forest is among the five top priority conservation areas in the world. The biome hosts 80% of the Brazilian GNP and is home to more than 110 million people (or 60% of the Brazilian population), who depend on key environmental services produced by forests, such as fresh water, clean air, and climate stability. Due to deforestation activities, only 7% of the Atlantic Forest original vegetation is left. To further protect and recover the forest, additional incentives and financial resources, including sales of carbon credits, must be identified and channeled to landowners and local communities. REDD+ is a promising mechanism with the potential to assist the conservation and recovery of forests, however requirements for the development of on-the-ground projects are very technical and complex. This proposal aims to identify the potential of using the REDD+ mechanism to help restore and preserve the Atlantic Forest.

#### Progress:

The project has been approved under the REDDES 1<sup>st</sup> Cycle 2011. The project is in the inception phase and arrangements for project implementation are in progress.

**Promoting local community initiatives on the rehabilitation of mangrove ecosystems with demonstration activities in Bintan Island to reduce further deforestation and forest degradation.**

|                        |   |              |
|------------------------|---|--------------|
| Project number:        | RED-PD 064/11 Rev.2 (F)   |              |
| Project country:       | Indonesia   |              |
| Budget:                | Total:  | US\$ 555,887 |
|                        | ITTO Contribution:  | US\$ 504,317 |
|                        | Government of Indonesia   | US\$ 51,570  |
| Submitted by:          | Government of Indonesia   |              |
| Implementing agencies: | Directorate General of Watershed Development and Social Forestry, Indonesia |              |
| Duration:              | 24 months   |              |
| Financed at:           | REDDES 1 <sup>st</sup> Cycle 2011   |              |

**Summary:**

This project aims at the improvement of mangrove ecosystem quality in Indonesia through local community participation, using a demonstration area on Bintan Island. The specific objective is to control, through local communities, the further exploitation of mangrove areas in order to reduce further forest degradation. The expected outputs of the project are: (1) A Draft Policy Legislation on Mangrove Forest Management formulated; (2) Improved capacity of communities to rehabilitate degraded mangrove forest area. It is expected that after project completion, national strategies on mangrove forest management will be institutionalized and adopted at various levels for an action program to improve mangrove ecosystems by local communities and thus also promote the reduction of deforestation and degradation. The successful implementation of the project will generate awareness among local people and stakeholders to participate in managing mangrove forest in a sustainable way. Local governments, communities and private sector will get incentives from the ongoing effort in implementing conservation and forest management in reducing deforestation and forest degradation.

**Progress:**

The project has been approved under the REDDES 1<sup>st</sup> Cycle 2011. The project is in the inception phase and arrangements for project implementation are in progress.

### Quantifying the carbon benefits of ITTO projects

|                        |   |              |
|------------------------|---|--------------|
| Project number:        | RED-PA 069/11 Rev.1 (F)                                 |              |
| Project country:       | Global  |              |
| Budget:                | Total:  | US\$ 143,510 |
|                        | ITTO Contribution:                                      | US\$ 143,510 |
| Submitted by:          | ITTO (Secretariat)                                      |              |
| Implementing agencies: | ITTO Secretariat in collaboration with Intercooperation |              |
| Duration:              | 14 months   |              |
| Financed at:           | REDDES 1 <sup>st</sup> Cycle 2011                       |              |

#### Summary:

Taking into account the large ITTO operational experience forest management at the project level – which covers a wide range of activities such as sustainable forest management, restoration of secondary forest, conservation efforts and the management of plantations and newer experiences gained through the REDDES Thematic Programme, the proposed review will be an important input helping bridge the remaining gap between policies and implementation about how REDD+ can be implemented at the operational level. The purpose of this study looking into the carbon effects of ITTO projects is to show the extent to which the operational work of ITTO has already been contributing to the reduction of emission from deforestation and forest degradation, to come up with methods how to estimate carbon stock baselines and climate mitigation services of operational activities, and how to screen for co-benefits of forestry activities. Systematically assessing the costs and benefits of forest management activities and the relation to changes in carbon stocks in a number of selected projects will help to understand the challenges and opportunities, and will show the co-benefits of different alternatives. The study will allow developing concrete guidance how future ITTO projects can best be developed to achieve maximum effects. The new knowledge is not only valuable for parties interested in submitting a project proposal, but for demonstrating the value of the ITTO as a key partner for institutions and countries interested in operationalizing REDD strategies.

#### Progress:

The project has been approved under the REDDES 1<sup>st</sup> Cycle 2011. The project is in the inception phase and arrangements for project implementation are in progress.

**CFME**

**Strengthening capacity of stakeholders for the development of community-based plantation forest at 3 selected areas in Indonesia**

|                        |  |              |
|------------------------|--|--------------|
| Project number:        | CFM-PD 001/10 Rev.1 (F)  |              |
| Project country:       | Indonesia  |              |
| Budget:                | Total:   | US\$ 553,711 |
|                        | ITTO Contribution:   | US\$ 465,151 |
|                        | Government of Indonesia:   | US\$ 88,560  |
| Submitted by:          | Government of Indonesia  |              |
| Implementing agencies: | Directorate of Plantation Forest Development, Directorate General of Production Forest Development |              |
| Duration:              | 24 months  |              |
| Financed at:           | CFME Spring Cycle 2010   |              |

**Summary:**

The government of Indonesia has initiated new policies and legislation allowing local communities to be actively involved in forest management especially in the state production forest. Community-based plantation forest (HTR) is offered as a priority program in Indonesia to achieve SFM mission. HTR was launched in 2007. Constraints to the development of HTR include limited managerial and technical capacity. The project will improve the knowledge and skills of CBPF owners in managing their forest. It will enhance the capacity of communities to plan, utilize, monitor and manage their forest resources, which is critical to reduce illegal logging and associated trade. Expected outputs of the project include: 1) Improved capacity of community group in developing community based production forest (CBPF) management plan and in forest cultivation; 2) Increased number of facilitators and technical persons in the field of forestry at the district level, provincial and central to guide the community in managing their plantation forest; 3) Improved market access for forest products from CBPF and other plantation business.

