

# ITTO annual report 2012

ITTO International Tropical  
Timber Organization





# Outline

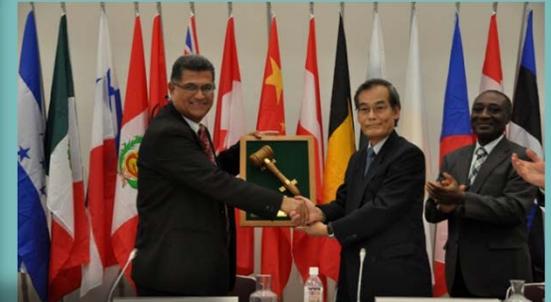
1. 48<sup>th</sup> Session of the ITTC
2. Policy work
3. Thematic Programmes
4. Fellowships (Freezailah Fellowship Fund)
5. ITTO sponsored events
6. ITTO's involvement in international cooperation and collaboration
7. Financial highlights
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10. Projects & members



# 48<sup>th</sup> Session of ITTC

5-10 November 2012  
Yokohama, Japan

- First session convened under ITTA, 2006
- Participation of 38 member countries and the EU, and 27 observes (6 potential members)
- Session chaired by HE Ambassador Masahiro Hoire (Japan)
- Dignitaries:
  - H.E. Mr. Philip Ngole Ngwese, Minister of Forests and Wildlife of Cameroon
  - H.E. Pehin Sri Haji Abdul Taib bin Mahmud, The Right Honourable Chief Minister of Sarawak, Malaysia;
  - H. E. Mr. George Viana, Senator, Federal Senate of Brazil;
  - Dr. Eduardo Rojas-Briales, Assistant Director-General, United Nations Food and Agriculture Organization (FAO); and
  - Madam Jan McAlpine, Director of the United Nations Forum on Forests.





# 48<sup>th</sup> Session of ITTC

5-10 November 2012

Yokohama, Japan

During the Session, the Council:

- Adopted a new Strategic Action Plan 2013-2018
- Reviewed and adopted functions of the Committees under ITTA, 2006
- Established conditions for accession of ITTA, 2006
- Considered ex-post evaluation of 10 projects
- Reviewed progress of 68 projects and 6 pre-projects
- Declared as completed 18 projects and 3 pre-projects
- Awarded 23 fellowships





# 48<sup>th</sup> Session of ITTC

5-10 November 2012

Yokohama, Japan

Donors:



