



SUMMARY OF THE FIFTIETH SESSION OF THE INTERNATIONAL TROPICAL TIMBER COUNCIL AND ASSOCIATED SESSIONS OF THE FOUR COMMITTEES: 3-8 NOVEMBER 2014

The fiftieth session of the International Tropical Timber Council (ITTC-50) and the Associated Sessions of its four Committees were held in Yokohama, Japan from 3-8 November 2014. At this session, the Council considered: enhancing cooperation between the International Tropical Timber Organization (ITTO) and the Convention on International Trade in Endangered Species of Wild Fauna and Flora; the ITTO Biennial Work Programme 2015-2016; developments regarding forests in the UN Framework Convention on Climate Change; the ITTO/Convention on Biological Diversity Collaborative Initiative; regional ITTO presence and representation; and selection of the next ITTO Executive Director.

Delegates also convened the forty-eighth sessions of the Committee on Economics, Statistics and Markets and the Committee on Forest Industry (CEM-CFI), and the Committee on Reforestation and Forest Management (CRF), to approve projects and pre-projects, review projects and pre-projects under implementation and *ex-post* evaluations, and conduct policy work. The twenty-ninth session of the Committee on Finance and Administration (CFA) met to discuss, *inter alia*, the biennial administrative budget for 2014-2015, the current status of the Administrative Account, resources of the Special Account and the Bali Partnership Fund, and ITTO staff regulations and rules.

ITTO members used the occasion of their 50th Council session to reflect on the evolution of ITTO's role and purpose, and where it should go from here. An extensive panel of experts presenting on "ITTO: Past, Present and Future" offered members many options and issues to ponder in rejuvenating the Organization, particularly in a world of reduced donor contributions and changing market conditions that have not necessarily favored tropical timber. And along these lines, the Council attempted to, but did not succeed in choosing a new Executive Director to lead the Organization forward.

A BRIEF HISTORY OF THE INTERNATIONAL TROPICAL TIMBER COUNCIL

The International Tropical Timber Agreement (ITTA) was negotiated under the auspices of the United Nations Conference on Trade and Development (UNCTAD) to: provide an effective framework for cooperation and consultation between countries producing and consuming tropical timber; promote the expansion and diversification of international trade in tropical timber and the improvement of structural conditions in the tropical timber market; promote and support research and development to improve forest management and wood utilization; and encourage development of national policies for the sustainable utilization and conservation of tropical forests and their genetic resources and for maintaining the ecological balance in the regions concerned.

The ITTA was adopted on 18 November 1983, and entered into force on 1 April 1985. It remained in force for an initial period of five years and was extended twice for three-year periods. The Agreement was renegotiated during 1993-1994. The successor agreement, the ITTA, 1994, was adopted on 26 January 1994, and entered into force on 1 January 1997. It contained broader provisions for information sharing, including

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on non-tropical timber trade data, allowed for consideration of non-tropical timber issues as they relate to tropical timber, and included the ITTO Objective 2000 for achieving exports of tropical timber and timber products from sustainably managed sources by the year 2000. The ITTA, 1994 also established the Bali Partnership Fund to assist Producer members in achieving the Year 2000 Objective.

In 2003 negotiations began on a successor agreement to the ITTA, 1994. The ITTA, 2006 was adopted in Geneva on 27 January 2006. The ITTA, 2006 builds on the foundations of the previous agreements and focuses on the world tropical timber economy and the sustainable management of the resource base, simultaneously encouraging the timber trade and improving forest management. It also allows for the consideration of non-tropical timber issues as they relate to tropical timber. It entered into force on 7 December 2011.

The ITTA, 1983 established the International Tropical Timber Organization (ITTO), headquartered in Yokohama, Japan, which provides a framework for tropical timber producer and consumer countries to discuss and develop policies on issues relating to international trade in, and utilization of, tropical timber and the sustainable management of its resource base. The ITTO also administers assistance for related projects. The ITTO has 70 members under the ITTA, 2006, divided into two caucuses: Producer countries (33 members) and Consumer countries (9 members, plus the European Union and its 27 member states). The ITTO's membership represents about 90% of world trade in tropical timber and 80% of the world's tropical forests.

The governing body of the ITTO is the International Tropical Timber Council (ITTC), which includes all members. Annual contributions and votes are distributed equally between Producers and Consumers. The Council is supported by four committees, which are open to all members and provide advice and assistance to the Council on issues for consideration and decision on: Economics, Statistics and Markets (CEM); Reforestation and Forest Management (CRF); Forest Industry (CFI); and Finance and Administration (CFA).

ITTC-42: The 42nd session of the ITTC met from 7-12 May 2007 in Port Moresby, Papua New Guinea. The Council selected Emmanuel Ze Meka as the new ITTO Executive Director. Delegates also discussed issues concerning operational, project and policy work, including: forest law enforcement in the context of sustainable timber production and trade; Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) listing proposals; ITTO guidelines for the restoration, management and rehabilitation of degraded and secondary tropical forests; civil society/private sector partnerships for sustainable forest management; and developments in the UN Framework Convention on Climate Change (UNFCCC) regarding forests.

ITTC-43: The 43rd session of the ITTC met from 5-10 November 2007, in Yokohama, Japan. The Council approved: the Biennial Work Programme (BWP) for 2008-2009; funds for studying the linkages between climate change and tropical forests; and Guidelines on the Conservation and Sustainable Use of Biodiversity in Tropical Timber-Producing Forests. The

Council also approved draft Rules of Procedure and Financial Rules of Procedure, to be considered at the first meeting of the ITTC after the ITTA, 2006 enters into force.

ITTC-44: The 44th session of the ITTC met from 3-8 November 2008, in Yokohama, Japan. The Council discussed issues concerning operational, project and policy work for 2008-2009, including: Thematic Programmes; the BWP for 2008-2009; ITTO Objective 2000; and the ITTO Action Plan 2008-2011. It was agreed that future Council sessions would be held annually, alternating between Yokohama and Producer member countries, subject to sufficient funding being available for the incremental costs associated with the latter.

ITTC-45: The 45th session of the ITTC met from 9-14 November 2009 in Yokohama, Japan. At this session the Council considered and adopted decisions on: the entry into force of ITTA, 2006; activities included in the BWP 2010-2011; and on the selection of projects, pre-projects and activities to receive funding. The Council also held discussions on the implementation of the BWP for 2008-2009, the current status of implementation of the ITTO Thematic Programmes, and the frequency and location of future Council sessions.

ITTC-46: The 46th session of the ITTC met from 13-18 December 2010 in Yokohama, Japan. The Council reappointed Ze Meka as Executive Director for five years, and decided that annual Council sessions shall rotate between Yokohama and a Producer member country, and that no more than US\$400,000 shall be spent from the Administrative Budget on the latter. The Council also adopted decisions on the ITTO/Convention on Biological Diversity (CBD) collaborative initiative on enhancing biodiversity in production forests and improved conservation and management of protected areas.

ITTC-47: The 47th session of the ITTC met from 14-19 November 2011 in Antigua, Guatemala. The Council considered: implementation of the BWP 2010-2011; activities to be included under the BWP for 2012-2013; the current status of implementation of the ITTO Thematic Programmes; and the administrative budget for 2012. The Council also reviewed the status of the deposit of instruments of ratification, acceptance, approval or accession to ITTA, 2006.

ITTC-48: The 48th session of the ITTC met from 5-10 November 2012 in Yokohama, Japan. The Council announced funding of US\$9 million for sustainable forest management (SFM) and to support trade of sustainably harvested tropical forest resources. The Council also approved the ITTO 2013-2018 Strategic Action Plan.

ITTC-49: The 49th session of the ITTC met from 25-30 November 2013 in Libreville, Gabon. The Council discussed the revised Principles and Guidelines for the Sustainable Management of Natural Tropical Forests, the establishment of a regional office for Africa, and strategies on resource mobilization and knowledge management. The Council decided, *inter alia*, to renew the mandate of the Informal Advisory Group, call for applications for the position of ITTO Executive Director, and organize a regional workshop on SFM and forest education in Latin America.

ITTC-50 REPORT

ITTC-50 Chair Rob Busink (Netherlands) opened the Council session on Monday, 3 November 2014. He said the ITTO is entering a new era with many challenges for the forest sector, noting that, as the International Arrangement on Forests (IAF) is reviewed, ITTO needs to show clearly how it can contribute to current and future challenges facing tropical forests, such as promoting SFM, improving the image and market acceptance of tropical timber, protecting biodiversity, and ensuring that forest ecosystem services are recognized and paid for. In quoting Brazilian Senator Jorge Viana at ITTC-49, he said that ITTO does not need a new path, it needs to develop a new way of walking.

Satoshi Imai, Director General, Forestry Agency, Japan, underscored the importance of combating climate change, biodiversity and tropical forest loss, and of ensuring that tropical forests are managed sustainably. He stressed placing highest priority on preventing illegal logging and mentioned Japan's procurement policies on legally-harvested wood and wood products. He urged those countries that have not yet ratified ITTA, 2006 to do so as soon as possible.

Katsunori Watanabe, Deputy Mayor, City of Yokohama, discussed how ITTO has helped deepen Yokohama's understanding of international organizations, world affairs and the role of forests. He expressed the city's hope that the ITTO will maintain its headquarters in Yokohama and continue its collaboration with the city.

Chair Busink noted that 2014 marked the 25th anniversary of the ITTO Fellowship Programme to strengthen capacity and professional expertise in tropical forestry, and invited presentations of success stories from three fellows. Daniela Pauledto, Universidade Federal do Oeste do Pará, Brazil, highlighted successes since receiving the 2008 fellowship to participate in a course on diversified tropical forest management. She reported on: a publication in *Science* on hyperdominance in Amazonian tree flora; the establishment of community forest nurseries; support for forest product marketing; and enhanced capacity in Payments for Ecosystem Services (PES) and model forests.

Paul Bosu, Forestry Research Institute of Ghana, reported that two fellowships, one for master's research and another for a short course on environmental leadership and communication, were springboards for his career. He highlighted the publication of protocols for handling and managing the pests of the Iroko tree (*Milicia excelsa*) and called for elevating tree protection and forest health in SFM discussions.

San Win, University of Forestry, Myanmar, reported on his use of two fellowships to explore shifting cultivation and agroforestry in Myanmar. He stated that agroforestry that has replaced shifting cultivation in Myanmar has enhanced food security and reduced land conversion, thus conserving larger natural forests.

Bharrat Jagdeo, former President of Guyana, urged delegates to consider the new policy environment that the onset of climate change has created for forests. He stressed that, with the expectation of a global agreement on climate change in 2015, ITTC should focus special attention on forests as a mitigation solution and discuss what reducing emissions from deforestation

and forest degradation and the role of conservation, sustainable management of forests and enhancement of carbon stock in developing countries (REDD+) could mean for the future of ITTO. While recognizing that countries must continue using and trading timber, he raised questions about whether trade in forest carbon could make timber more valuable standing and help forest countries finance SFM activities.

A group of Japanese children, the "Green Ambassadors," delivered a message through song and dance, emphasizing the importance of forests for a healthy planet.

Emmanuel Ze Meka, ITTO Executive Director (ED), highlighted work completed in 2014, such as initiating a fundraising action plan, finalizing a US\$5.5 million contract with the EU for an Independent Market Monitoring (IMM) system for timber licensed under forest law enforcement, governance and trade (FLEGT) schemes, launching a monthly newsletter, and creating an online project search function. He noted three important issues before the Council: the ED's election, ITTO's regional presence and consideration of ITTO staff regulations and rules.

Steven Relyved, Minister of Physical Planning, Land and Forestry Management, Suriname, highlighted recent achievements in the forest sector, including implementation of a log tracking system, combatting illegal gold mining activities, beginning a national forest inventory, and testing a measurement, reporting and verification system under a REDD+ plan.