**Progress:**

The Agreement regulating the project implementation was duly signed on 15 February 2011. The project inception report (required for the release of the first installment of project funds) and related first Yearly Plan of Operation were submitted on 07 July 2011 and approved. The project implementation began with the disbursement of the first installment of TP funds on 12 July 2011.

The first monitoring mission undertaken in July 2011 was an opportunity to conduct the training on the project on-line monitoring system (POLMS) for the key project implementing team members (project coordinator, secretary and finance officer), for a continuous monitoring in compliance with rules and procedures applying to ITTO projects.

**Increasing access to markets and capital for teak plantation smallholders in Thailand**

|                        |  |             |
|------------------------|--|-------------|
| Project number:        | CFM-PD 005/10 Rev.1 (M)  |             |
| Project country:       | Thailand   |             |
| Budget:                | Total:   | US\$ 53,904 |
|                        | ITTO Contribution:   | US\$ 31,104 |
|                        | Government of Thailand:  | US\$ 22,800 |
| Submitted by:          | Government of Thailand   |             |
| Implementing agencies: | Forest Resource Management Office 3 (Lampang), Royal Forest Department of Thailand |             |
| Duration:              | 6 months   |             |
| Financed at:           | CFME Spring Cycle 2010   |             |

**Summary:**

Smallholder tree plantations are contributing significantly to income generation in rural households. Many countries have developed conclusive policies and regulations to establish such plantations, involving in many cases various forms of government subsidy schemes. However, there are still considerable barriers in government legislation to create a supportive environment for enabling smallholder's easy access to markets. The main objective of this pre-project is development of a full proposal to improve both the quality and quantity of the supply base for high value timber plantations, at the same time increasing income and contributing to poverty reduction through smallholder forestry in rural areas of Thailand.

**Progress:**

The agreement for the implementation of the pre-project is under consideration by the submitting government.

**Enabling customary landowners to participate effectively in CFM and REDD schemes within four pilot areas of PNG**

|                        |                          |              |
|------------------------|--------------------------|--------------|
| Project number:        | CFM-PPD 006/10 Rev.1 (F) |              |
| Project country:       | PNG                      |              |
| Budget:                | Total:                   | US\$ 156,040 |
|                        | ITTO Contribution:       | US\$ 122,040 |
|                        | Government of PNG:       | US\$ 34,000  |
| Submitted by:          | Government of PNG        |              |
| Implementing agencies: | PNG Forest Authority     |              |
| Duration:              | 9 months                 |              |
| Financed at:           | CFME Spring Cycle 2010   |              |

**Summary:**

The Pre-Project Proposal is a direct outcome of the “PNG Forestry and Climate Change Policy Framework for Action”, highlighting the need for engaging customary landowners at the local level and enhancing the capacity of government institutions at the national level. Forest communities in the four pilot areas are dependent upon forest products and services for subsistence and commercial purposes. The Pre-Project will enable the PNG Forest Authority to formulate a Full-Project Proposal to support CFM and REDD schemes in PNG through the establishment of a model platform for collecting and managing data and other information related to customary land ownership and forest quality. The Pre-Project will enable participating communities, the PNG Forest Authority and other stakeholders to systematically gather and consolidate forest and land tenure information using a single platform to jointly address the interrelated challenges of CFM and REDD.

**Progress:**

The Pre-project Agreement regulating the implementation of the pre-project was duly signed in April 2011. The Executing Agency is in the process of finalizing a detailed work plan in consultation with key stakeholders and administrative arrangements with the selection of competent project personnel.

**Enrichment of young forest plantations with selected NTFPs for livelihood improvement and support of forest fringe communities in Atwima Mponua District of Ghana, in order to secure and protect the resources on a sustainable forest management basis**

|                        |  |              |
|------------------------|--|--------------|
| Project number:        | CFM-SPD 007/10 Rev.1 (F)                         |              |
| Project country:       | Ghana  |              |
| Budget:                | Total:   | US\$ 290,079 |
|                        | ITTO Contribution:                               | US\$ 149,229 |
|                        | Government of Ghana:                             | US\$ 140,850 |
| Submitted by:          | Government of Ghana                              |              |
| Implementing agencies: | Rural Development and Youth Association (RUDEYA) |              |
| Duration:              | 24 months  |              |
| Financed at:           | CFME Spring Cycle 2010                           |              |

**Summary:**

The development goal of the small project is to establish sustainable Community Forest Management and Enterprises (CFME) to reduce rural poverty through improved livelihood options, reduced land degradation, and soil fertility management in young reforestation area in the Atwima Mponua District of Ghana. The project will use a participatory approach to initiate and establish pilot forest enterprises for short to long-term management of young forest plantations for 150 farmers using beekeeping, grains of paradise and black pepper. It is envisaged that at the end of the project business management groups are established and the 150 forest dwellers will have between the parties agreed legal rights to the land and forest resource they are managing. This will help improve community participation in sustainable forest management, enhance livelihoods, promote community based forest enterprises and reduce poverty among Taungya farmers and forest communities.

**Progress:**

The Agreement regulating the small project implementation was duly signed on 05 January 2011. The small project inception report (required for the release of the first installment of project funds) and related first Yearly Plan of Operation were submitted on 25 January 2011 and approved. The project implementation began with the disbursement of the first installment of TP funds on 03 February 2011.

The first monitoring mission was carried out in February 2011 and was utilized as an opportunity to provide clear guidance and advice to the key staff members of the project executing agency on rules and procedures applying to ITTO projects.

Three workshops have been organized, for 150 modified taungya farmers, local chiefs, landowners and technicians from Resource Management Support Centre (RMSC) of Ghana Forestry Commission (FC), regarding the procedures leading to agreements on ownership of land, use of forest resources and tree ownership in forest lands rehabilitated with the modified taungya agroforestry system. Around 600 modified taungya farmers have been registered by the RMSC/FC data centre for the process leading to the legal benefit sharing agreements from Ghana Forestry Commission. In addition, 50 modified taungya farmers have been trained in bee-keeping and best practices in honey production to be installed in degraded forest lands they have contributed to rehabilitate with the modified taungya agroforestry systems.