*\*plus some Private –sector bodies*



# Policy work

- Annual review of the world timber situation

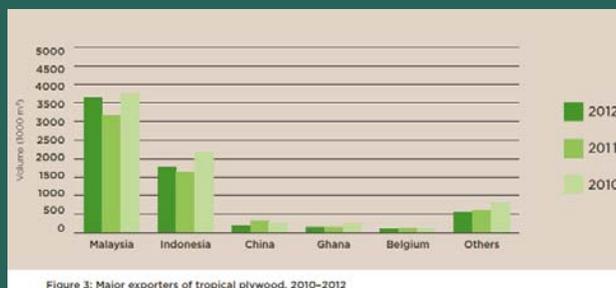
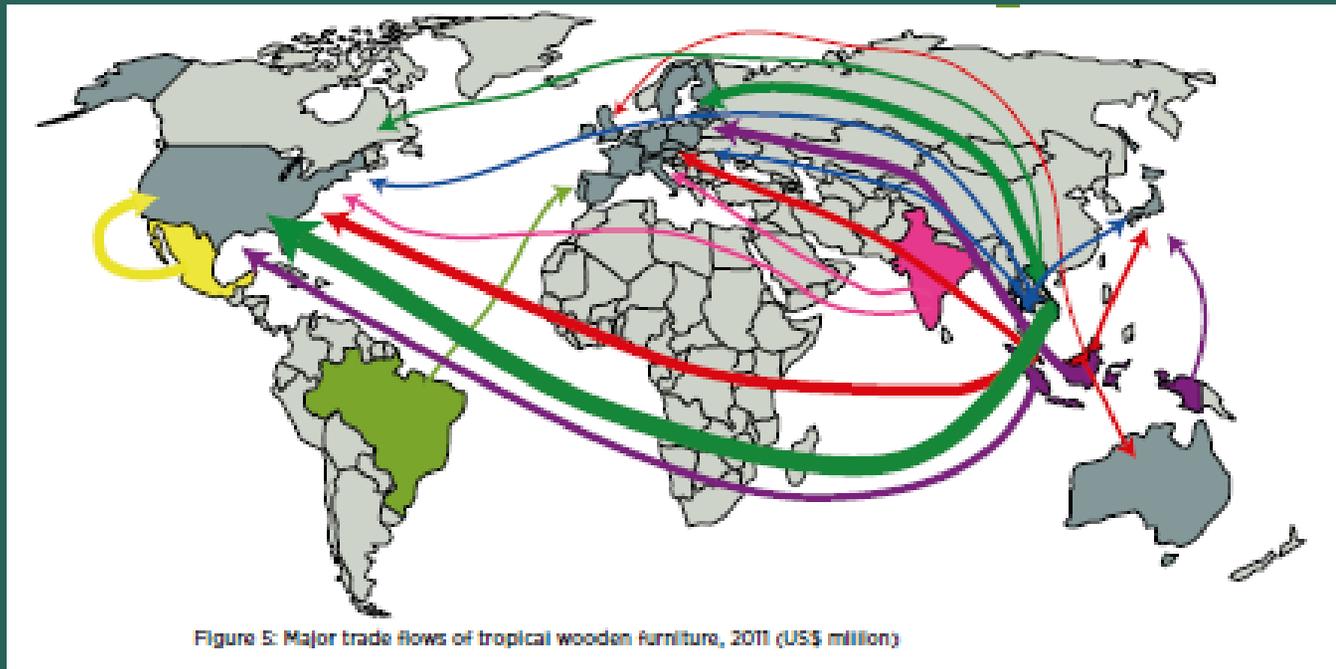


Figure 3: Major exporters of tropical plywood, 2010-2012

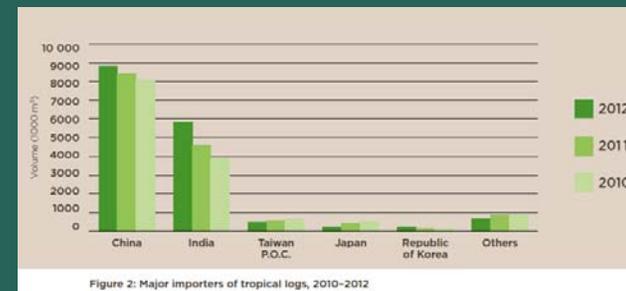
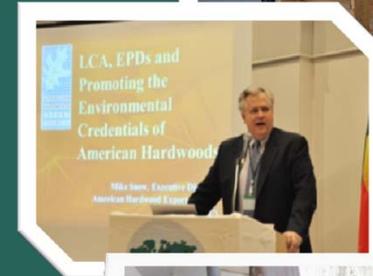


Figure 2: Major importers of tropical logs, 2010-2012



# Policy work

- Promoting tropical timber trade from sustainably managed and legally harvested sources
- Facilitating market access
- Monitoring forest and timber certification
- Improving forest law enforcement
- Enhancing cooperation between ITTO and CITES
- Annual market discussion *“trading in challenging markets”*
- Promoting efficient wood processing technologies