Mathieu Babaud Darret, Minister of Water and Forests, Côte d'Ivoire, highlighted the effects of agricultural expansion on deforestation in his country, and listed national reforms to revitalize the timber sector, including: reforming legislation to protect forests and ensure legality and traceability of forest products; raising awareness in the wood sector; revising the tax system for forestry; and promoting reforestation.

Ngole Philip Ngwese, Minister of Forests and Wildlife, Cameroon, said SFM should be ITTO's *raison d'être*. He underscored the importance of forests to Cameroon's economy and outlined forest-related reforms and initiatives. Ngwese urged acceleration of the IAF discussions, which he said should be legally binding and contribute to the achievement of the Sustainable Development Goals (SDGs). He also read a statement by President Paul Biya expressing appreciation for the work of outgoing ITTO Executive Director Ze Meka.

Henri Djombo, Minister of Forest Economy and Sustainable Development, Republic of the Congo, said that, at the UN Climate Summit, the international community committed to reversing deforestation and stressed SFM would be the most efficient and least costly option for combatting climate change. He urged work on a toolkit of convincing arguments in favor of REDD+ that local communities can understand. He also asked ITTO to look into innovative financial mechanisms for forestry and called for creating regional ITTO bureaus to complement the work of the ITTO regional officers in Africa and Latin America.

Basile Mboumba, Deputy Minister of Forests, Environment and Protection of Natural Resources, Gabon, outlined institutional, economic, tax, customs and legal reforms his country has started to promote local timber processing, ensure SFM, stop illegal trade, build local capacity and mobilize

financial resources. He stressed the importance of support from ITTO in these reform efforts.

ORGANIZATIONAL MATTERS: Chair Busink confirmed that quorum was attained for the session. The provisional agenda (ITTC(L)/1) was adopted. Executive Director Ze Meka reported the recent inclusion of Suriname and Vietnam in the membership under ITTA, 2006 and presented their contribution to the administrative budget for the 2013-2014 biennium (ITTC(L)/3 and ITTC(L)/4, respectively). Ze Meka further presented the proposed distribution of votes (ITTC(L)/1, Annex) for the Producer category, noting that the current number of members is 32 Producers and 37 Consumers. On Wednesday, Chair Busink announced that the Central African Republic had acceded to the ITTA, 2006, bringing the number of members to 70.

COUNCIL SESSIONS

The Council met throughout the week to consider issues concerning operational, project and policy work. The following summary is organized according to the agenda.

ADMISSION OF OBSERVERS: Chair Busink invited the Council to consider the lists of observers for admission (ITTC(L)/Info.3). Malaysia objected to admission of the Bruno Manser Fund to the Council, stating that the organization's allegations on environmental crimes undermine Malaysia's reputation in the Council. The US, with the European Union (EU), noted that civil society and non-governmental organizations (NGOs) play an important role in supporting the ITTO's work and that rejection of observer status would compromise their involvement. Switzerland called for openness and transparency within the Council. The EU, supported by Cameroon, called for deferring the subject of the Bruno Manser Fund for later discussion. The Chair postponed the matter for consideration on Tuesday afternoon. On Tuesday, Chair Busink created a Friends of the Chair group to discuss the matter on Wednesday, noting that the Bruno Manser Fund had already left Yokohama.

No consensus was reached on this matter, and on Saturday, the Council adopted a decision (ITTC(L)/21) to create a working group to examine the procedures related to admission of observers.

REPORT OF THE CREDENTIALS COMMITTEE: On Thursday, the Credentials Committee reported (ITTC(L)/5) that Panama had paid its arrears, Costa Rica had delegated its voting rights to Mexico, and Togo had provided the necessary credentials. On Friday morning, the Credentials Committee reported that Brazil had paid its arrears and would be allocated full voting rights, but that due to Fiji and Trinidad and Tobago's absence, the Producers only had 968 of their 1000 votes. On Saturday, it was announced that the Philippines delegated its voting rights to Brazil, and Switzerland to the EU. The Report of the Credentials Committee (ITTC(L)/5 Rev.7) was updated as the meeting went over time on Saturday.

REPORT OF THE INFORMAL ADVISORY GROUP: On Monday, Chair Busink presented the Report of the Informal Advisory Group (IAG) (ITTC(L)/2) held on Sunday, 2 November 2014. He noted that the IAG discussed the ED election process, including the interviewing of candidates by caucuses, the balloting process, and voting procedures in case delegates are delayed due to Ebola measures or in the instance

a decision by consensus is not possible. He explained that, in considering ITTO membership in the World Nature Organization, the Group requested the Secretariat to seek further information on the legal status, funding and structure before becoming a member. Chair Busink further noted that the IAG concluded that the consideration of ITTO's involvement in the Environmental Goods Agreement should be deferred until the World Trade Organization decides whether timber products will be included in the Environmental Goods Agreement. He also said the IAG recommended ITTO remain actively engaged in the IAF process. The Council took note of the report.

ENHANCING COOPERATION BETWEEN ITTO AND CITES: On Wednesday, the Secretariat presented the document on this item (ITTC(L)/6), noting that the collaboration is in its second phase, with a budget of approximately US\$10 million. He noted that the European Commission was funding two-thirds of the required budget, and that additional pledges from others cover less than half of the deficit.

Milena Sosa Schmidt, CITES Secretariat, reported on the rapid growth of demand from countries to participate in the ITTO/CITES programme due to the progress achieved on sustainable harvesting and trade of CITES-listed timber species. She highlighted several publications from the programme and called for continued funding for a third phase.

The EU called for other donors to further fund the second phase. Malaysia said its participation has benefited forestry department staff and enhanced ramin management. Indonesia reported that data on ramin and agarwood have helped to determine harvesting quotas, and Peru highlighted the project's work on mahogany and cedar regeneration.

BIENNIAL REVIEW AND ASSESSMENT OF THE INTERNATIONAL TIMBER SITUATION IN 2013-2014: On Thursday, Frances Maplesden, ITTO Consultant, presented the first Biennial Review (ITTC(L)/7). She explained that countries are still expected to complete the Joint Forest Sector Questionnaire annually, lamenting that only 48 members had returned responses, nine of which were complete. Based on preliminary analysis and secondary data, she highlighted several trends, including a dramatic shift in demand over the last 16 years, with China and India becoming dominant. Maplesden stated that the impact of the EU Timber Regulation (EUTR) is difficult to discern, as EU imports had been decreasing even before the EUTR took effect. She noted that previous unsustainable harvesting and failure to meet plantation targets are partly driving a declining availability of tropical wood material.

MATTERS RELATED TO ARTICLE 14 OF ITTA, 2006: On Monday, Ellen Shaw (US), Co-Chair of the panel created to examine applications for the post of ITTO ED (ITTC(L)/8), reported on the panel's deliberations from 9-11 June 2014. She stated that the panel reviewed 28 applications, comprising 18 candidates from Producer countries and 10 from Consumer countries, of which six were shortlisted. The Council took note of the panel report. Chair Busink invited the six candidates to present their case for being the next ITTO ED.

Gerhard Dieterle, Germany, reviewed the changing context for tropical forest management and institutional challenges facing ITTO, such as an unstable/fluctuating resource base, debates on the productive functions of forests within the international forest

and REDD+ regime, and operational efficiency, monitoring and evaluation challenges. He said his vision for ITTO priorities includes work on: exploring new funding opportunities, such as shifting from a piecemeal project approach to a programmatic approach, or exploring possibilities for a Forest Investment Facility for Green Growth; strengthening ITTO's visibility through revitalized communication, outreach and partnerships; addressing operational efficiency; and strengthening ITTO's impact.

James Gasana, Switzerland, promised three commitments if elected: stimulating reflection on ITTO's position in the emerging post-2015 development context; striving to achieve the objectives of the Strategic Action Plan (SAP) for 2013-2018, and preparing a second plan up to 2025 using the lessons learned from the current plan; and mobilizing adequate financing for the Organization's programmes. He stressed that he was only running for one term. He said his vision for ITTO rests on four building blocks: aligning SFM to new global challenges and opportunities; promoting value addition and market access for tropical forest products; strengthening knowledge management and innovative systems; and enhancing institutional efficiency and accountability.

John Jack Hurd, US, underlined that his 25 years of practical experience in generating resources and management of international organizations are key to taking ITTO forward into the future. Hurd underscored the importance of building on ITTO's past successes and helping members attain sustainable development by establishing long-term economic value of forests and ecosystem services. The new ED, he noted, should enhance technical assistance for smallholders and elevate best practices of community-based efforts. Hurd said, if elected, he would identify and facilitate compelling partnership opportunities and promote performance of the Secretariat by attracting, deploying and promoting qualified personnel.

Eduardo Mansur, Brazil, reported on 33 years' experience as a forester in Africa, Asia, Europe, Latin America and the Caribbean. He underscored that ITTO's vision should focus on achieving the objectives of the ITTA, 2006, and underlined that the undervaluation of forests has motivated conversion to other land uses and undermined SFM in the tropics. Mansur underscored his strategy for a renewed ITTO, including expanding resource mobilization for all five thematic programmes, particularly the Industry Development and Efficiency Programme which has yet to receive funding.

Stressing the critical juncture the ITTO faces, Sheamala Satkuru, Malaysia, outlined a number of points for her vision. Acknowledging ITTO's SFM work, she noted the current need to focus on international trade in sustainable and legal timber products. She suggested capacity building could add value to production chains, and noted the need to identify synergies and funding through processes focused on sustainable livelihoods, poverty and education. She further gave ideas for: fundraising; optimizing the balance between Producers and Consumers; and a marketing campaign. Lastly, she suggested mainstreaming the Civil Society Advisory Group (CSAG) and Trade Advisory Group (TAG) into the ITTO process.

Ivan Tomaselli, Brazil, outlined his years of service to ITTO, *inter alia*, as a member of various expert panels for project

evaluations, underscored his management experience, and proposed a new management approach to help ITTO improve its efficiency and optimize its resource use. As priorities for the Organization, he highlighted: advocating for a stronger focus on ITTO's thematic programmes by ensuring that they are highly efficient in attracting investment options; consulting closely with stakeholders and improving cooperation with member countries and organizations; and increasing funding options through operationalizing a new funding plan, and closer cooperation with the private sector and international funding mechanisms.

On Tuesday, Producers and Consumers held a joint caucus session to pose questions to the six candidates. On Wednesday, noting that failing to select an ED during this Council session may entail reputational risk for ITTO, Finland, for the Consumers, supported by Ecuador, Mexico and the Philippines, called for an initial vote to narrow the list of candidates. Cameroon, for the Producers, and supported by China and Brazil, urged continued consensus building before resorting to voting.

Peru, supported by many, called for creating a contact group. The US proposed putting a time limit on initial consensus-building efforts. New Zealand, supported by the Philippines, Republic of Korea and Cambodia, proposed that, if a contact group could not reach a consensus by the Thursday morning Council session, initial voting could be held to narrow the candidate list, followed by renewed consensus discussions. Delegates agreed to proceed in this manner.

On Thursday morning, noting that consensus was not achieved following caucus meetings, the Consumers reiterated their call for a formal vote to narrow down the candidates. The Producers continued to call for time to build consensus. Carlos Moreno Mericaechevarria, Legal Adviser of the UN Conference on Trade and Development (UNCTAD), explained the UN practice regarding the definition of "consensus" and ITTA, 2006 provisions regarding voting. He noted that the Agreement does not formally recognize "indicative voting," so it could only be conducted outside a formal Council session and its results brought to Council for endorsement. He added that ED election was to be done either by consensus or "special vote," where at least two-thirds of the votes cast by Producers and 60% of votes cast by Consumers were required for a candidate to be elected. The ITTO Secretariat demonstrated the use of the electronic voting system that would be used for special voting in the election.