**International Conference on Forest Tenure, Governance and Small and Medium Forest Enterprises with Focus in the Asia Pacific**

|                        |                         |              |
|------------------------|-------------------------|--------------|
| Project number:        | CFM-PA-009/10 Rev.2 (F) |              |
| Project country:       | Asia Pacific            |              |
| Budget:                | Total:                  | US\$ 200,000 |
|                        | ITTO Contribution:      | US\$ 200,000 |
| Submitted by:          | ITTO Secretariat        |              |
| Implementing agencies: | ITTO Secretariat        |              |
| Duration:              | 12 months               |              |
| Financed at:           | CFME Spring Cycle 2010  |              |

**Summary:**

The Activity focuses on Activities 32 and 47 of the ITTO Biennial Work Programme 2010-2011; approved by the 45<sup>th</sup> Session of the ITTC (Decision 2/XLV), requiring ITTO to organize an International Conference on Forest Tenure, Governance and Small and Medium Forest Enterprises with focus in the Asia-Pacific; as well as to develop a global study on gender in relation to tropical forests, to assess the status of gender equity in forest ownership and forest enterprises in the tropics. The Conference will complete a series of similar conferences organized by ITTO and partners with previous focus in Latin America (Brazil, 2007) and Africa (Cameroon, 2009).

**Progress:**

The International Conference on Forest Tenure, Governance and Enterprise: Experiences and Opportunities for Asia in a Changing Context was held on 11-15 July 2011 in Lombok, Indonesia. The Conference was jointly organized by ITTO, the Rights and Resources Initiative (RRI) and the Indonesian Ministry of Forestry, with the support of 20 other organizations, including the Global Alliance of Forest Communities. The Conference was attended by about 300 participants from Indonesia and other countries in the Asia-Pacific region, Europe, Africa and the Americas. Participants comprised representatives of governments, civil society, local communities, traditional authorities, regional and global organizations, and donors. Conference participants identified key issues, challenges and lessons and made recommendations for governments, donors and international organizations, communities, and civil-society organizations. They noted that 2011 is the International Year of Forests and acknowledged the Ministerial Declaration at the 9th Session of the United Nations Forum on Forests, in which ministers committed to “improving the livelihoods of people and communities by creating the conditions needed for them to sustainably manage forests, including through strengthening cooperation in the areas of finance, trade, technology transfer, capacity-building and governance, as well as by promoting secure land tenure, participatory decision-making and benefit-sharing”.

The Conference also noted that all parties – governments, institutions, industry, communities, NGOs and international organizations – must employ the principles of good governance: accountability, transparency, efficiency and effectiveness, responsiveness, forward vision and rule of law. Forest-tenure reform requires a clear policy that should be set before laws are drafted. The policy must be developed in an inclusive and participatory way. The Conference further noted that the time has come in Asia to move community forestry to a new level in order to unlock the potential of forests to make a significant, consistent and sustainable contribution to community and national development.

The outcomes of the Conference will be presented at the Forty-fifth Session of Committee on Reforestation and Forest Management.

**TMT**

**Improving resilience of the tropical timber sector to the impacts of global and regional economic and financial crises**

|                        |                          |              |
|------------------------|--------------------------|--------------|
| Project number:        | TMT-SPD 002/10 Rev.1 (M) |              |
| Project country:       | Global                   |              |
| Budget:                | Total:                   | US\$ 150,000 |
|                        | ITTO Contribution:       | US\$ 150,000 |
| Submitted by:          | ITTO Secretariat         |              |
| Implementing agencies: | ITTO Secretariat         |              |
| Duration:              | 12 months                |              |
| Financed at:           | CFME Spring Cycle 2010   |              |

**Summary:**

The proposal is a response towards the lack of resilience of the tropical forestry sector to the impacts of the recent global financial and economic crisis. It will particularly address the concern of ITTO producer member countries that detailed analyses of the impacts of the crisis and policy responses were required to enable them to be better prepared for future economic and financial downturns. In addition, the study will address the concern of ITTO consumer member countries that the analyses will improve the understanding of the underlying factors impacting demand for tropical wood products in consumer markets. The proposal focuses on increasing the resilience of the tropical timber sector to the threats arising from global economic and financial shocks by increasing the capacity of ITTO producer member countries to manage, adapt, recover from and anticipate such crises. The study will develop a knowledge base for informed decision-making at international, regional and national levels on strategies for minimizing the risks to the tropical timber sector from global economic and financial shocks.

**Progress:**

The appointment of the lead consultant to undertake the conduct of the study was made on 15 March 2011, followed by the appointment of national consultants to conduct national case studies in Brazil, Ghana and Malaysia. Reports on the national case studies have been submitted in September 2011 to be incorporated into the overall project report by the lead consultant.

**Strengthening of the forest information system of Guatemala to improve market and trade transparency and decision-making in the forest sector**

|                        |                                      |              |
|------------------------|--------------------------------------|--------------|
| Project number:        | TMT-PD 004/11 Rev.2 (M)              |              |
| Project country:       | Guatemala                            |              |
| Budget:                | Total:                               | US\$ 656,562 |
|                        | ITTO Contribution:                   | US\$ 359,716 |
|                        | Government of Guatemala              | US\$ 270,278 |
|                        | IUCN                                 | US\$ 26,568  |
| Submitted by:          | Government of Guatemala              |              |
| Implementing agencies: | Instituto Nacional de Bosques (INAB) |              |
| Duration:              | 36 months                            |              |
| Financed at:           | TMT 1 <sup>st</sup> Cycle 2011       |              |

**Summary:**

Guatemala has launched the implementation of a national forest statistics information system. In this second system enhancement phase, the project will strengthen strategic information access and availability with a view to increasing the sustainable management of the country's forest resources. To this end, processing tools need to be developed to link the various systems and to automate technical procedures. The project also aims at fostering a pro-forest and environment culture by developing and implementing a plan to build awareness on the system. Simultaneously, the project will compile and analyse the strategic information required to support forest product monitoring and tracking, thus contributing to the reduction of illegal activities in this sector.