2012



# Policy work

- Revised principles and guidelines for SFM



- Collaboration with CBD

- Looking at the feasibility of REDD+



- Promoting community forest management through a public-private partnership



- Forest Day 6 and Forest Policy Day



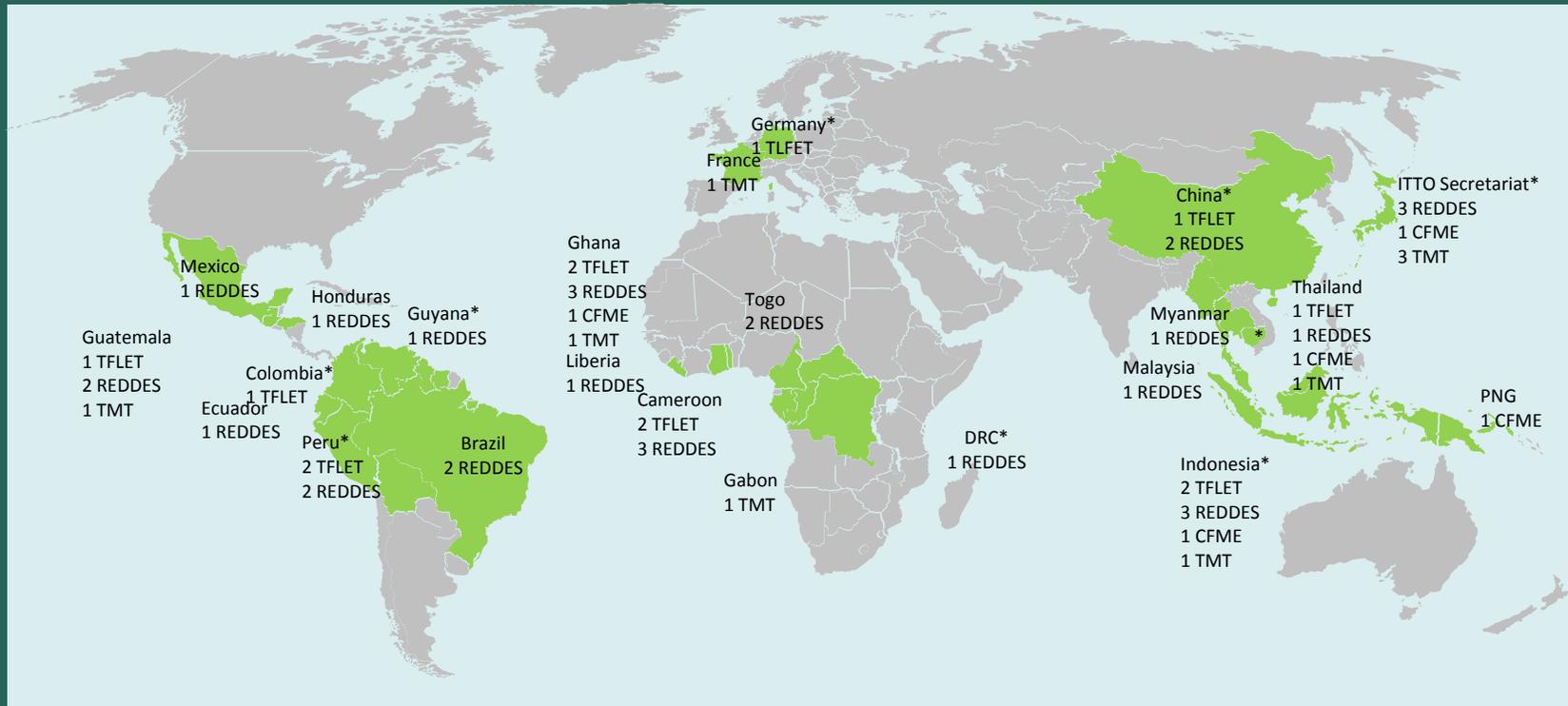
# ITTO Thematic Programmes

- Fully incorporated into the work of ITTO (entry of ITTA, 2006)
- Called for proposals under:
  - TFLET,
  - REDDES,
  - TMT
  - Total of 13 proposals approved for immediate implementation
- Evaluation of the effectiveness of the TPs pilot phase





# ITTO Thematic Programmes

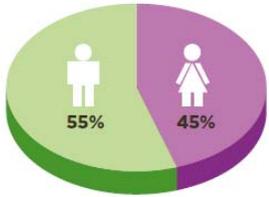


TP donors in 2012:





# Fellowships (Freezailah Fellowship Fund)



- 51 fellowships awarded in 24 member countries
- US\$148,435
- Total investment as of 2012 is about US\$7 million

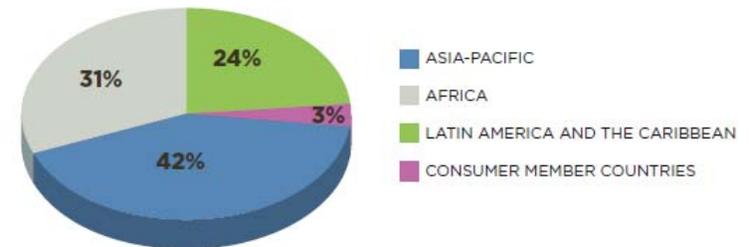


Figure 7: Fellowships awarded in 2012, by region

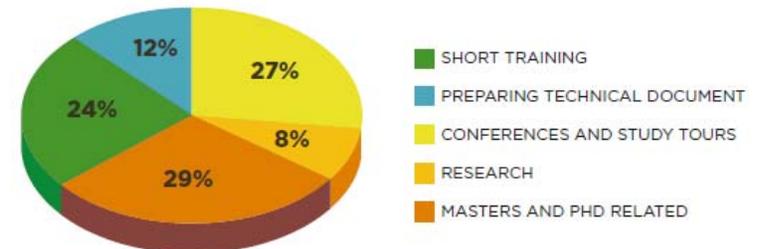


Figure 8: Fellowships awarded in 2012, by type

Donors:





# Sponsored and co-organized events

Second Global Conference on the International Partnership for the Satoyama Initiative: Strategy for Realizing Societies in Harmony with Nature

13-14  
March

2012

World Agroforestry Centre, Nairobi, Kenya

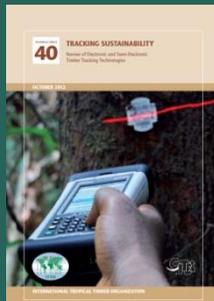


Promoting and Strengthening/  
Enhancing Second Generation  
Community Forestry

26-28  
March

2012

Rome, Italy



Workshop on Tracking  
Technologies for  
Forest Governance

15-17  
May

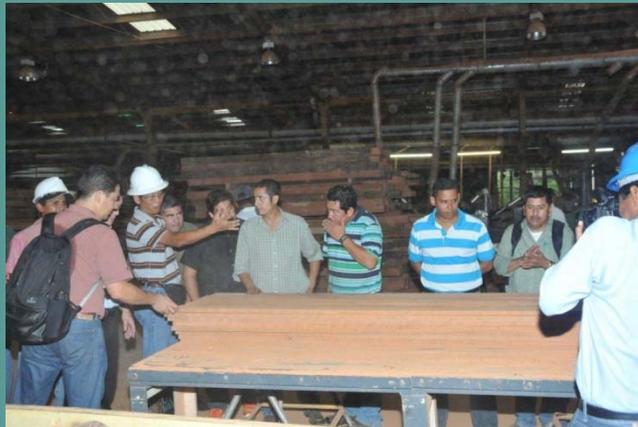
2012

Kuala Lumpur, Malaysia





# Sponsored and co-organized events



**ITTO-FAO Statistics Workshop  
for Central America**

2-5  
October

2012

Panama City, Panama



**IUFRO/FORNESSA  
Regional Congress**

25-29  
June

2012

Nairobi, Kenya



# ITTO's involvement in international cooperation and collaboration

- United Nations Conference on Sustainable Development
- UNFF
- FAO Committee on Forestry and World Forest Week
- APF-Net
- Inter-secretariat Working Group on Forest Statistics and JQ



- UNISDR and Wildland Fire Advisory Group
- FAO Latin American and Caribbean Forestry Commission
- ACTO
- CBD