On Thursday evening, Consumers formally requested a special vote on the six ED candidates, and the Producers continued to suggest other attempts for consensus. Chair Busink, backed by Moreno and citing the rules of procedure under ITTA, 2006, said a request for special vote had clearly been submitted and could not be ignored. Producers agreed to a vote on Friday morning.

On Friday, delegates tested the electronic voting system while the distribution of votes was re-calculated due to new payments of arrears. The Philippines called for a secret ballot. The US, supported by several Producers, suggested eliminating candidates with the least votes after each round of voting. The EU, supported by the Philippines, preferred to use the first vote to take stock of the situation, and then proceed to seek consensus based on the results.

Once the revised report of the Credentials Committee was adopted (ITTC(L)/5 Rev.4), the Council proceeded with the first round of voting. Gerhard Dieterle (Germany) and Eduardo Mansur (Brazil) garnered the most votes.

Once the Council resumed its session after caucus meetings, it was announced that James Gasana (Switzerland) had withdrawn his candidacy. The Consumers called for a second special vote, without the need to eliminate candidates from the list, while the Producers called for reducing the list to the top two candidates, or at least by eliminating the last ranked candidate. The Council proceeded to a second special vote, by secret ballot, for the five remaining candidates, where once again Dieterle and Mansur garnered most votes, but neither met the threshold for election.

On Saturday morning, there were no proposals for a way forward on electing an ED. The Chair asked delegates to consider options to either postpone the decision to ITTC-51 or an extraordinary intersessional session.

In the afternoon, the Producers called for delaying the selection until ITTC-51, noting the costs and travel difficulties for many countries associated with a special session. The Consumers, supported by Ecuador but opposed by Guatemala, Brazil and Ghana, called for a special session, with the EU noting there would also be additional costs associated with waiting until ITTC-51, including the possibility that the current candidates would no longer be available.

Togo, supported by Peru and Mexico, suggested that the Council negotiate an agreement, in writing instead of a gentleman's agreement, for rotating ED terms between Consumers and Producers. He urged the two leading candidates to work out between them who would go first, rather than having the matter decided at a special session or at ITTC-51. The US and the EU said the rotation should start with the Consumer's candidate, while Brazil suggested it start with the Producer's. There was some discussion on the length of the term for the rotation. Chair Busink proposed that a special session, to take place in the very near future, address these issues.

Colombia, with the US, proposed taking a decision on whether or not to rotate at the current session, while postponing the other decisions. Peru, supported by Ghana, Guatemala, Cameroon, the Democratic Republic of the Congo and Côte d'Ivoire, preferred setting up a special working group to come up with a solution that is in the interest of both sides. The US called for a special vote, but, as it was after 9:00 pm, the Chair closed discussion due to lack of interpretation, resulting in postponing the election of the ED to ITTC-51.

ITTO BIENNIAL WORK PROGRAMME (BWP): On Tuesday afternoon, the Secretariat presented the progress report on the implementation of the ITTO BWP 2013-2014 (ITTC(L)/9 Rev.1). He noted the BWP 2013-2014 contained 54 activities, divided into 35 activities under strategic priorities and 19 under administrative and routine activities. He explained that of US\$8,209,710 sought in voluntary contributions for 31 activities, US\$3,170,081 had been received. He said that three of the activities were fully funded, 15 received partial funding and 13 remain unfunded. He then reviewed the fully and partially-funded activities, including, *inter alia*: adoption of credit schemes for small and medium forest enterprises; *ipê* decking, *meranti* plywood and *khaya* lumber environmental product

declarations (EPDs); the International Forum on Environmental Services; and resource mobilization. The EU expressed concern at the number of unfunded projects, suggesting there is a need to reflect on the prioritization of the Organization's work.

The Secretariat then presented the draft BWP 2015-2016 (ITTC(L)/10/Rev.1), explaining that the document proposes 49 activities, six of which are funded from the core operational budget. Another 28 seek voluntary contributions totaling US\$7,623,159. He highlighted that a number of the activities relate to ITTO guidelines or tools, such as those on biodiversity and fire management, as well as developing new guidelines on gender and for customs officials.

Switzerland, with the EU, commented that a more outcome-focused summary of the BWP would be helpful. Brazil, with the EU, Switzerland and New Zealand, emphasized the importance of prioritization, and the EU questioned the rationale of carrying forward activities that did not receive funding in the previous biennium. New Zealand said it was difficult to assess how each individual activity contributed to ITTO's strategic priorities, and expressed concern that the BWP funding is out of line with the SAP priorities.

The US suggested ITTO do an impact assessment of its various guidelines to determine the degree to which they are being taken up before allocating more funding for normative work. The Secretariat suggested this be included in the BWP.

PROGRESS REPORT ON THE IMPLEMENTATION OF THE THEMATIC PROGRAMMES: On Thursday, the ITTO Secretariat introduced the item (ITTC(L)/11), reporting that in 2014, no call for proposals was made due to the financial shortfall of the programmes. He highlighted the overall status of 74 projects funded so far: 29 under Forest Law Enforcement, Governance and Trade (TFLET); 31 under Reducing Deforestation and Forest Degradation and Enhancing Environmental Services (REDDES); five under Community Forest Management and Enterprises; nine under Trade and Market Transparency (TMT); and none under Industry Development and Efficiency (IDE). He added that only one of these, the TMT, has received pledges of US\$324,288 through the ITTO/CITES programme. In response to Decision 4 (XLVIII) on strengthening Thematic Programmes, he reported on the revision of the website, now directly linked to the online project search tool, and ongoing work guidelines to synthesize the achievements of completed projects under REDDES and TFLET. Indonesia, Brazil, Cameroon and Guatemala noted the imbalance in programme funding, calling for pledges for IDE. The EU and Peru urged for cohesion of programmes to achieve ITTO's overarching objectives, while Japan supported earmarking funds to attract donors with particular thematic focus.

DEVELOPMENTS IN THE UN FRAMEWORK CONVENTION ON CLIMATE CHANGE REGARDING FORESTS: On Thursday, Jürgen Blaser, ITTO Consultant, presented this item (ITTC(L)/12). He highlighted the recent finding of the Intergovernmental Panel on Climate Change (IPCC) that land use change is now estimated to be responsible for 10% of anthropogenic carbon emissions. He urged ITTO members to look closely at the funding opportunities presented by the Green Climate Fund (GCF), particularly for REDD+ and climate change adaptation, noting that ITTO can potentially be

an implementing agency through which funds can be disbursed. After reviewing current REDD+ multilateral funding, he also advised that ITTO be involved in ongoing financing discussions under the UNFCCC, and noted that ITTO had not been involved in the preparations of the 2014 UN Climate Summit's New York Declaration on Forests.

Mexico, Colombia, Vietnam and Côte d'Ivoire reviewed national activities related to REDD+. The Republic of the Congo called for ITTO to facilitate the process of applying for REDD+ funding. Blaser underlined that the GCF presented an opportunity to fund adaptation and reduction of vulnerability of tropical forests, not just REDD+.

ITTO/CBD COLLABORATIVE INITIATIVE: On Friday, the ITTO Secretariat reported on this initiative (ITTC(L)/13), recalling the 2010-2014 Memorandum of Understanding between ITTO and the CBD to identify, develop and implement targeted joint activities on forests and biodiversity, and highlighting its recent extension to 2020. He reported on 11 projects covering 26 countries, and the realization of US\$12.5 million out of the required US\$15 million. He also highlighted significant progress on the Strategic Plan for Biodiversity 2011-2020, particularly the forestry-related Aichi Biodiversity Targets. Norway referred to the Fourth Global Biodiversity Outlook, which called for enhancing partnerships in forest biodiversity conservation. Malaysia called for increased coherence with other multilateral environmental agreements, and Mexico urged steps to ensure the initiative's sustainability.

CONSIDERATION OF REGIONAL ITTO PRESENCE AND REPRESENTATION: On Tuesday, ITTO Executive Director Ze Meka introduced the document "Consideration of Regional ITTO Presence and Representation" (ITTC(L)/14/Rev.1). He reviewed the history of regional ITTO representation, and recalled Council Decision 7(XLIX) inviting member countries to submit views on the possible role and objectives, feasibility and budgetary implications of strengthening ITTO's regional presence.

The Philippines asked that the next Council meeting be briefed on the actual accomplishments of the regional officers to know whether or not they are duplicating the functions of headquarters. Ze Meka responded that the regional officers mainly assist in monitoring projects in Africa and Latin America, represent ITTO in regional forums and assist in project formulation.

The EU, supported by the US, questioned the need for establishing "brick-and-mortar" regional offices, and suggested that the existing arrangement continue, perhaps with the officers being hosted by another organization that has a physical presence in the region. Cameroon, on behalf of Producers, asked for more time for their caucus to develop a consensus on this issue.

On Friday, Cameroon, for the Producers, called on the Secretariat to compile views from the contact group, and emphasized that Producers have considered addressing the financial support for an ITTO regional presence through host country support. Highlighting the importance of an ITTO regional presence, Côte d'Ivoire, with Peru, recommended drafting a decision with terms of reference for a consultancy. Switzerland, the US and EU called for a cost-benefit assessment of regional offices, with the US and EU

urging partnership with other organizations such as the UN Development Programme and Food and Agriculture Organization with existing regional offices. Japan expressed concern about the possibility of weakening the headquarters in Yokohama. Guatemala stated that regional presence would improve visibility of ITTO globally as well as strengthen regional work. Brazil supported the option of regional officers over offices and emphasized the need to reduce travel costs from headquarters staff. Chair Busink referred the matter to the CFA.

ITTO FELLOWSHIP PROGRAMME: On Friday, the ITTO Secretariat presented the progress report of the ITTO Fellowship Programme (ITTC(L)/15), highlighting activities marking the occasion of the 25th anniversary of the Programme. She reported on 2014's achievements, including development of a 300-strong Fellowship Network and website, which has had 253,500 visits. She said, to date, 1,273 fellowships have been awarded, adding that in the last five years nearly 50% have gone to women. Fellowship Selection Panel Chair Bin Che Yeom Freezailah (Malaysia) presented the report of the Panel (ITTC(L)/17), noting that of 108 applicants considered, the Panel recommended the Council award 23 fellowships, at a cost of US\$150,780. He said 44% are from Africa, 22% from Asia/Pacific, 30% from Latin America and the Caribbean and 4% from Consumers, with women accounting for 35%.

ANNUAL REPORT FOR 2013: On Friday, the Secretariat presented the Annual Report, highlighting sections covering ITTO cooperation with other international organizations, a timeline infographic of ITTO milestones, the 2013 Annual Market Discussion on "Trade Approaches to Meeting Market Demand for Legality," and the CSAG special event at ITTC-49.

SPECIAL ACCOUNT AND BALI PARTNERSHIP FUND: On Saturday, Chair Busink opened the floor for pledges to the Special Account (Thematic Programme Sub-Account and Project Sub-Account) and the Bali Partnership Fund (BPF). The US pledged US\$100,000 to the TMT Thematic Programme.

Mouhoke Paul Napoléon Gbanzai (Côte d'Ivoire) presented the report of the 20th meeting of the Panel on Sub-Account B of the BPF (ITTC(L)/18), on behalf of Panel Chair Ellen Shaw (US), noting that, as of 7 November 2014, US\$19.58 million of US\$19.72 million had been allocated and US\$254,041.07 in unearmarked funds were available. He reported that the Panel decided to allocate US\$395,000 of the remaining funds across the following activities: promoting the publication, dissemination and application of the ITTO Voluntary Guidelines; improving branding, positioning and marketing of ITTO; considering advice from and involvement of the TAG and CSAG; fellowships; enhancing the technical capacity of member countries to meet statistics and reporting requirements; and improving forestry extension schemes. The report was adopted by the Council.