**Progress:**

The project has been approved under the TMT 1<sup>st</sup> Cycle 2011. The project is in the inception phase and arrangements for project implementation are in progress.

### Strengthening market information systems to enhance trade and market intelligence in the forest sector of Guyana

|                        |                                |              |
|------------------------|--------------------------------|--------------|
| Project number:        | TMT-PD 006/11 Rev.3 (M)        |              |
| Project country:       | Guyana                         |              |
| Budget:                | Total:                         | US\$ 420,820 |
|                        | ITTO Contribution:             | US\$ 320,920 |
|                        | Government of Guyana           | US\$ 99,900  |
| Submitted by:          | Government of Guyana           |              |
| Implementing agencies: | Guyana Forestry Commission     |              |
| Duration:              | 18 months                      |              |
| Financed at:           | TMT 1 <sup>st</sup> Cycle 2011 |              |

#### Summary:

The specific project objective is to improve the Guyana market information systems, and the capacity to promote trade and especially to develop an integrated market and trade information system that will benefit the regulatory agency and those directly or indirectly involved in the production, processing or trade of timber. Ultimately, through greater foreign exchange and domestic earnings, the benefits will filter to the wider population of Guyana through increased revenue, employment opportunities and service provision. Additionally, the main advantage of enhancing market information system will be to allow for a more diverse market and trade environment to be developed in Guyana's forest sector which then will allow for a more dynamic and sustainable forest industry. A major change envisaged will be a more thorough and rational approach to tropical timber trade issues and marketing based on greater knowledge and capacity. By involving stakeholders – including local communities – during the development of the activities, target groups will have a sense of ownership of the outcomes. The project will establish the technical capacity (hardware, software and human resource) to sustain the outcomes and GFC will provide the labor and finance to continue the utilization of the technology/systems developed.

#### Progress:

The project has been approved under the TMT 1<sup>st</sup> Cycle 2011. The project is in the inception phase and arrangements for project implementation are in progress.

**Methodological Development for Life Cycle Analysis of Tropical Wood Products to Improve their Competitiveness in International Markets**

|                        |                                |             |
|------------------------|--------------------------------|-------------|
| Project number:        | TMT-PA 007/11 Rev.1 (I)        |             |
| Project country:       | Global                         |             |
| Budget:                | Total:                         | US\$ 60,116 |
|                        | ITTO Contribution:             | US\$ 60,116 |
| Submitted by:          | ITTO Secretariat               |             |
| Implementing agencies: | ITTO Secretariat               |             |
| Duration:              | 6 months                       |             |
| Financed at:           | TMT 1 <sup>st</sup> Cycle 2011 |             |

**Summary:**

The amount of wood going into the long-term product pool (and therefore carbon sequestered in this pool) is relevant to almost all forest-related activities eligible for the voluntary carbon market including Afforestation/Reforestation (AR), Improved Forest Management (IFM) and Reduced Emissions from Deforestation and Degradation (REDD). Thus, as the voluntary market develops, it is important that the methodologies and emission factors used are based on the most up-to-date understanding and scientific knowledge. Currently, under the voluntary market a single method dominates for wood products accounting and it is therefore in ITTO's and its member countries' best interest to revise and up-date the methodology in order to have accurate estimates of the carbon stocks stored in tropical wood products by species, product type, and end-use. This activity focuses on the development of methodologies for life cycle analysis of tropical wood product and will address apparent problems in the figures used for tropical timber products in the approved voluntary market methodology for improved forest management, reducing emissions from deforestation and degradation and afforestation/reforestation. The outcome will be a methodology to produce more accurate information on the estimation of carbon stocks in the long-term tropical wood products pool, which will improve the products' competitiveness in international markets, especially in the context of a voluntary carbon marketing scheme.

**Progress:**

The project has been approved under the TMT 1<sup>st</sup> Cycle 2011. The project is in the inception phase and arrangements for project implementation are in progress.

**Annex 2: Monitoring Protocols of operational Thematic Programmes**

|  |
|--|
| <b>TFLET MONITORING PROTOCOL</b>   |
| <b>TFLET General objective</b>   |
| The <u>general objective</u> of the Thematic Programme is to improve national forest law enforcement and governance in tropical ITTO member countries in order to <ul style="list-style-type: none"> <li>• enhance and diversify international trade in tropical timber from sustainably managed forests, and</li> <li>• help alleviate poverty in those countries.</li> </ul> |

| Specific Objective  | Outputs   | Output Indicator   | Target Value | Means of Verification  |
|---|---|--|--------------|--|
| a) Strengthen forest law compliance and governance through improved national policy and legal frameworks, strengthened enforcement and other institutions, improved data and knowledge, strengthened partnerships and improved cooperation among the private sector, civil society organizations and other stakeholders | Improved access to forest resources by forest communities and other forest-dependent people | Laws and legal instruments on tenure and user rights established, reviewed or improved   | 5 countries  | Improved laws and regulations published in the national gazette (where applicable)   |
|   | Multi-stakeholder platforms for policy dialogue on forest governance                        | Establishment and operation of multi-stakeholder consultation mechanism  |              | Evidence on establishment of committees<br>Reports of Multi-stakeholder committees   |
|   | National action plans for strengthening forest governance and law compliance                | National Action Plan formulated and under implementation   |              | Evidence on approval of National Action Plans<br>Periodic reports on implementation of National Action Plans                 |
|   | Improved data and knowledge on illegal logging and trade                                    | Establishment and strengthening of law enforcement units   |              | Number of personnel trained in forest law enforcement; Evidence on establishment of LEU<br>Law Enforcement Units operational |
|   |   | National studies on timber flows carried out   |              | Reports on studies; Database(s) on interventions on forest crime, illegal logging and trade                                  |
|   | Improved verification and monitoring procedures for legal compliance                        | Reconciliation Mechanism for resolving trade flow discrepancies  |              | Reconciliation mechanism established and related reports   |
| Assessment of appropriate technologies for chain of custody, tracking and tracing   | Cost-effective and non-paper based timber tracking systems developed and implemented        | Report on the implementation of the systems, certification of verification of legality, chain of custody certification reports |              |  |
|   | Compendium on tracking and tracing technologies prepared                                    |  | Compendium   | Compendium of tracking and tracing technologies and evidence on dissemination  |