# Financial highlights

## *Voluntary contributions to the Special Account and the BPF*



### Voluntary contributions

Funds received in 2012 in to the Special Account and the Bali Partnership Fund

**US\$**

Japan	6 134 843.00
USA	950 000.00
Germany	721 899.28
Australia	386 607.95
Finland	63 625.00
Republic of Korea	20 000.00
European Commission	1 781 774.63
Common Fund for Commodities	74 001.00
Private	258 366.14
<b>Total</b>	<b>10 391 117.00</b>



**Private**



# Financial highlights

## *Pre-project sub-account*



Project sub-account (Pre-projects and activities)	2012	US\$ 2011	2010
Finland			50 000.00
Germany	411 442.57		27 452.62
German Federal Agency for Nature Conservation			5 069.74
Japan	197 443.00	1 773 554.85	468 241.06
Netherlands	250 000.00		
Norway			102 940.00
Republic of Korea	20 000.00		
Switzerland	430 000.00	370 000.00	300 000.00
USA	550 968.00	305 000.00	349 813.00
European Union	1 425 419.70	162 820.34	1 262 272.70
BPF-B <sup>1</sup> , Programme Support, WCA <sup>2</sup> and other unearmarked funds	155 626.00	530 000.00	330 000.00
<b>Private</b>			
1. Abott-Solvay	80 000.00		246 806.62
2. INDENA SAS			88 765.14
3. Plavuma S.P.R.L.			50 000.00
4. EUOMED		50 000.00	
<b>Subtotal</b>	<b>3 520 899.27</b>	<b>3 191 375.19</b>	<b>3 281 360.88</b>



# Financial highlights

## *Project sub-account*



**Private**

Project sub-account (Projects)		US\$		
		2012	2011	2010
Australia			190 000.00	
China				100 000.00
Germany			1 400 000.00	
Japan		3 422 723.80	5 937 718.00	4 950 902.00
Republic of Korea		20 000.00	20 000.00	40 000.00
Sweden		10 000.00		
Switzerland		224 760.00	1 153 486.00	818 160.00
USA		349 032.00	396 000.00	400 187.00
Common Fund for Commodities				2 044 895.00
BPF-B <sup>1</sup> , Programme Support, WCA <sup>2</sup> and other unearmarked funds			450 000.00	1 000 000.00
Private	1. Marubeni	210 000.00	210 000.00	235 297.00
	2. Delta International	1 207.73		
	3. Japan Lumber Importers' Association	50 000.00		
<b>Subtotal</b>		<b>4 287 723.53</b>	<b>9 757 204.00</b>	<b>9 589 441.00</b>

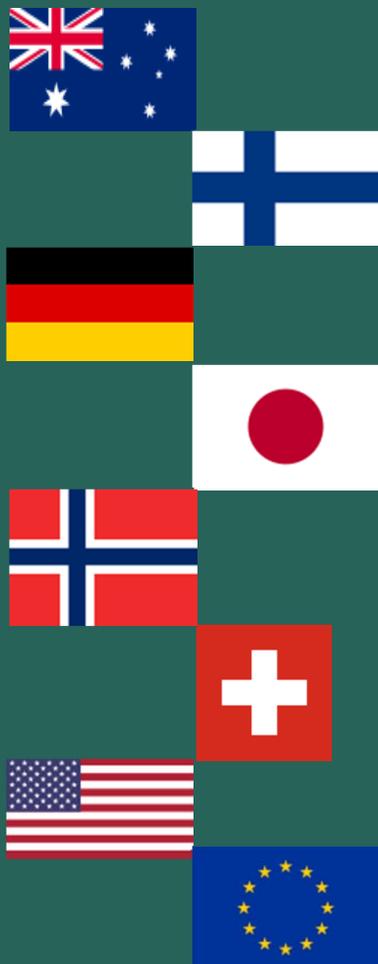
<sup>1</sup>BPF-B = Bali Partnership Fund, sub-account B