OTHER BUSINESS: On Wednesday, noting the milestone of the 50th ITTC session, Eva Muller, Food and Agriculture Organization of the UN (FAO), stressed that the elections for ITTO ED come at a crucial time for forests, with the review of the IAF and the forthcoming agreement on SDGs that includes forests. She urged ITTO to submit its views and suggestions regarding the review of the Collaborative Partnership on Forests (CPF) and looked forward to working with ITTO on PES.

On Friday, Cécile Ndjebet, CSAG paid tribute to Yati Bun, founding member of CSAG, who passed away in 2014. She noted ITTO's potential and need to reorganize its structure for continued relevance and urged the Council to elect the next ED of ITTO based on merit and capacity in the forest agenda, and, in the future, to seek mechanisms for a non-politicized election process.

Manoel Sobral Filho, Director of the UN Forum on Forests (UNFF), recalled his tenure as ITTO ED, and acknowledged the support ITTO has offered to UNFF. Afsa Kemitale-Rothschild, UNFF Secretariat, commended ITTO for its role in the CPF and global recognition as the only legally-binding, forest-specific agreement. She reminded Council members of the 5 December 2014 deadline to provide input to the IAF process. She further called on ITTO to provide continued financial support and staff secondment to UNFF.

50TH ITTC PANEL DISCUSSION: "ITTO'S PAST, PRESENT AND FUTURE:" On Wednesday, Chair Busink introduced a panel of invited speakers, highlighting their extensive experience with ITTO, and asked them to reflect on ITTO's past, present and future.

Markku Simula, Independent Consultant, called for identifying niches in the forest-climate interface in which ITTO can play a key role, and for further engaging civil society and the private sector. He commended ITTO's ability to fund 31 on-the-ground projects under REDDES, and highlighted the relevance of the TFLET Programme's focus on enforcement and capacity for legal compliance by small and medium forest enterprises operators.

Stephanie Caswell, Independent Consultant, called on ITTO to raise its profile internationally, highlighting that the current IAF review and post-2015 development agenda setting provided an opportunity for ITTO to engage in carrying forward forest-related SDGs and targets. She urged members to reconsider the caucuses, noting that many Producers are now also major consumers of tropical timber, views often cross caucus lines, and the closed nature of the caucus inhibits transparency.

She called for bringing the TAG and CSAG into the priority-setting process, and for ITTO to help members prepare proposals for the Global Environment Facility's cross-cutting SFM financing strategy.

Jorge Malleux, National Agrarian University of Peru, pointed out that prior to ITTO's existence, many efforts focused on sustainable tropical timber trade were only bilateral, without criteria and indicators (C&I) for developing market, production or harvesting sustainability. He highlighted several important priorities, including education, multinational projects, development of national markets, and properly valuing forests in national accounts.

Gordon Gresham, Marketing Advisor, warned that ITTO's diversification may not be sustainable, and suggested limiting the number of small, single-country projects and focusing on larger projects more heavily involving industry. He further recommended that fellowships include exchanges between Consumers and Producers, during which fellows experience hands-on work in the industry.

Chen Hin Keong, TRAFFIC, said that the consensus approach in some of ITTO's decision making processes has the tendency

to "lower the bar" rather than raise the standard. He said the same is true for the voluntary nature of guidelines. He further noted that global integration is breaking barriers between North and South, and thus Consumers and Producers, and called on ITTO to review this categorization.

In the ensuing discussion, participants and panelists discussed means of raising ITTO's international profile and relevance through outreach, regional project integration, and the possibility of a name change to "International Tropical Forest Organization" that recognizes the larger scope of the Organization. Participants also acknowledged the need to address boundaries of Producer-Consumer bifurcations that retard progress.

JOINT COMMITTEE SESSION

On Tuesday and Wednesday, participants met in a Joint Committee Session, chaired by Bin Che Yeom Freezailah (Malaysia), to discuss: the report of the Expert Panel for Technical Appraisal of Project Proposals and *ex-post* evaluations of projects linked to the Committee on Economics, Statistics and Markets, Committee on Forest Industry, and the thematic groups Biodiversity Conservation/Conservation Areas and Plantation Establishment under the Committee on Reforestation and Forest Management. On Wednesday, the Committees jointly re-convened to continue *ex-post* evaluations and for the Annual Market Discussion 2014.

REPORT OF EXPERT PANEL: On Tuesday, Expert Panel Chair Mario Rodríguez (Guatemala) presented the reports of the Expert Panel for Technical Appraisal of ITTO Project Proposals (ITTC/EP-47 and ITTC/EP-48). He reported that the Panel had reviewed seven pre-projects and 62 projects, 28 of which were being recommended to their respective committees. He said the majority of proposals were from Africa, with most addressing reforestation and forest management. He noted that gender was increasingly considered in projects and many proposals addressed mangrove restoration. Among its recommendations, the Panel suggested creating a new action plan on mangroves and providing more training for project formulation. The Secretariat noted the funds for such training are currently depleted.

EX-POST EVALUATIONS: On Tuesday, Luiz Carlos Estraviz Rodríguez, ITTO Consultant, presented an *ex-post* evaluation on the establishment of the National Forest and Timber Statistics System in Ecuador (CEM-CFI(XLVIII)/3/Rev.1). He said the main objective of the project was to implement a forest management information system that would enable the Environment Ministry to manage forest resources, from field to market. He noted that the Environment Ministry had increased its initial financial commitment to the project tenfold due to its successes. He added that the Agriculture Ministry has initiated a similar system for forest plantations based on the lessons learned from the forest management information system, and recommended that the two systems "walk hand-in-hand" to streamline bureaucracies, share databases and build on successes achieved.

Zhou Yongdong, ITTO Consultant, presented an *ex-post* evaluation on the utilization of small-diameter logs (SDL) from sustainable sources for bio-composite products in Indonesia, Malaysia, the Philippines and Papua New Guinea (CEM-CFI(XLVIII)/3/Rev.1). He said the project sought to assess market needs of tropical SDL bio-composite products, determine

the SDL utilization technology, and transfer the technology for manufacturing value-added bio-composite products. He reported that the project met its outputs and brought many benefits including job creation, but noted project delays, additional costs and unexpected impacts, such as more SDL sourced from plantation or community forests instead of natural forests as originally intended. He recommended a follow-up project to continue studies of SDL bio-composite technologies. Upon recommending changes to policies and regulations, such as taxation to favor the collection and use of SDL from natural forests, Indonesia pointed out that this may have unintended impacts such as prompting excessive logging.

Yan Yu, ITTO Consultant, presented an *ex-post* evaluation on demonstration and application of production and utilization technologies for rattan in the member countries of the Association of Southeast Asian Nations (ASEAN) (CEM/CFI(XLVIII)/3/Rev.1). He said the project aimed to address poverty in rattan production communities, improve collaboration on rattan among ASEAN members, and enhance information and technologies for rattan production. He outlined outputs such as regional consultations, completion of training programmes, demonstration plots, and the production of field guides to Philippines and ASEAN rattans. He highlighted community benefits from the sale of rattan seedlings and capacity building, and recommended further training on harvesting technology.

Marc J. Dourojeanni, ITTO Consultant, gave an *ex-post* evaluation of the establishment of the Mengame-Minkebe Transboundary Gorilla Sanctuary at the Cameroon-Gabon Border (CRF(XLVIII)/4). He said the project aimed to develop an integrated approach for protection of gorillas and their forest habitats through establishment of a 300,000 hectare protected area. He outlined several failures of the project such as overspending on fieldwork while excluding community participation. He further noted the lack of transboundary cooperation since the sanctuary was only set up on the Cameroon side. He recommended a follow-up project despite failure, noting evidence that ecosystems and gorillas would be worse off without the current sanctuary.

Zhuang Zuofeng, ITTO Consultant, presented an *ex-post* evaluation on strategies for developing plantation forests and an approach to conflict resolution in Indonesia (CRF(XLVIII)/5). Noting the successful but slow implementation of the project, he highlighted that the project had informed Indonesia's national policy on plantation forest development, and that collaborative plantation forest management will be extended to other provinces. He reported that local governments played a key role in solving conflicts, as did supportive policies and a legal framework. He added that a Memorandum of Understanding between companies and communities implementing the project should have a long-term view and be reviewed regularly to meet the changing needs of the communities.

On Wednesday, Amha Bin Buang, ITTO Consultant, presented an *ex-post* evaluation of a project on operational strategies for the promotion of efficient utilization of rubberwood from sustainable sources in Indonesia (CEM-CFI(XLVIII)/3 Rev.1). He noted that the project contributed to an enhanced interest in rubberwood among large companies and smallholders, but that revised indicators left doubt as to whether the objective was achieved.

He stated that the wealth of experience and information gained can be used as inputs to policies promoting rubberwood in Indonesia.

The ITTO Secretariat demonstrated the ITTO online project search tool developed to disseminate knowledge on projects at different stages of implementation since 2000. Guatemala underlined the tool's utility for Producers, and Japan stated that it enables them to track projects they have funded.

ANNUAL MARKET DISCUSSION: On Wednesday, Barney Chan, TAG Coordinator, announced the discussion theme as "Domestic and Emerging International Markets – A Changing Market Landscape."

Isac Chami Zugman, Brazilian Association for Mechanically Processed Timber, said Brazilian exports are shifting from tropical woods to pine plywood, and wood frames, moldings and doors. He observed domestic demand, driven by housing construction, is now more important for the industry than export markets, and noted growing interest in certifications of legal origin and sustainable management.

Jirawat Thangkijngamwong, Thai Timber Association, explained how recent political turmoil in Thailand has not slowed industry growth. He emphasized that the Thai timber industry is increasingly focused on meeting domestic demand and on processing wood. He discussed recent efforts to reduce illegal logging, comply with FLEGT, and emphasize environmentally-friendly wood sourcing and processing.

Roy Southey, Wood Foundation South Africa, highlighted investments of US\$4.6 billion and approximately 165,900 employees in South Africa's wood sector. He welcomed visits from Producer country industry representatives, especially from supplying mills, to market their products in South Africa. He recommended that producers focus on consistency of supply, including reliable shipping and minimizing quality variations.

Cindy Squires, International Wood Products Association, described their efforts to build acceptance for wood products, such as supplying designers with information, disseminating positive stories about tropical woods, and increasing industry coordination through the Global Timber Forum. She also highlighted positive developments in the US economy, including eased lending requirements, increased consumer confidence, improving house sales, and an all-time high remodeling index.

Enzo Barattini, retired from the EU Commission, shared EU experiences in private sector engagement as lessons for ITTO and the TAG. He stressed that the future of public-private partnerships is in ensuring knowledge transfer and economic growth. He underscored that ITTO can benefit from the EU's planned actions to support legal trade, accessible bureaucracy, and socio-economic development, including human rights and gender considerations.

Gordon Gresham, Marketing Advisor, highlighted challenges to the tropical timber trade, including competition from new materials and decreasing demand from consumer country markets, and reported that the TAG would come up with strategies to influence these markets. Chan presented the TAG statement, calling for contracting consultants to develop a strategy that blends private sector initiatives and ITTO resources to improve the tropical timber market situation, noting TAG's willingness to help draft TOR for this.

COMMITTEE ON ECONOMICS, STATISTICS AND MARKETS AND COMMITTEE ON FOREST INDUSTRY

The CEM and CFI sessions, chaired by Shingi Koto (Japan) and Björn Merzell (Sweden), respectively, met from Tuesday to Friday to consider: new and in progress projects and pre-projects; completed projects and pre-projects; selection of projects for *ex-post* evaluation; policy work; and the CEM-CFI BWP.

NEW PROJECTS AND PRE-PROJECTS: On Tuesday, the Committees noted six new projects and pre-projects approved at previous sessions and approved under time-bound electronic no-objection procedures.