| Specific Objective  | Outputs   | Output Indicator  | Target Value              | Means of Verification   |
|---|---|---|---------------------------|---|
| <p>b) Improve transparency and effective management of supply chains and increased domestic and international trade in legally produced tropical timber</p> | <p>Ensured market access for competitive tropical timber products from legal/sustainable sources</p>  | <p>Increased volumes of traded tropical timber and timber products from legal and sustainable sources</p> | <p>TBD</p>                | <p>Number of Certificates of COC, legality, etc.</p>  |
|   | <p>Appropriate public procurement policies related to timber</p>  | <p>Development of Procurement policies in ITTO producing countries</p>                                    | <p>5 countries</p>        | <p>Number of countries with public procurement policies and legislation formulated and/or implemented</p>   |
|   | <p>Increased opportunities in the public sector markets for legally produced tropical timber and timber products</p>  | <p>Public timber procurement policies and legislation formulated and/or under implementation</p>          |                           | <p>Dissemination of public timber procurement policies in producer countries<br/>Increased trade volumes of tropical timber and timber products</p> |
|   | <p>Functioning partnerships established among civil society organizations, the private sector and government agencies in monitoring of timber flows and legal compliance and origin of tropical timber supplies</p> | <p>Civil society / private sector / governmental agency partnerships established</p>                      | <p>5 partnerships</p>     | <p>Progress/Completion Reports; MOUs of partnerships</p>  |
|   | <p>Capacity building activities undertaken among civil society organizations</p>  | <p>Training Courses on forest law compliance implemented</p>  |                           | <p>Number of Training modules; Reports on training programmes; Participants evaluation reports</p>  |
|   | <p>Approved codes of conduct of trade associations and demonstration of commitments to their implementation</p>   | <p>Codes of conduct from the private sector)</p>  | <p>5 Codes of Conduct</p> | <p>Reports on the implementation of Codes of Conduct adopted</p>  |

| Specific Objective  | Outputs   | Output Indicator   | Target Value  | Means of Verification  |
|---|---|--|---|--|
| c) Improve capacity of community and small and medium-sized enterprises to implement and demonstrate that timber produced and traded comes from legal sources contributing to sustainable livelihoods | Increased production of tropical timber from legal and sustainable sources (from community forests) | Value and volume of timber produced and traded by forest dependant and local communities   | 5 communities   | Production and Trading records from the communities<br>Certification of community based SFM  |
|   | Capacity building activities undertaken in communities  | Relevant training modules developed and disseminated in forest communities   | 5 communities   | Training modules, reports on training  |
|   | Increased production of tropical timber from legal and sustainable sources by SMEs                  | Value and volume of timber traded by SMEs  | 5 SMEs  | Production and Trading records from the SMEs   |
|   | Capacity building activities undertaken for SMEs  | Relevant training modules developed and disseminated to SMEs   | 5 SMEs  | Training modules, reports on training  |
|   | Increased number of SMEs operating in the formal sector   | Increased number of registered SMEs  | Percentage increase   | Database on registered SMEs  |
| d) Improve international cooperation in forest law enforcement and governance among ITTO member countries and other related international initiatives   | International policy development activities undertaken  | Increase in the number of ITTO member countries participating in international and regional initiatives to improve forest law enforcement and governance | TBD   | Reports of the international and regional initiatives  |
|   |   | Increase of ITTO member countries in trans-boundary timber control processes   |   | Number of bilateral initiatives on forest law enforcement  |
|   | Regional and international cooperation initiatives implemented                                      | Increased number of ITTO member countries engaged in regional and international cooperation initiatives  |   | Number of initiatives to facilitate country engagement in regional and international cooperation initiatives such as VPA/FLEGT etc |
|   | Information sharing and knowledge management activities undertaken                                  | FAO/ITTO best practices on forest law compliance policy briefs disseminated  | All ITTO member countries                                   | Distribution list of FAO/ITTO best practices on forest law compliance policy briefs  |
|   | Information on timber procurement and due diligence requirements disseminated                       |  | Due Diligence Report and reports on dissemination mechanism |  |

|  |
|--|
| <b>REDDES MONITORING PROTOCOL</b>  |
| <b>REDDES General objective</b>  |
| Reduce deforestation and forest degradation, enhance environmental services and help improve forest dependant livelihoods through sustainable management of tropical forests, forest restoration and other related activities. |