<sup>2</sup>WCA = Working Capital Account



# Financial highlights

## *Thematic Programme sub-account*



Thematic programmes sub-account	Cumulative pledges 2010-2012	2012	US\$ 2011	2010
Australia	196 607.95	196 607.95		
Finland	63 625.00	63 625.00		
Germany	87 871.00			87 871.00
Japan	483 782.00	200 000.00		283 782.00
Norway	4 260 002.38			4 260 002.38
Switzerland	900 000.00	300 000.00		600 000.00
USA	767 456.00	50 000.00	220 000.00	497 456.00
EU CITES Programme to TMT	356 354.93	356 354.93		
<b>Subtotal</b>	<b>7 115 699.26</b>	<b>1 166 587.88</b>	<b>220 000.00</b>	<b>5 729 111.38</b>

### Bali Partnership Fund unearmarked income

Interest receipts	104 045.77	37 470.36	105 551.13
<b>Subtotal</b>	<b>104 045.77</b>	<b>37 470.36</b>	<b>105 551.13</b>
<b>Grand total</b>	<b>9 079 256.45</b>	<b>13 206 049.55</b>	<b>18 705 464.39</b>

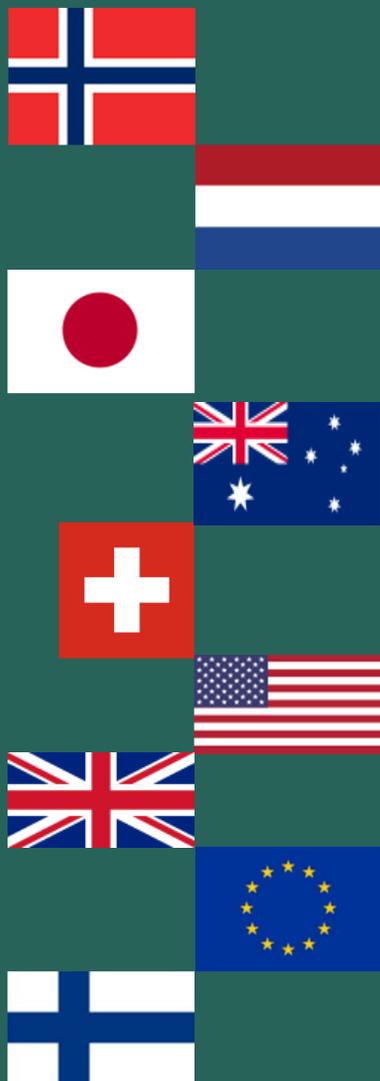
### ITTO thematic programmes

	Budget	Cumulative pledges 2007-2012		
TFLET	15 000 000.00	7 148 318.95	446 607.95	220 000.00
RECOES	18 000 000.00	9 532 742.02	300 000.00	
CFME	10 000 000.00	1 100 000.00		100 000.00
TMT	5 000 000.00	1 619 979.93	419 979.93	200 000.00
IDE	10 000 000.00	0.00		
<b>Total</b>	<b>58 000 000.00</b>	<b>19 401 040.90</b>	<b>1 166 587.88</b>	<b>220 000.00</b>



# Financial highlights

*Pledges to the Thematic Programmes  
as of 31 December 2012*



**JILA**

US\$						
Donor	Total	TFLET	REDDES	CFME	TMT	IDE
Norway	8 228 960	15 000	8 173 960	40 000		
Netherlands	3 000 000	3 000 000				
Japan	2 475 953	1 191 235	483 782	635 000	165 936	
Australia*	2 281 608	2 281 608				
Switzerland	2 183 040	683 040	700 000	100 000	700 000	
USA	1 592 456	807 456	175 000	300 000	300 000	
United Kingdom	949 380	949 380				
European Union (under CITES_TMT)	356 355				356 355	
Finland	132 888	35 199			97 689	
Germany	87 871	87 871				
Japan Lumber Importers Association	50 000	50 000				
New Zealand	37 530	37 530				
Sweden	25 000			25 000		
Republic of Korea	10 000	10 000				
<b>Total</b>	<b>21 401 041</b>	<b>9 148 319</b>	<b>9 532 742</b>	<b>1 100 000</b>	<b>1 619 980</b>	<b>0</b>

\* Includes a pledge made by the government of Australia of AUD\$100 000 (converted at an exchange rate of AUD\$ = US\$1) and subject to mechanisms in the exchange rates. This pledge is not included in the joint financial statements presented in section 4 as the actual amount received will be converted to US dollars at the prevailing rate of exchange as contributors are received in 2012 and will be reflected in the joint financial statements (see note on page 42).