COMPLETED PROJECTS AND PRE-PROJECTS: On Tuesday, the ITTO Secretariat reported on two completed projects (CEM-CFI(XLVIII)/2) on: development, application and evaluation of biomass energy through briquetting, gasification and combustion of wood and agricultural residue in Cameroon; and participatory forest management for sustainable utilization of non-timber forest products (NTFPs) surrounding a protected area in Indonesia.

Indonesia presented on the positive impacts of the project, including improving capacity of local communities, adoption of a forest management plan, developing six model NTFP enterprises, and establishing farmer groups at the district level.

SELECTION OF PROJECTS FOR *EX-POST* EVALUATION: On Tuesday, the Secretariat noted that one Forest Industry project was selected for *ex-post* evaluation. The Secretariat explained that *ex-post* evaluations are funded by pooled funds for each committee, and that CEM had depleted its funds for this purpose while other Committees still had plenty. He suggested that the Committees may wish to consider a mechanism for moving funds among Committees.

POLICY WORK: The Committees addressed policy work on Tuesday.

Market Access: The Secretariat provided an update on developments in the last year affecting market access of tropical timber. He reviewed legality requirements of some countries, particularly the EUTR, amendments to the US Lacey Act, and the Australian Illegal Logging Prohibition Act. He also noted that at its last Conference of the Parties, CITES had listed over 200 commercially valuable tree species in Appendix 2.

Forest and Timber Certification: The Secretariat briefed delegates on developments in 2013 in relation to forest and timber certification in ITTO producer countries. He noted that member countries had certified 25.5 million hectares of forests, representing 5.7% of global certified forests, and 2,653 chain-of-custody certificates. He said that the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC) continue to be the main certification schemes among ITTO member countries, noting additional national certification schemes in Brazil, Malaysia and Indonesia.

Analysis of the Economic Impact of Governmental Procurement Policies on Tropical Timber Markets: The Secretariat presented the final report of this activity (CEM-CFI(XLVIII)/5). The FSC raised several points about the report, highlighting that the emphasis on environmental credentials fails to recognize that timber legality is also about social issues. Malaysia, with Indonesia, suggested holding a workshop to

disseminate the results of the report. The US, with the EU, questioned the value of a workshop, unless it built on the recommendations in the report.

Matching the Needs of the Forest Industry with Innovations, Technologies and Know-how Developed through ITTO Projects: The ITTO Secretariat presented a website developed based on a thorough analysis of ITTO forest industry projects and a 2013 survey of ITTO and industry members. The Secretariat said the survey identified better access to Lesser Used Species (LUS) as the primary need of industry, and thus the website was designed to provide images, information on taxonomy, substitutes, physical properties and locations of LUS. He noted that while it currently covers 60 Latin American timber profiles, African and Asian data will be added, contingent on funding. In response to the US, he said industry members piloting the website have shown the highest interest in the information on the locale of LUS.

Selected Data and Analysis from Elements for the ITTO Biennial Review and Assessment of the World Timber Situation 2013-2014: On Thursday, the CEM-CFI resumed policy work with a report from Frances Maplesden on the Biennial Review and Assessment (ITTC(L)/7). Maplesden, noting data inconsistencies in the region, stated that Indonesia was the single largest producer of tropical logs, and Indonesia, Malaysia and Vietnam were the largest tropical veneer producers in 2013. She concluded that problems with data irregularity and inaccuracy inhibit informed and effective policymaking.

Report on IMM of FLEGT-Licensed Timber: The Secretariat summarized the main objectives of this project, which will monitor the impacts of Voluntary Partnership Agreements (VPAs) on timber prices, trade and market trends and ensure the reliability of FLEGT timber trade statistics of VPA countries and the EU. He described the IMM methodology, with its draft framework of 33 EU-wide indicators and 19 VPA partner-specific indicators.

The Chair took suggestions for the CEM-CFI Policy Work at its next session. Indonesia, with Malaysia, asked that the next session address the problem of negative misperceptions of tropical timber products. The Secretariat mentioned that the BWP 2015-2016 activity on branding has this as part of its mandate and that the issue could also be taken up under a discussion on EPDs.

BWP FOR THE COMMITTEES 2015-2016: On Thursday, the Committees briefly reviewed 11 relevant BWP 2015-2016 activities (ITTC(L)/10 Rev.1), with Chair Merzell noting a drafting committee would meet to make any significant adjustments. The US and EU stressed that, while not opposing its inclusion in the BWP, Activity 24 (EPDs) should only be a pilot activity, with no expectation that it would become a rolling activity. On Activity 23 ("One-stop" interactive profiles of the wood-based industry, trade and forestry sectors), the US and EU expressed concern that the given budget was unrealistic and suggested consulting other organizations to avoid duplicating work. On Activity 33 (Enhancing cooperation between ITTO and the World Customs Organization), the EU highlighted the importance of this partnership to fight illegal logging and trade.

PROJECTS AND PRE-PROJECTS IN PROGRESS: On Thursday, the Committees considered projects and pre-projects in progress (CEM-CFI(XLVIII)/2). Limiting discussions to projects experiencing implementation problems, the Secretariat noted that: a project on enhancing law enforcement in Papua New Guinea was complete, pending the final audit report; and one on developing a species identification and timber tracking system in Africa with DNA fingerprints and stable isotopes, which required additional funding and an extension. Other projects on extraction of essential oils in the Congo Basin, promoting timber processing, and reviving forestry education in Liberia were also discussed.

The Secretariat noted that the project on assistance for project identification and formulation, implemented since the 1980s, has run out of funding. With several delegations underlining the utility of this project, the Committee agreed to recommend that further funding be made available, and that a discussion on alternative mechanisms for funding this work be included in the next session's agenda.

The Chair brought attention to projects and pre-projects pending financing (CEM-CFI(XLVIII)/4). Malaysia requested, and delegates agreed, that an approved project on life cycle assessment of the carbon footprint of timber products, which had lapsed under the sunset provision, be relisted as an approved project pending financing.

ELECTIONS OF CHAIRPERSONS AND VICE-CHAIRPERSONS FOR 2015: On Friday, the CEM elected Teguh Rahardja (Indonesia) as Chair and noted that the Vice-Chair would be from the US but nominated at a later date. The CFI elected Miguel Mendieta (Honduras) as Chair and Satoshi Teramura (Japan) as Vice-Chair.

DATES AND VENUES OF THE 49TH AND 50TH SESSIONS: On Thursday, the Committees agreed that the 49th and 50th sessions of the Committees will be held in conjunction with ITTC-51 and ITTC-52, respectively.

OTHER BUSINESS: On Thursday, Jean-Guénolé Cornet, ONF International, presented on the Moringa Fund as an innovative way to promote sustainable development in rural landscapes. He said that the Fund invests in agroforestry projects with a 10-15 year payoff, designed to create economic benefits for its investors and local communities, and highlighted the Fund's Technical Assistance Facility to finance and support projects in Latin America and Africa.

RECOMMENDATIONS TO THE COUNCIL: The Committees recommended that funding be made available immediately for two CEM and four CFI projects and pre-projects approved under the time-bound electronic no-objection procedure for the spring and autumn project cycles of 2014, and that additional funding be made available for four CEM and seven CFI projects and pre-projects approved at earlier sessions, three of which had already been partially funded. The Committees also recommended that the issue of including an additional programme support charge on projects to provide funds for project formulation assistance be included on the agenda of the next CFA session.

REPORT OF THE SESSION: On Friday, the draft report of the Committees (CEM-CFI(XLVIII)/6) was accepted by the Committees, without amendment, for submission to the Council.

COMMITTEE ON REFORESTATION AND FOREST MANAGEMENT

The 48th session of the CRF, chaired by Jorge Malleux (Peru), convened Tuesday to Friday to consider: completed projects; new and pre-projects; policy work; the CRF BWP for 2015-2016; implementation of approved projects and pre-projects; elections of officers; and recommendations to the ITTC. Chair Malleux reported the resignation of Vice-Chair James Gasana (Switzerland) and the Committee accepted the Consumer's nomination of Taivo Denks (Estonia) to replace him.

COMPLETED PROJECTS AND PRE-PROJECTS: On Thursday, Chair Malleux opened discussion on the Report on Completed Projects and Pre-Projects in Reforestation and Forest Management (CRF(XLVIII)/2). The Committee declared the following projects complete:

- support for the implementation of a sustainable forest development master plan in Eco-Floristic Area IV, Togo;
- promoting household reforestation in the tropical zone of Southwestern China through development and extension of household-oriented techniques;
- contribution to forest rehabilitation in tsunami-affected areas in Thailand; and
- developing and promoting a monitoring information system to support the sustainable development of tree resources outside forests at the sub-district level in Thailand.

Project reviews were presented for the latter two. The Committee accepted as completed the pre-project on a study for the rehabilitation and sustainable management of sacred forests in Ramsar Convention sites in Benin.

POLICY WORK: Delegates in Committee discussed a number of policy issues on Tuesday.

Contribution of Ecosystem Services to Sustainable Management of Tropical Forests: The ITTO Secretariat reported on the outcome of the International Forum on Payments for Environmental Services of Tropical Forests held in San José, Costa Rica in April 2014. The Secretariat outlined actions taken to promote understanding of PES including: information circulated through a policy brief, the ITTO newsletter and website; and organization of side events at ITTC-50 and on 18 November 2014 at the International Union for Conservation of Nature (IUCN) World Parks Congress in Sydney, Australia.

Monitoring Application of SFM C&I: The ITTO Secretariat summarized the work on C&I for the sustainable management of natural tropical forests under Decision 4(XXXIV), under which new members Benin and Mali participated in workshops, and announced an expert meeting to review C&I to be held in early 2015 in Switzerland.

ITTO Guidelines for the Sustainable Management of Natural Tropical Forests: The ITTO Secretariat reported that the guidelines adopted in June 2014 are available on the website and incorporate recent comments from Malaysia, Mexico and Peru.

ITTO/IPSI Collaboration: The ITTO Secretariat reported on activities on ITTO's involvement with the International Partnership for the Satoyama Initiative (IPSI) and as a member the Steering Committee, including recent participation in two related conferences: the European Regional Workshop

in Florence, Italy in May 2014; and the Fifth IPSI Global Conference in October 2014 in Pyeongchang, Republic of Korea.

Management of Secondary Tropical Forests, Restoration of Degraded Tropical Forests and Rehabilitation of Degraded Forest Land: The Secretariat reported on activities under this BWP activity and noted that regional case study reports will focus on Ghana, Indonesia and Mexico. The Secretariat reported that the IUCN Global Partnership on Forest Landscape Restoration was contacted to compile this information in July 2014, but that the lack of response from them may necessitate requesting an alternative organization.

Prevention and Management of Fire in Relation to Tropical Timber-Producing Forests: The Secretariat reported on activities related to this BWP activity, and outlined preparation for the 6th International Wildland Fire Conference to be held on 12-16 October 2015 in Pyeongchang, Republic of Korea, under the theme “Fire of the Past, Fire in Future.”

BWP OF THE COMMITTEES FOR 2015-2016: On Tuesday, the Secretariat gave an overview, estimated budget and expected duration of the seven activities under the BWP 2015-2016 that fall under the jurisdiction of CRF, as well as three projects under the Council that are relevant to the Committee. The former included:

- improving forest concession policies and practices for timber production forests;
- considering the impacts of conservation and protection in transboundary areas in achieving SFM;
- promoting the conservation, restoration and management of mangrove ecosystems;
- facilitating the application of ITTO/IUCN guidelines on biodiversity conservation in tropical timber forests;
- promoting the understanding of the contribution of environmental services to sustainable management of tropical forests;
- contributing to international fire management efforts; and
- improving forestry extension schemes.

The latter activities were: disseminating and promoting utilization of the ITTO Voluntary Guidelines for the Sustainable Management of Natural Tropical Forests; monitoring progress on application of C&I; and studying the implications of climate change for tropical forests and their mitigation contribution.

The US, noting the number of activities requiring external donors, requested that the Secretariat prepare a strategic priority plan.