| Specific Objective  | Outputs  | Output Indicator  | Target Value  | Means of Verification   |
|---|--|---|---|---|
| <p>The <u>specific objective</u> of the Programme is to strengthen the capacity of ITTO developing member countries and their stakeholders to:</p> <p>a) Reduce unplanned deforestation</p> <p>b) Reduce forest degradation</p> <p>c) Maintain and enhance climate change mitigation and other environmental services of tropical forests</p> <p>d) Contribute to the social and economic sustainability and well-being of forest-dependent communities by increasing forest values through forest restoration and rehabilitation, as well as payments for forest-based environmental services</p> <p>e) Enhance adaptation and resilience of tropical forests to negative effects of</p> | <p>Avoided deforestation, restoration or conservation initiatives established to combat deforestation and degradation;</p>   | <p><u>Increased area under SFM, restoration or conservation</u></p> <p>Number of initiatives on avoided deforestation:<br/>Delineated land and forest tenure and user rights<br/>Monitor forest cover and landuse change<br/>Establishment of permanent forest estate</p> <p>Number of initiatives addressing restoration:<br/>Forest landscape restoration<br/>Demonstration projects on restoration</p> <p>Number of initiatives on conservation<br/>Trans-boundary Conservation Area (TBCA)<br/>Buffer zone management</p> | 6 countries (2 per region)  | <p>Projects funded</p> <p>Reports on initiatives</p>  |
|   | <p>Integration of climate change mitigation/adaptation and other environmental services in the ITTO guidelines on C&amp;I, SFM, certification, valuation, as appropriate to manage forest area sustainably</p> | <p>Revised/updated versions of ITTO guidelines and other relevant policy documents incorporating new approaches on climate change and environmental services</p>  | 2 guidelines/policy documents reviewed/updated  | <p>New/updated versions of ITTO guidelines</p>  |
|   | <p>Income generation based on forest related environmental services and other forest outputs by local communities</p>  | <p>Increased income resulting from forest-related environmental services and other forest products by local communities of participating countries</p> <p>Increase of women participation in the community forest-related environmental services of participating countries</p>   | <p>10% increase from the baseline information in income in at least 30 communities</p> <p>Increase of women participation in at least 30 communities of participating</p> | <p>Reports on the demographic and socio-economic situation in the area of influence of the projects supported by the Thematic Programme</p> |

| Specific Objective   | Outputs   | Output Indicator  | Target Value  | Means of Verification  |
|--|---|---|---|--|
| climate change and human-induced impacts   |   |   | countries   |  |
|  | Increased recognition of the values of tropical forests and their environmental services  | Increased public awareness  | 2 countries   | Number of awareness campaigns at community/country level                       |
|  |   | Existence of appropriate methodology to value Environmental Services and ability to apply                                       | 1 country   | Report on appropriate valuation and methodology available                      |
|  |   | Increased forest value and market opportunities for forest products and services  | 2 countries   | National accounting reports  |
|  |   | Incorporation of the value of forest environmental services in national accounting  | 2 countries   | Report on study on actual payments for environmental services                  |
|  | Quantification of carbon stocks performed using reliable monitoring and assessment technologies and/or valuation techniques                                       | National forest carbon assessment and monitoring systems  | 2 national forest carbon inventories supported by the programme   | National forest carbon inventory reports<br>National forest monitoring systems |
|  | Value of biodiversity assessed and surveys conducted on land with potential for biodiversity PES schemes  | National/regional studies conducted on assessment of value of biodiversity on land with potential for biodiversity PES schemes. | 3 studies   | Report of the national/regional studies  |
|  | Assessments are made in an attempt to 'bundle' environmental services, to maximize forest related revenues  | Assessment of National forest finance strategies  | 1 country   | Assessment reports   |
|  | Community initiatives taken to identify opportunities to increase productive capacity of forests, including by implementing SFM schemes                           | Increased area of community forest protected against fire, pest and disease   | 30 communities  | Fire, pests and disease incident reports                                       |
|  |   | Improved silvicultural systems in community forests   | 3 countries   | Project reports  |
| Capacity building initiatives undertaken to implement policy reforms and/or clarify land/forest tenure arrangement | National policy reforms and clear forest and land tenure arrangements in place, integrating climate change mitigation/adaptation and other environmental services | 3 countries   | Evidence on policy and legislative reforms processes on forest and land tenure in at least three countries covered by the programme |  |
| Information sharing and knowledge management systems operational   | Learning network on forest landscape restoration focusing on benefits of environmental services   | Establishment of one global network supported   | Website and links to the network; information made available  |  |

| Specific Objective | Outputs  | Output Indicator   | Target Value   | Means of Verification   |
|--------------------|--|--|--|---|
|                    |  | Information on REDDES results available on ITTO website  | Regularly updated website                            |   |
|                    | PES incentive mechanisms assessed and established  | PES incentive mechanisms developed or undergoing implementation  | 3 countries  | Evidence on PES mechanisms developed or undergoing implementation |
|                    |  | Studies on the assessment of willingness to pay for environmental services   | 3 studies  | Reports   |
|                    | Countries with improved capacity to implement SFM, forest restoration and rehabilitation.                                  | Forestry stakeholders trained in the implementation of restoration and rehabilitation activities, PES schemes and the implementation of policy reforms and/or land/forest tenure arrangements                | 300 forestry stakeholders in 3 countries (100 each)  | Training Reports  |
|                    |  | National criteria and indicators for SFM, forest restoration and rehabilitation developed  | 3 countries (one per region)                         | National C& I reports   |
|                    | Demonstration areas established  | Demonstration projects on community involvement in avoided deforestation and degradation, development of environmental services, SFM, restoration and rehabilitation of secondary and degraded forest areas. | 3 demonstration projects                             | Project reports. Visit reports of demonstration projects.         |
|                    | Operational practices for community involvement in development of environmental services                                   | Communities trained and assisted in development and implementation of PES mechanisms   | Communities in 3 countries trained                   | Report of the training workshops                                  |
|                    |  | Communities directly involved in PES mechanisms developed and /or undergoing implementation with the support of the programme  | Communities in 3 countries involved in PES mechanism | Activity Report   |
|                    | Stakeholder consultations/dialogues undertaken for awareness raising and to encourage cooperation among interested parties | Participatory systematization of lessons learned   | 30 communities                                       | Report of the multi-stakeholder partnerships                      |
|                    |  | (Sub-) National working groups   | 3 countries  |   |
|                    |  | Forest dependent communities sensitized on adaptation options to climate change.   | 3 countries  | Workshop and training Reports                                     |

| Specific Objective | Outputs                                 | Output Indicator   | Target Value  | Means of Verification  |
|--------------------|---|--|---|--|
|                    | Information sharing mechanisms in place | <p>Issues of the TFU and number of hits on the ITTO website for the information sharing and knowledge management systems</p> <p>International seminar on REDDES to share experiences and lessons learned</p> | <p>3 issues of TFU (one per year) and more than 5,000 hits on the ITTO web page for REDDES information sharing</p> <p>1 international seminar</p> | <p>Report of the establishment of network and the operation of the website including usage matrix</p> <p>Proceedings of the international seminar on REDDES and PES.</p> |