# Civil Society Advisory Group

- “Realizing the development and investment potential of locally controlled forestry”
  - Hosted at ITTC-48
  - Organized in collaboration with The Forest Dialogue





# Trade Advisory Group

- 2012 ITTO Annual Market Discussion  
"Trading in challenging markets"
  - Timber for LEED certified buildings
  - Life cycle assessment and environmental product declarations
  - Goho-wood
  - Overview of EU timber importers





# Project information and membership

- Projects and pre-projects completed in 2012
- Projects and pre-projects funded in 2012
- Member states and votes

## APPENDIX 1: Projects and pre-projects completed in 2012 (project cycle)

Project ID	Title	Total budget (USD)	Donor(s)	Submitted by	Main outputs
RD 4902E (En) (K)	Establishment of a national forest and timber marketing statistics system	589 401	Japan USA	Ecuador	The National System of Forest Administration (SAF-2) was developed ( <a href="http://www.saf.gov.ec">http://www.saf.gov.ec</a> )
RD 4910D (En) (2 (P))	Timbers of tropical Africa, Part 2: Group T23 within the PROTA Programme	1 053 835	Japan	Shona	A database of 570 tropical timber species in Africa was developed in English and French in the form of a printed book, a CD, and a website ( <a href="http://www.baham-pub.org/leweb/index">http://www.baham-pub.org/leweb/index</a> )
RD 49007 (En) (2 (P))	Demand and supply of tropical wood products in China towards 2020	400 000	Switzerland USA	China	An outlook report was produced on the demand and supply situation of tropical wood products in China in 2020, including an analysis of the timber-processing industry of Chinese companies, the preference of Chinese consumers for tropical wood products, and local policies for trading tropical wood products.
RD 49005 (En) (3)	Utilisation of small-diameter logs from sustainable sources for bio-composite products	905 151	Common Fund for Commodities	Indonesia	Physical/mechanical properties of small-diameter logs of 42 timber species from Indonesia, Malaysia, the Philippines and PNG were assessed for bio-composite products. Guidelines for incorporating small-diameter logs into the production line of bio-composite products were developed so that products can meet international market standards.
RD 38405 (En) (3)	Testing laboratory for the development of quality standards for Mexican primary and processed tropical forest products	756 270	Japan USA Finland	Mexico	The forest products laboratory at the Institute of Ecology was updated and upgraded. The laboratory was accredited by the Mexican Entity of Accreditation in 2010 and has members in accreditation. The laboratory now has the capability to perform 15 different tests under ASTM standards, including those for structural timber products and timber products. Since 2010, the laboratory has provided its services to the timber industry. Technical sheets were developed for 26 Mexican tropical timber species.
RD 5350E (En) (3)	Enhancing the capacity of the wood-processing sector to improve efficiency and add value in Guyana	377 951	Japan USA	Guyana	A code of practice for wood-processing operations was developed. A research building (research center) for the wood-processing sector was developed. Training was provided based on the code of practice at the managerial and operational levels.

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## APPENDIX 4: Member states and votes, as of 31 December 2012 (under ITTA, 2006)