IMPLEMENTATION OF APPROVED PROJECTS AND PRE-PROJECTS: On Thursday, the Committee reviewed implementation of projects and pre-projects (CRF(XLVIII)/3). They reported on projects in various stages of implementation as follows: 39 approved projects currently under implementation; five projects awaiting signing of implementation agreements; 25 approved projects still awaiting full financing; and two approved projects that fell under the sunset provision.

There were no requests for additional funds and the Committee considered extensions for the following projects and pre-projects:

- production systems and integrated management of shoot-borers for the successful establishment of *Miliaceae* plantations in Mexico;

- C&I for the evaluation of tropical forest management sustainability in Mexico;
- institutional strengthening of the Panamanian Environment Agency for integrated forest fire management;
- development of the National Reforestation Policy and Afforestation Strategy in Liberia;
- establishment and management of production-protection community forests in lower and middle Arato in Colombia;
- evaluation of the status of forest resources in Côte d’Ivoire;
- sustainable community management, utilization and conservation of mangrove ecosystems in Ghana; and
- controlling dieback and decaying in plantation species in Côte d’Ivoire.

The following projects and pre-projects under implementation remained incomplete pending submission of final financial audits:

- assessment and management of mangrove forests in Egypt for sustainable utilization and development; and
- promotion of the sustainable management of tropical planted forests in Republic of the Congo.

The following projects had pending final financial audits in addition to other modifications:

- a reforestation pilot project for the recovery of degraded areas in the Medium Doce River region in the State of Minas Gerais, Brazil; and
- SFM for the forest production area of the Northern and Northeastern regions of the Department of Antioquia in Colombia.

A project review presentation was given on establishment of pilot sites for integrated fire management in rural communities in Guatemala.

BWP 2015-2016: On Thursday, the US presented a proposal for an activity under Strategic Priority 1 (Promote Good Forest Governance and Financing for SFM of the SAP), reviewing eight ITTO policy guidelines in 2015 to identify their current usage and receive feedback on the importance of developing and promoting policy guidelines. She said the proposed budget of US\$50,000 would be sourced through voluntary contributions. Cameroon supported the project, and the Chair noted that it would be taken up by the drafting committee.

ELECTIONS OF CHAIRPERSONS AND VICE-CHAIRPERSONS FOR 2015: On Friday, the Committee approved Taivo Denks (Estonia) as Chair for 2015, and Nurudeen Iddrisu (Ghana) as Vice-Chair.

DATES AND VENUES OF THE 49TH AND 50TH SESSIONS: It was agreed that the forty-ninth and fiftieth meetings of the Committee will be held in conjunction with ITTC-51 and ITTC-52, respectively.

RECOMMENDATIONS TO THE COUNCIL: On Friday, the Committee approved recommendations including making funding available for 17 projects and five pre-projects previously approved, and approving an activity to undertake a survey to assess the use of ITTO guidelines in the BWP 2015-2016.

REPORT OF THE SESSION: On Friday, the Committee accepted the draft report (CRF(XLVIII)/7), with minor amendments, for submission to the Council.

COMMITTEE ON FINANCE AND ADMINISTRATION

The CFA, chaired by Ellen Shaw (US) with Vice-Chair Gilbert Kaya (Republic of the Congo), met from Tuesday to Saturday to consider, *inter alia*: the administrative budget for 2015; the Administrative Account; revisions to ITTO Staff Regulations and Rules; and the BWP of the CFA. On Friday, Vice-Chair Kaya took over as CFA Chair, as Shaw had been called back to her capital.

APPROVED BIENNIAL ADMINISTRATIVE BUDGET, 2014-2015: On Tuesday, the Secretariat presented the Biennial Administrative Budget 2014-2015 (CFA(XXIX)/2 Rev.1), noting that no changes had been made to the budget approved at ITTC-49, and that the Working Capital Account (WCA) had a surplus of US\$419,918.

The EU, supported by many, suggested using the surplus funds of the WCA to finance the new ED's travel to Yokohama during the transition period between directors. Delegates requested that more information be provided on the types and costs of activities that could be funded during this transition period, and a small drafting group was created to come up with a proposal for the Committee.

On Thursday, Germany, on behalf of the EU, reported on the small drafting group regarding provision for the ED transition. Germany said that the group proposed employing the incoming ED as a consultant for one month, and proposed a budget provision for that purpose (CFA(XXIX)/CRP.1). On Friday, the Committee accepted to forward to Council the ED in Transition drafting group's proposal, offering the ED a consultancy for one month, including US\$18,000 as payment, an economy class air ticket of up to US\$2000, and daily subsistence allowance of US\$243 per day.

REVIEW OF CONTRIBUTIONS TO THE ADMINISTRATIVE BUDGETS: On Tuesday, the ITTO Secretariat discussed a Statement of the Administrative Account (1986-2014) (CFA(XXIX)/3 Rev.1). He noted recent revisions made to reflect the payments from Suriname and Vietnam as they joined ITTA, 2006. He said Producer and Consumer members owed US\$4,010,168.17 and US\$126,065, respectively, in contributions, adding that Gabon would not be allowed to submit project proposals because its arrearage exceeded its current assessed contributions by a factor greater than three. Côte d'Ivoire noted that a recent payment had not been reflected in the document.

STATUS OF THE ADMINISTRATIVE ACCOUNT: On Tuesday, the Secretariat reviewed the Current Status of the Administrative Account (CFA(XXIX)/4 Rev.1). He noted that a savings of US\$652,424 will accrue in 2014, and would be transferred to the WCA. He added that, within a period of two years, the WCA had more than doubled from US\$2.5 million to US\$5.5 million, through sound financial management of the Organization's resources and zero growth of the budget.

RESOURCES OF THE SPECIAL ACCOUNT AND THE BALI PARTNERSHIP FUND (BPF): On Tuesday, the ITTO Secretariat introduced this item (CFA(XXIX)/5), noting that US\$2.5 million, out of a needed US\$16.47 million, had been pledged for projects, pre-projects and activities awaiting full financing. He said that US\$21.96 million had been pledged towards the funding target of US\$58 million for the Thematic

Programmes. He added that: BPF Sub-Account A had received US\$25.10 million, which had already been fully committed; and BPF Sub-Account B had received a total of US\$19.72 million, which after allocations had a balance of US\$142,612.

AUDITOR'S REPORT FOR THE FINANCIAL YEAR 2013: On Tuesday, the ITTO Secretariat presented the Auditor's Report for the Financial Year 2013 (CFA(XXIX)/6), noting that the auditors have provided a satisfactory opinion of the accounts. The Committee requested that the Council adopt the report.

ITTO STAFF REGULATIONS AND RULES: The Secretariat introduced the proposed revisions of the Staff Regulations and Rules (CFA(XXIX)/7) on Thursday, noting that ITTC-49 had recommended that ITTC-50 consider the revision and requested the Secretariat to provide up-to-date information on the UN Staff Regulations and Rules. He explained that the ED proposed amendments to the rules of the Council based on the regulations of the UN, the International Coffee Organization (ICO) and International Cocoa Organization (ICCO).

Delegates raised concerns, including: using ICO and ICCO staff regulations as source material when both bodies are in the midst of revising them; the retirement age, with Japan favoring 62 and others 65; whether the Assistant ED should be subject to a competitive process or appointed by the ED; travel rules, especially for long-distance air travel; dependency allowances; provisions on termination indemnity, insurance rules and temporary employment; the implications of the phrase "so far as is practicable" in the competitive hiring regulation; and doubts regarding the Secretariat's assertion that the proposed changes involve no financial implications. Several delegations also expressed concern that there was insufficient time left in ITTC-50 to adequately analyze and discuss the proposed revisions.

The EU expressed concern that it was unclear which revisions were based on UN Staff Regulations and Rules which were drawn from ICO. He proposed hiring a consultant to undertake a more thorough review and offered EU funding to cover the cost. Ghana, supported by Brazil, Côte d'Ivoire, Mexico and Republic of Congo, preferred finishing this work by the end of the session. The EU reiterated that a consultant would be useful in looking into examples beyond ITTO, but that an in-house analysis was acceptable. Delegates agreed to further discussions on these items in a contact group.

On Friday, the Secretariat presented a draft recommendation to the Council prepared by the contact group, calling for a decision asking the Secretariat to make proposals for priority consideration by the CFA at its 2015 session. Côte d'Ivoire, supported by Benin, expressed concern that the specific issues on which the contact group reached consensus were not listed in the draft. Brazil proposed addressing this by amending the draft recommendation to ask that the Secretariat take the Committee's deliberations into account when drafting the new proposals. When some delegates noted that the draft recommendation did not reflect the EU's offer to hire a consultant, the EU explained that some delegations were hesitant to accept the offer, so the EU had not pressed the matter.

The CFA decided to recommend that the Secretariat be asked to prepare, by July 2015, for consideration at the CFA's next session, recommendations for changes to the Staff Regulations and Rules that it deems advisable, including those changes

proposed by the Secretariat in CFA(XXIX)/7, while bearing in mind the deliberations at this CFA session. The Committee asked that the Secretariat's recommendations be accompanied by: justifications for the proposed changes; estimated financial implications in the near and long term; comparable cost containment measures to ensure that the overall biennial budget is equal to or lower than the biennial budget 2014-2015; and a comparison with the relevant text from the 2015 Staff Regulations and Rules of the UN or other relevant international organizations such as the ICCO or ICO. The CFA also asked the Secretariat to analyze the possibility of adopting future changes to the UN Staff Rules and Regulations and to report to the next CFA session on the viability and implications of such a procedure, particularly bearing in mind the experience of international organizations outside the UN family that have adopted such mechanisms. The CFA decided to give this issue priority status during its 2015 session.

PROGRESS REPORT ON THE IMPLEMENTATION OF THE CFA BWP 2013-2014: Lyndall Bull, ITTO Consultant, reported on the activity on mobilizing new funding and partnerships for ITTO and its objectives (CFA(XXIX)/8). Bull highlighted work on: the production of a range of communication products; development and upkeep of a funding pipeline tracking document; completion of a survey of members and fundraising gap analysis; and development of a Fundraising Action Plan. She reported that donors are largely positive about ITTO and its work, but emphasized the need for ITTO to improve its profile and working relationships with prospective donors.

Responding to a request for advice to the incoming ED, Bull highlighted some specific funding opportunities for the short-term, and called for developing a grander, long-term vision for ITTO for drawing in new funds. Responding to a question on her contacts with donors, Bull said Australia was "extremely positive," in part due to a recent successful project Australia funded through ITTO. Responding to Côte d'Ivoire on other possible donors, Bull said several organizations, such as the Inter-American Development Bank and International Finance Corporation, indicated common interests, but she could not reveal details because of the confidentiality of the discussions. In responding to a question on the Secretariat's capacity to turn challenges into opportunities, Bull cautioned that the amount of work involved in fundraising should not be underestimated, recommending having a staff member dedicated to the effort.

ITTO BWP 2015-2016: On Friday, the Committee discussed this item (ITTO(L)/10 Rev.1), with delegates accepting the study proposed by the contact group on Regional ITTO Presence and Representation, which will, among other things: assess the pros and cons of regional offices versus officers; propose roles and responsibilities of regional officers; and suggest selection criteria for regional offices. He noted the study would be carried out by the Secretariat with the support of a consultant, costing US\$25,000 to be drawn from the WCA. Brazil requested justification for a consultancy, and Peru explained that there is need for in-depth analysis as to whether regional presence would be more efficient than the current two regional representatives in Africa and Latin America.

The EU requested the Secretariat to inform delegates on the progress achieved in migration to International Public Sector

Accounting Standards (IPSAS). The Secretariat noted delays due to, *inter alia*, the ongoing testing of Enterprise Planning Resource software at ITTO, adding that IPSAS was still a priority.