## CFME MONITORING PROTOCOL

### CFME General objective

The general objective of the Thematic Programme is to contribute to poverty reduction in tropical forest areas by:  
 (i) strengthening the ability of forest communities and smallholders to sustainably manage their tropical forest resources; and  
 (ii) assisting CFEs to add value to and market the products and services obtained from these resources.

| Specific objective  | Outputs  | Output indicators  | Target value   | Means of verification   |
|---|--|--|--|---|
| Strengthen community level capacity in SFM and adding value to the forest resource. | Improved operational practices for community forest management and enterprises<br>Trained human resources in implementation of community forestry in the programme impact area             | Number of communities involved in SFM implementation<br>Training materials on community based SFM produced and activities implemented<br>Community leaders and members trained and assisted in development and implementation of SFM | At least 9 communities in at least 3 countries (3/country)             | Community internal records<br>Training packages<br>Training event reports |
|   | Increased area of community lands under SFM; including both natural forests, and plantations for fuelwood, agroforestry and other purposes, as well as restored and rehabilitated forests. | Sustainably managed pilot and demonstration areas on SFM established in community forests  | At least 3 areas established (at least 1/region)                       | FMPs, monitoring reports  |
|   | Enhanced conservation of biodiversity, soil, water, carbon storage and other natural resources in community forests  | Sustainably managed pilot and demonstration areas on Environmental Services established in community forests   | At least 3 areas established (at least 1/region)                       | FMPs, monitoring reports  |
|   | Improved consensus building, management systems and practices in community organizations   | Training materials for awareness raising and improved management systems and practices of community organizations produced and training activities implemented   | Training packages, Workshops, training courses in at least 3 countries | Training packages<br>Workshop and course reports                          |
|   | Associations, networking and alliances established and strengthened among forest communities, indigenous peoples and smallholders, and their enterprises                                   | Associations, networks and/or alliances established and functional   | Associations, networks and/or alliances in at least 3 countries        | Reports of associations, networks and/or alliances<br>MoUs                |
|   | Local communities empowered to advance sustainable forest management and forest based enterprises in their areas of influence  | Pilot communities empowered at local level   | At least 9 communities in at least 3 countries (3/country)             | Community level records   |

| Specific objective  | Outputs   | Output indicators   | Target value   | Means of verification  |
|---|---|---|--|--|
|   | Improved knowledge on technology and financing possibilities among forest communities, indigenous peoples, smallholders and service providers | Improved information availability on financing sources, and appropriate technologies among CFEs   | promotional material at community level in at least 9 communities  | Documentation produced<br>Dissemination records                                |
|   | Improved knowledge among the financial community and technology providers on the opportunities and needs of CFEs                              | Facilitate communications between financial community/technology providers and CFEs<br>Promotional material produced  | Information on the opportunities and needs of CFEs to at least 3 financial institutions/technology providers | Records on loans and service agreements extended to communities                |
|   | Improved mechanisms for financing and technology transfer for CFEs identified and piloted   | Analytical studies on the design of financing mechanisms and technological improvements as well as dissemination activities<br>Pilot projects implemented                             | 3 studies<br>3 pilot projects  | Study reports<br>Project progress reports                                      |
|   | Improved technical and business management capability among CFEs  | Technical and business management training activities on value added production<br>Pilot and demonstration initiatives implemented in CFE development                                 | 3 training activities<br>3 pilot CFEs and/or business plans  | Training Course reports<br>Project progress reports<br>Business Plan documents |
|   | Improved marketing arrangements and facilitated access to markets by CFEs   | Improved market information on the domestic and export markets for CFEs<br>Pilot and demonstration initiatives implemented in marketing<br>Increased production and exports by CFEs   | 3 market survey reports<br>At least 3 pilot initiatives  | Market studies and reports<br>Project progress reports                         |
|   | Expanded sales by CFEs  | Commercial partnerships established between CFEs and private or public enterprises/investors<br>Increased revenues of CFEs  | Increased revenues in at least 3 CFEs  | CFE records  |
|   | Improved family employment and income among communities directly involved in community forestry and enterprises                               | Increased employment opportunities and increased income   | Employment and income increased in at least 9 CFEs   | CFE records on labour force and payroll  |
| Strengthen country capacity and enabling conditions for community forest management | Participatory processes established for promoting community forestry  | Stakeholder consultations/dialogues undertaken for awareness raising and policy development for community forest management and enterprises<br>Improved information on the status and | At least 3 countries   | Reports on meetings and workshops,<br>Survey reports on CFEs                   |

| Specific objective                            | Outputs  | Output indicators  | Target value   | Means of verification  |
|---|--|--|--|--|
| and enterprises                               |  | potential of community forest management and enterprises at sub-national and national levels   |  |  |
|   | Strengthening of land tenure and resource rights of forest communities, indigenous peoples and smallholders                    | Analytical studies on constraints in land tenure and resource rights   | At least 1 study   | Study report   |
|   | Policy, legal and institutional reforms designed and initiated to promote community forest management and enterprises          | Local communities tenure and access to forest resources clarified and facilitated<br>Awareness raising events and dissemination<br>Policy, institutional and legislative reforms initiated<br>Policy revision plans produced                 | 3 countries  | Study reports<br>Event reports<br>Revision plans<br>Reports on the progress of policy revision               |
|   | Integration of development of community forestry and enterprises in national forest programmes and similar planning frameworks | NFPs incorporating and promoting community-based forest management and enterprises   | 3 countries  | NFP documentation  |
| Strengthen knowledge management at all levels | Information sharing and knowledge management systems operational   | Compilation, assessment, analysis and dissemination of lessons learned at local, national, regional and international levels. Events for sharing experience at local/national/regional and international levels<br>ITTO web portal developed | Manuals and guidelines<br>Synthesis reports on lessons<br>Web portal | Manual and guideline documents<br>Dissemination records<br>Reports on lessons<br>Records on web portal users |
|   | Improved availability of traditional knowledge on community forest management  | Compilation of traditional knowledge on community forest management  | Compilation in at least 3 communities                                | Compendium reports   |