Producer members	No. of votes	Consumer members	No. of votes
<b>Africa</b>			
Benin	31	Albania	10
Cameroon	31	Australia	16
Republic of the Congo	31	Canada	15
Côte d'Ivoire	31	China	246
Democratic Republic of the Congo	31	<b>European Union</b>	
Ghana	31	Austria	11
Mali	31	Belgium	15
Mauritania	31	Bulgaria	10
Niger	31	Czech Republic	12
Nigeria	31	Denmark	10
Senegal	31	Estonia	10
Togo	31	Finland	10
Greece	32	France	29
Germany	29	Hungary	10
Ireland	10	Iceland	10
Italy	28	Japan	156
Lithuania	10	Korea	11
Luxembourg	10	Norway	10
Malta	11	Republic of Korea	64
Netherlands	21	Switzerland	12
Poland	11	United States of America	72
Portugal	15		
Romania	10		
Slovakia	11		
Slovenia	10		
Spain	22		
Sweden	11		
United Kingdom of Great Britain and Northern Ireland	26		
Ecuador	25	New Zealand	11
Guatemala	19	Norway	10
Guyana	25	Republic of Korea	64
Honduras	19	Switzerland	12
Mexico	45	United States of America	72
Panama	19		
Peru	48		
Trinidad and Tobago	17		
<b>Total:</b>	<b>1 000</b>	<b>Total:</b>	<b>1 000</b>



# ITTO's Key Achievements

**1983**

The first ITTA is negotiated and adopted

**1986**

ITTO is established in Yokohama, Japan

**1989**

*No timber without trees* is published, reporting a negligible area of tropical forest under SFM in ITTO member countries

The funding of projects begins

The ITTO Fellowship Programme is launched

Annual market discussions begin

**1992**

ITTO defines SFM

ITTO launches *Criteria for the measurement of sustainable natural tropical forest management* (the world's first internationally agreed set of criteria for SFM)

**1994**

A new ITTA is agreed, establishing the Bali Partnership Fund

**1997**

The ITTA, 1994 enters into force

The *Annual review and assessment of the world tropical timber situation* becomes the *Annual review and assessment of the world timber situation* under the new ITTA

*ITTO guidelines on fire management in tropical forests* are published

*World mangrove atlas* is published

**2000**

Independent diagnostic missions begin to assist countries in identifying actions to achieve Objective 2000

The Trade Advisory Group is established

**2002**

*ITTO guidelines for the restoration, management and rehabilitation of degraded and secondary tropical forests* are published

The Civil Society Advisory Group is established

**2006**

A new ITTA is agreed, focusing on the world timber economy, the sustainable management of the resource base, increasing the value of non-timber forest products and environmental services, and encouraging the trade of timber from legal and sustainable sources

*Status of tropical forest management 2005* is published, a comprehensive survey of tropical forest management. The estimated area of tropical forest under SFM in ITTO producer member countries is 36 million hectares

**2009**

ITTO launches thematic programmes on a pilot basis

*ITTO/UCN guidelines for the conservation and sustainable use of biodiversity in tropical timber production forests* are published

**2011**

The ITTA, 2006 enters into force (in December)

*Status of tropical forest management 2011* is published. The estimated area of tropical forest under SFM in ITTO producer member countries is 53 million hectares

**1987**

The first *Annual review and assessment of the world tropical timber situation* is produced

The first pre-projects are approved and funded

**1985**

The ITTA, 1983 comes into force

**1993**

*ITTO guidelines for the establishment and sustainable management of planted tropical forests* are published

*ITTO guidelines on the conservation of biological diversity in tropical production forest* are published

**1998**

*Criteria and indicators for sustainable management of natural tropical forests* are published, updating the original criteria

**1990**

*ITTO guidelines for the sustainable management of natural tropical forests* (the first set of guidelines of its kind) is published

The ITTO Year 2000 Objective is adopted

**2005**

*Revised criteria and indicators for SFM* are published, with a reporting format

*Best practices for improving law compliance in the forestry sector* are published

**2001**

ITTO provides resources for improving forest law enforcement in the context of SFM

**2010**

*World atlas of mangroves* is published

**2007**

*Revised guidelines for the conservation of biological diversity in tropical production forests* are field-tested

ITTO co-convenes a landmark international conference on forest tenure

**2012**

Thematic programmes are fully incorporated in the work of ITTO

The total number of projects, pre-projects and activities financed by ITTO exceeds 1000, with a value of more than US\$400 million



Thank you for your  
attention!

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