Brazil asked for clarification on the use of voluntary contributions for branding, positioning and marketing of ITTO. The Secretariat explained that this activity aims at producing high quality videos and other information, as well as educational materials.

ELECTIONS OF CHAIRPERSON AND VICE-CHAIRPERSON FOR 2015: On Saturday, the Committee approved Gilbert Kaya (Republic of the Congo) as Chair for 2015, and Rob Busink (Netherlands) as Vice-Chair.

DATES AND VENUES OF THE 30TH AND 31ST SESSIONS: It was agreed that the thirtieth and thirty-first meetings of the Committee will be held in conjunction with ITTC-51 and ITTC-52, respectively.

RECOMMENDATIONS TO THE COUNCIL: On Friday, the Committee approved six recommendations to the Council, namely to: endorse the Administrative Budget for the Financial Year 2015 (CFA(XXIX)/2/Rev.3); adopt the Report of the Independent Public Accountants for the Financial Year 2013 (CFA(XXIX)/6); authorize the ED to use WCA funds to ensure the smooth transition of the Organization; authorize the ED to use WCA funds to engage a consultant to explore impacts of having Regional Offices; and examine and take actions to ensure the needed resources to achieve ITTO objectives.

REPORT OF THE SESSION: On Saturday, Chair Kaya introduced the CFA draft report (CFA(XXIX)/9) for consideration. The Committee adopted the report with minor amendments.

CLOSING PLENARY

The closing plenary took place on Saturday evening.

REPORTS OF THE COMMITTEES: The reports of the Associated Committees of the ITTC were presented to the Council. CEM Chair Koto and CFI Chair Merckell presented the report of the CEM-CFI (CEM-CFI(XLVIII)/6), which was adopted. CRF Chair Malleux presented the CRF report (CRF(XLVIII)/7), which was adopted. CFA Chair Kaya presented the report of the CFA (CFA(XXIX)/9), which was adopted.

ELECTION OF CHAIR AND VICE-CHAIR FOR 2015: The Consumer group nominated Bin Che Yeom Freezailah (Malaysia) as Chair and the Producer Group nominated Jennifer Conje (US) as the Council Vice-Chair. Both were elected by acclamation.

DATES AND VENUES OF ITTC-51 AND ITTC-52: Malaysia confirmed that the 51st session of the ITTC would take place in Kuala Lumpur, Malaysia, from 16-21 November 2015. Japan announced that it will host the 52nd session of the ITTC in Yokohama, Japan, from 7-12 November 2016. Peru noted its intention to host the 53rd session of the ITTC.

DECISIONS AND REPORT OF THE SESSION: The Council adopted three out of four decisions without amendment. Decision 1(L) (ITTC(L)/19) on Projects, Pre-Projects and Activities, states that the Council: endorses the approval of 28 projects and pre-projects, reinstates the approved status of one

project, and that funding be made available for implementation. The Council authorizes financing for immediate implementation of the following projects, pre-projects and activities:

- three approved during the 2014 project cycles;
- nine approved in the earlier project cycles or through Council decisions;
- 20 activities approved in the 2013-2014 or 2015-2016 BWP;
- additional funds for the continued implementation of the TMT Thematic Programme;
- an activity on building capacities for biodiversity conservation in transboundary conservation areas in the Congo Basin approved through Decision 6(XLVI); and
- an activity recommended by the CFA to ensure smooth transition of the organization (CFA(XXIX/9).

The Council also authorized the financing for immediate implementation of 25 projects, pre-projects and activities as soon as earmarked funds are available in the BPF Account.

The Council further:

- urges members to consider funding projects, pre-projects and activities including through unearmarked contributions to the Thematic Programmes Account and make voluntary contributions to the BPF; and
- requests the ED to continue consultations with potential donors and the Common Fund for Commodities to secure financing.

Decision 2(L) (ITTC(L)/20) lists activities to be funded under BWP 2015-2016. Decision 3(L) (ITTC(L)/21) on admission and activities of observers during Council sessions, states that the Council:

- requests the ED to compile a background paper on procedures from relevant international organizations regarding admission, rights and responsibilities, and activities of observers at sessions and side events;
- requests the ED to establish a working group to review the background paper, develop guidelines for observers' activities and make recommendations to the Council to enhance observer engagement;
- will consider the report of the working group at ITTC-51 and adopt improved procedures for admission of observers and activities; and
- requests member countries to make voluntary contributions of US\$13,000 for the consultant fee and US\$27,000 for the working group meeting available through the 2015-2016 BWP to meet the financial requirements of implementing the decision.

Decision 4(L) (ITTC(L)/22) on the appointment of the ED was deferred to ITTC-51.

CLOSING STATEMENTS: Ze Meka expressed disappointment that he could not end the session by congratulating the new ED. He highlighted ITTO's historical achievements in sustainable management of tropical forests and the refinement of the ITTO's agenda to incorporate elements of sustainable development. He offered his appreciation to his colleagues and stated that his only regret was that the ceaseless effort of the Council has not been properly valued through the provision of financial resources. Ze Meka added that he hoped the next ED will be able to increase financial support to help ITTO meet its full potential.

Outgoing Chair Busink noted that the week had resulted in steps forward on important issues, although it did not succeed in appointing a new ED. He thanked Ze Meka for his outstanding and dedicated service and expressed appreciation to the Government and people of Japan, City of Yokohama, interpreters and Secretariat. He adjourned the meeting at 9:28 pm.

A BRIEF ANALYSIS OF ITTC-50

At ITTC-49 in Libreville, Gabon, Brazilian Senator Jorge Viana, a long-time "friend of the International Tropical Timber Organization," told Council members that ITTO does not need to change its path, it just needs to learn a new way of walking. Yet as member countries came to Yokohama to mark the 50th session of the Council, some members wondered if ITTO needed to contemplate doing a bit of both.

ITTO members used the occasion of their 50th Council session to reflect on the evolution of ITTO's role and purpose, and where it should go from here. An extensive panel of experts presenting on "ITTO: Past, Present and Future" at ITTC-50 offered members many options and issues to ponder in rejuvenating the Organization, particularly in a world of reduced donor contributions and changing market conditions that have not necessarily favored tropical timber. The Council also attempted to choose a new Executive Director (ED) to lead the Organization through its next steps.

The selection of the ED dominated the agenda throughout the week, and the fact that a decision was not taken at this session, due to the divide between Producer and Consumer country caucuses, disappointed many. One delegate lamented openly that, even at its 50th session, the Organization had not matured politically or institutionally. Failure to reach agreement on this fundamental issue left many wondering whether ITTO was ready to surmount the challenges that lie ahead. This brief analysis looks at how the ED election has accentuated some of ITTO's difficulties that may stymie the process of rejuvenation, reflecting on both the way the Organization walks, and the path it is on.

AN ORGANIZATION DIVIDED

The drawn-out and ultimately unsuccessful process of selecting the new ED was an illustrative metaphor for many of the problems identified by the panel on "ITTO: Past, Present and Future." The entire process repeatedly pitted the two ITTO caucuses, Producers and Consumers, against one another. Each group fiercely backed their respective candidates and continually disagreed on the appropriate process of selection (either through consensus or special vote, and later, either at a special session or at ITTC-51), until, because of lack of interpretation, they ran out of time without reaching a decision. This led more than one delegate to privately complain that the election seemed more about caucus partisanship than frankly discussing what members wanted the next ED to do for ITTO and who the best candidate was for the job. The CSAG representative echoed this sentiment in her statement to the Council.

Considering that the difficulties reaching consensus this week were not the first of their kind, some panel members criticized the caucuses as an outdated, forced dichotomy that creates misunderstanding and mistrust among members, impeding

transparency. Caucus sessions are closed, with observers and members of the other caucus not privy to their discussions. Thus, often the caucus outcome, or lack thereof, emerges without context to non-caucus members and can be misinterpreted.

In addition, as many at ITTC-50 pointed out, the division no longer makes the same sense it did 28 years ago, as many “producers” have become large consumers of tropical timber, South-South trade has grown, and trade ties and alliances have brought the interests of both groups closer together. Former ITTC Chair Stephanie Caswell noted that while the Consumer and Producer categories are established under the ITTA, 2006 and the voting is set up along these lines, the caucuses themselves are a Council artifact and could be discontinued if the Council so chose. Yet many members seem comfortable sticking with the existing arrangement, with some even lauding it as one of those features that makes ITTO unique.

SOMEONE TO LEAD US TO THE PROMISED LAND

Financial woes continue to slow down the ITTO. Despite a healthy Working Capital Account (WCA), many approved projects remain unfunded or partially funded, and the funding shortfalls in Thematic Programmes led to no call for new proposals in 2014. The US announcement during the closing plenary of a US\$100,000 contribution to the Thematic Programme on Trade and Market Transparency was uplifting, but others noted that programmes of more interest to producers remain underfunded, or in the case of Industry Development and Efficiency, unfunded. So it came as no surprise that members questioned the ED candidates on their ability to mobilize resources and come up with innovative fundraising ideas.

While none of the ED candidates publicly suggested that they had donors lined up, most of the candidates underscored their fundraising experience and evoked ideas such as:

- seeking agency accreditation for ITTO with the Green Climate Fund and Global Environment Facility to tap their funding for climate and SFM projects, respectively;
- forming more bilateral partnerships with other entities, building on successes with CITES, IUCN and the CBD, such as the FAO, the World Bank, the Center for International Forestry Research (CIFOR), and regional banks;
- forming or joining broad multi-stakeholder partnerships to tackle issues relevant to tropical forests using a programmatic approach;
- exploring the possibilities for a Forest Investment Facility for Green Growth; and
- exploring opportunities for private sector participation and contributions.

Many Council members linked funding, or lack thereof, to the Organization’s low profile on the international scene—the fact that its “brand” is not more broadly known, that tropical timber has become less popular in consumer markets, and that the Organization’s role in international forestry is not well understood. This message was hammered home when a fundraising consultant reported to the Committee on Finance and Administration that a survey of potential donor agencies and funding partners found that a surprising number of people did not know about ITTO and/or its work in areas such as SFM, REDD+, community forestry, forest governance and enforcing legal trade. Several Producer country members pushed for

enhancing regional presence and representation as a way to raise the profile of the Organization in those regions, making ITTO more visible and stimulating more project work and regional linkages. But here again, the Producer/Consumer divide, with several Producers calling for “brick-and-mortar” presence in Africa and Latin America, and Consumers questioning the value-added of a physical office for a cash-strapped organization, derailed a decision that many Producers saw as a way to increase ITTO’s profile internationally.

EYEING THE PATH AHEAD

At the start of the week, many Council members were pinning their hopes on appointing a dynamic ED who could breathe new life into ITTO efforts to raise the Organization’s profile. In the end, the fact that the next ED was not elected appeared to have less to do with active discussion about the desired future of ITTO or who had the most compelling vision and leadership skills to shepherd the Organization toward that future, and more with old-fashioned politicking. The delay in making the final decision on the next ED until ITTC-51 may give time for member countries to refocus on a vision for the future of the Organization.

That said, some of the groundwork has already been laid for the changes many Council members have said they want a new ED to bring. For example, the ITTO currently has funded activities in the Biennial Work Programme seeking to improve its brand, make the lessons learned from its on-the-ground projects more broadly accessible and better known, and to review and rethink its fundraising strategy. Successful collaborations with CITES and the CBD continue to receive member and donor support, and can serve as models for future collaboration with other international organizations and conventions that can draw in further resources. These are all positive steps in defining a way forward.