## TMT MONITORING PROTOCOL

### TMT General objective

The general objective of the Thematic Programme is to :

- (iii) Promote the trade of tropical timber products and NTFPs by increasing the capacity of producer member countries in market intelligence and marketing skills, and
- (iv) Improve market transparency through improved data and knowledge

| Specific Objectives  | Outputs  | Output Indicators   | Target Value   | Means of verification   |
|--|--|---|--|---|
| Strengthen information systems on markets and the forest sector              | Countries with improved information systems on markets and forest sector | Information Systems on markets and forest sector improved   | At least 3 countries with improved systems                               | Project progress reports<br><br>Descriptions of information systems |
|  | National strategies to strengthen information systems                    | National strategies to strengthen information systems developed or quality improved   | At least 3 countries with national strategies                            | National strategy/plan documents                                    |
|  | Improved quality of data and analysis                                    | Improved statistical information and analyses on trade and markets in producing countries   | At least 3 countries with improved statistics and analyses               | Statistical and analytical reports                                  |
|  | Trained decision-makers, staff and specialists                           | Training courses, workshops and other capacity building initiatives undertaken<br><br>Decision makers trained in development and use of information systems | At least 3 countries with trained decision makers, staff and specialists | Training packages<br>Workshop/meeting/training reports              |
|  | Private sector organizations with improved systems and skills            | Training and information-sharing working groups established and operational<br>Number of organizations with improved system                                 | Organizations with improved systems in at least 3 countries              | Working group reports;<br>System descriptions                       |
|  | Networks between producers and users of information                      | Specialized networks on sector/market information established and operational   | At least 3 countries with networks                                       | Networks and reports  |
| Fill gaps in the market transparency of tropical timber and timber products. | Identified gaps/weaknesses in existing trade statistics                  | Review and analyses of existing trade statistics  | Review and analytical studies in at least 3 countries                    | Review and analytical reports                                       |
|  | Improved trade statistics  | Improved Forest Sector Joint Questionnaire for data Collection<br>Improved responses to JQ  | Improved JQ<br><br>All member countries                                  | JQ document<br><br>Timely, complete and accurate submission of JQ   |
|  | Appropriate HS codes for tropical timber and timber products             | Improved trade codes and conversion factors   | Proposals for HS code improvement  | Proposal documentation<br>Meeting reports                           |

| Specific Objectives   | Outputs  | Output Indicators  | Target Value                      | Means of verification  |
|---|--|--|-----------------------------------|--|
|   | Specific information on production and use of tropical timber, demand and supply outlook, bioenergy, emerging markets                        | Updated information  | At least 3 reports                | Study reports  |
|   | Strengthened capacities to utilize market information for marketing strategies and improvement of policy, legal and institutional frameworks | Improved capacity of traders and policy makers to utilize market information   | At least 3 countries              | Workshop/seminar/conference reports<br>Improved marketing strategies/policies/institutional frameworks |
|   | Improved information on intra-regional trade   | Updated information  | At least one study                | Study report (Asia, Africa and Latin America)  |
|   | Market information on Lesser Used Species (LUS) and new materials  | Survey and study reports on markets for LUS and new materials  | At least one study                | Study reports  |
|   | Information on market outlook for individual plantation species  | Survey and study reports on market trends for tropical timber plantation species                                       | At least one study                | Study reports  |
|   | Improved information on the structure of the value chain of tropical timber and timber products  | Surveys and study reports on development of the value chain of tropical timber and timber products                     | At least one study                | Study reports  |
| Enhanced market access and trade promotion of tropical timber | Periodic systematic information on factors affecting markets (tariffs, non-tariff barriers, etc.)  | Reports on trends and factors affecting tropical timber markets  | At least one study                | Study reports  |
|   | Monitoring and analysis of emerging market requirements for tropical timber and timber products  | Reports on emerging market requirements of tropical timber and timber products trade and trends                        | At least one study                | Study reports  |
|   | Periodic systematic information and research on the life cycle impacts of tropical timber vs. substitutes                                    | Monitoring, research reports and awareness raising activities on life-cycle impacts of tropical timber vs. substitutes | At least one study                | Study report   |
|   | Marketing strategies in pilot enterprises  | Model companies with marketing strategies  | At least 3 enterprises (1/region) | Project progress reports   |

| Specific Objectives | Outputs   | Output Indicators  | Target Value                   | Means of verification   |
|---------------------|---|--|--------------------------------|---|
|                     | Trained staff and specialists in market intelligence and marketing skills   | Training course on market intelligence and marketing skills  | At least one training course   | Training course reports   |
|                     | Policies and legal frameworks facilitating tropical timber trade in exporting countries                           | Improved policy and legal frameworks related to timber trade in exporting countries and dissemination activities                                   | At least one exporting country | Approved policy documents, proposals for adjustment of legislation and regulations, |
|                     | Trade promotion strategies and action plans   | Strategies and action plans formulated and under implementation  | At least one country           | Strategy/plan documents   |
|                     | Improved access by buyers, users and producers on information on tropical timber species characteristics and uses | Web portal on timber species, trade and market information   | 1 web portal operational       | Web portal and its species coverage<br>Visitor records                              |
|                     | Promotional materials on SFM and tropical timber for generic marketing  | Promotional documentation produced   | 1 promotional material package | Documentation/ITTO website<br>Dissemination records                                 |
|                     | Market promotion activities for tropical timber   | Trade promotion activities implemented<br>Advocacy and market promotion activities for legally and sustainably produced timber and timber products | 1 campaign                     | Records on campaign   |
|                     | Effective networking among trading partners   | Information sharing networks operational   | At least one network           | ITTO website<br>Network reports and surveys   |