Nevertheless, ITTO faces daunting tasks in 2015. ITTC-50 mandated some important but tricky tasks for the Secretariat to complete by ITTC-51, such as proposing revisions for the staff regulations and assessing the option of establishing regional offices. In addition to organizational issues, 2015 is a crucial year for international forestry organizations. The International Arrangement on Forests is up for review, and as the implementer of the only legally-binding agreement on tropical forests, ITTO has much to contribute to the debate and the revised international architecture of forest governance. Forests will also play a major role in achieving the proposed SDGs; one goal explicitly includes sustainably managing forests and halting biodiversity loss, but, as several experts pointed out during the week, forests are a cross-cutting theme that can help to achieve proposed targets on poverty, energy, water, and sustainable production and consumption, among others. ITTO cannot afford to “miss the bus” in engaging in this debate and carrying the SDGs and their targets forward. Current Executive Director Emmanuel Ze Meka will have to lead the organization through this critical year, with little certainty as to who will continue this work. That the ITTO can accomplish its tasks in 2015 is not assured. While members have begun to examine the ITTO’s vision during ITTC-50, there is still much to be done. Many commend its successes but continue to ponder both its direction and means of achieving its goals. Perhaps the ITTO needs to fix its way of walking before considering its path ahead.

UPCOMING MEETINGS

IUCN World Parks Congress 2014: The sixth International Union for Conservation of Nature (IUCN) World Parks Congress will serve as a vital link to achieving IUCN's overall vision of a "just world that values and conserves nature" and delivering the IUCN Programme 2013-2016. **dates:** 12-19 November 2014 **location:** Sydney, Australia **contact:** Congress Secretariat - ICMS Australasia **phone:** +61-2-9254-5000 **fax:** +61-2-9251-3552 **email:** info@worldparkscongress.org **www:** <http://www.worldparkscongress.org/>

72nd Session of the Committee on Forests and the Forest Industry: The UN Economic Commission for Europe (UNECE) Committee on Forests and the Forest Industry (COFFI) will consider the "Rovaniemi Action Plan for the Forest Sector in a Green Economy," which consists of five pillars: sustainable production and consumption of forest products, a low carbon forest sector, decent green jobs in the forest sector, long-term provision of forest ecosystem services, and policy development and monitoring of the forest sector in relation to a green economy. The workshop will also address forest resources assessment and reporting issues and develop guidance on implementation of the UNECE/FAO Integrated Programme of Work. **dates:** 18-21 November 2014 **location:** Kazan, Russian Federation **contact:** Paola Deda **phone:** +41-22-917-2553 **fax:** +41-22-917-0041 **email:** paola.deda@unece.org **www:** <http://www.unece.org/forests/kazan2014.html>

Lima Climate Change Conference: The 20th session of the Conference of the Parties (COP 20) to the UNFCCC and 10th session of the Conference of the Parties serving as the Meeting of the Parties (CMP) to the Kyoto Protocol will take place in Lima, Peru. **dates:** 1-12 December 2014 **location:** Lima, Peru **contact:** UNFCCC Secretariat **phone:** +49-228-815-1000 **fax:** +49-228-815-1999 **email:** secretariat@unfccc.int **www:** http://unfccc.int/meetings/lima_dec_2014/meeting/8141.php

Global Landscapes Forum: The second Global Landscapes Forum (GLF) will be convened on the margins of COP 20 by the CGIAR Consortium's Center for International Forestry Research (CIFOR), UNEP and the Government of Peru. The Forum will focus on integrating the landscape approach into the post-2015 climate and development agendas. The event will also feature a debate on the future of food security in a changing climate. **dates:** 6-7 December 2014 **location:** Lima, Peru **contact:** Ann-Kathrin Neureuther **email:** a.neureuther@cgiar.org **www:** <http://www.landscapes.org/glf-2014/>

Latin American Regional Workshop on Forestry Education and SFM: The National Agrarian University of Peru, in collaboration with ITTO and FAO, is organizing a three-day workshop on forest education and SFM during UNFCCC COP 20. **dates:** 8-10 December 2014 **location:** Lima, Peru **contact:** Jorge Malleux **email:** jmalleux@gmail.com

Expert Meeting to Review SFM Criteria and Indicators (C&I): A technical working group of invited experts will meet to review the ITTO C&I, taking into account experience gained in compiling the SFM Tropics reports, recommendations from national C&I workshops, revision of ITTO guidelines and policy papers, the review of field level implementation of the C&I carried out in 2010-2011 and developments in international forestry. **dates:** early 2015 **location:** Switzerland **contact:**

ITTO Secretariat **phone:** +81-45-223-1110 **fax:** +81-45-223-1111 **email:** itto@itto.int **www:** <http://www.itto.int/>

Independent Market Monitoring (IMM) Advisory Committee Meeting: Relevant stakeholders from ITTO, FAO, the European Forest Institute (EFI) and other organizations involved in timber product legality will meet to discuss the technical aspects of the IMM system, promote coordination of IMM activities with other agencies and facilitate communication of IMM activities. **dates:** early 2015 **location:** TBA **contact:** ITTO Secretariat **phone:** +81-45-223-1110 **fax:** +81-45-223-1111 **e-mail:** itto@itto.int **www:** <http://www.itto.int/>

Second Meeting of the Open-Ended Intergovernmental Ad Hoc Expert Group on the International Arrangement on Forests (AHEG2): The second meeting of the AHEG to the UN Forum on Forests (UNFF) will review the International Arrangement on Forests (IAF). Expected outputs from AHEG2 include recommendations on an IAF beyond 2015 based on inputs from stakeholders and an independent review of the IAF multi-year programme of work. In order to facilitate its work, AHEG2 will consider input on the future of IAF provided by member States and other stakeholders, as long as such inputs are received before 5 December 2014. **dates:** 12-16 January 2015 **location:** UN Headquarters, New York **contact:** UNFF Secretariat **phone:** +1-212-963-3401 **fax:** +1-917-367-3186 **email:** unff@un.org **www:** <http://www.un.org/esa/forests/adhoc.html>

The Economics of Climate Change Mitigation Options in the Forestry Sector: FAO is convening an online conference to discuss the costs and benefits of various options for climate change mitigation in the forestry sector including REDD+, green building, and the promotion of bioenergy. The conference will be organized under two themes: "climate change mitigation through forest management interventions" and "climate change mitigation through improved wood utilization." **dates:** 6-27 February 2015 **location:** virtual **contact:** Ilias Animon **email:** illias.animon@fao.org **www:** <http://www.fao.org/forestry/cc-mitigation-economics/en/>

59th World of Wood Annual Convention of the International Wood Products Association (IWPA): Wood importers, distributors, wholesalers, manufacturers, overseas producers and trade facilitators will meet for updates on: economic trends and market projections for wood products; Generalized System of Preferences renewal; US Customs classification and audits; formaldehyde emission rules; sustainable trade opportunities and challenges; and leadership and business strategies. **dates:** 18-20 March 2015 **location:** Las Vegas, US **contact:** Felicia Johnson **phone:** +1-703-820-6696 **fax:** +1-703-820-8550 **email:** felicia@iwpawood.org **www:** www.iwpawood.org/?convention

Eleventh Session of the UNFF (UNFF11): UNFF11 will consider the future of the IAF, based on challenges and its effectiveness. The meeting will also review progress on the implementation of the global objectives on forests and the non-legally binding instrument on all types of forests. Thematic issues under consideration will include SFM and forest law enforcement as well as cooperation and coordination. **dates:** 4-15 May 2015 **location:** UN Headquarters, New York, US **contact:** United Nations Forum on Forests Secretariat

phone: +1-212-963-3401 **fax:** +1-917-367-3186 **email:** unff@un.org **www:** <http://www.un.org/esa/forests/session.html>

Global Timber Forum: The world's wood industry associations will gather for networking and information-sharing, with a view to strengthening the industry's voice in communication with NGOs, governmental bodies and the wider marketplace. The meeting will aim to develop the market for wood, with sessions focused on, *inter alia*, meeting market legality requirements, technical development and innovations, and green building. **dates:** 9-11 June 2015 **location:** Shanghai, China **contact:** Mike Jeffree **phone:** +44-7967-614-763 **email:** mjeffreel@gmail.com **www:** <http://gtf-info.com/>

Fourteenth World Forestry Congress: The 2015 World Forestry Congress will come together under the theme, "Forests and People: Investing in a Sustainable Future." The Congress, convened by the FAO and the Government of South Africa, will consider how forests can be mainstreamed into global discussions on sustainable development and will facilitate the development of partnerships to address global forestry issues. **dates:** 7-11 September 2015 **location:** Durban, South Africa **contact:** FAO Forestry Department **email:** WFC-XIV-Info@fao.org **www:** <http://www.fao.org/forestry/wfc/en/>

29th Session of the Latin American and Caribbean Forestry Commission: The FAO will convene this meeting in order to bring together forestry experts and decision makers from the region. The meeting is one of six region-specific meetings held every two years in support of the FAO Regional Forestry Commissions. **dates:** 5-9 October 2015 **location:** TBA **contact:** Hivy Ortiz Chour **phone:** +39-06-570-54811 **fax:** +39-06-570-55825 **email:** hivy.ortizchour@fao.org **www:** <http://www.fao.org/forestry/31106/en/>

Sixth International Wildland Fire Conference: Stakeholders from the wildland fire management, forestry, climate and meteorology, ecosystem, disaster and security, and human health field will gather to enhance international cooperation on fire management methodology. The conference, theme is "Fire of the Past, Fire in Future." **dates:** 12-16 October 2015 **location:** Pyeongchang, Republic of Korea **contact:** IWFC2015 Organizing Committee **phone:** +82-42-481-4127 **fax:** +82-42-481-4260 **email:** wildfire@forest.go.kr **www:** <http://en.wildfire2015.kr/>

Joint Session of the 38th European Forestry Commission - 72nd UNECE Committee on Forest and Forest Industry: Created in 1947, the EFC is one of six Regional Forestry Commissions established by FAO to provide a policy and technical forum for countries to discuss and address forest issues on a regional basis. **dates:** 2-6 November 2015 **location:** Engelberg, Switzerland **contact:** Dominique Reeb, UNECE/FAO Joint Forestry and Timber Section **email:** dominique.reeb@fao.org **www:** <http://www.fao.org/forestry/efc/en/>

ITTC-51: The 51st session of the International Tropical Timber Council (ITTC) and the Associated Sessions of the four Committees (Finance and Administration; Economics, Statistics and Markets; Forest Industry; and Reforestation and Forest Management) will take place in Malaysia. **dates:** 16-21 November 2015 **location:** Kuala Lumpur, Malaysia **contact:** ITTO Secretariat **phone:** +81-45-223-1110 **fax:** +81-45-223-1111 **email:** itto@itto.int **www:** <http://www.itto.int>

GLOSSARY

BPF	Bali Partnership Fund
BWP	Biennial Work Plan
C&I	Criteria and Indicators
CBD	Convention on Biological Diversity
CEM	Committee on Economics, Statistics and Markets
CFA	Committee on Finance and Administration
CFI	Committee on Forest Industry
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CRF	Committee on Reforestation and Forest Management
CSAG	Civil Society Advisory Group
ED	Executive Director
EPDs	Environmental Product Declarations
EUTR	EU Timber Regulation
FAO	Food and Agriculture Organization of the UN
FLEGT	Forest Law Enforcement Governance and Trade
IAF	International Agreement on Forests
IAG	Informal Advisory Group
IMM	Independent Market Monitoring
ITTA	International Tropical Timber Agreement
ITTC	International Tropical Timber Council
ITTO	International Tropical Timber Organization
IUCN	International Union for Conservation of Nature
PES	Payments for Ecosystem Services
REDD+	Reducing Emissions from Deforestation and forest Degradation, and the role of conservation, sustainable management of forests and enhancement of carbon stock in developing countries
REDDES	Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests
SAP	Strategic Action Plan
SDGs	Sustainable Development Goals
SFM	Sustainable Forest Management
TAG	Trade Advisory Group
TFLET	Forest Law Enforcement, Governance and Trade
TMT	Trade and Market Transparency
UNFCCC	United Nations Framework Convention on Climate Change
WCA	Working Capital Account