

# ITTO annual report 2012

**ITTO** International Tropical  
Timber Organization



# ITTO annual report 2012

The International Tropical Timber Organization (ITTO) is an intergovernmental organization promoting the conservation and sustainable management, use and trade of tropical forest resources. Its members represent the bulk of the world's tropical forests and of the global tropical timber trade. ITTO develops internationally agreed policy documents to promote sustainable forest management and forest conservation and assists tropical member countries to adapt such policies to local circumstances and to implement them in the field through projects. In addition, ITTO collects, analyses and disseminates data on the production and trade of tropical timber, and funds projects and other actions aimed at developing industries at both community and industrial scales. Since it became operational in 1987, ITTO has funded more than 1000 projects, pre-projects and activities valued at more than US\$400 million. All projects are funded by voluntary contributions, the major donors being the governments of Japan, Switzerland, the United States of America, Norway and the European Union.

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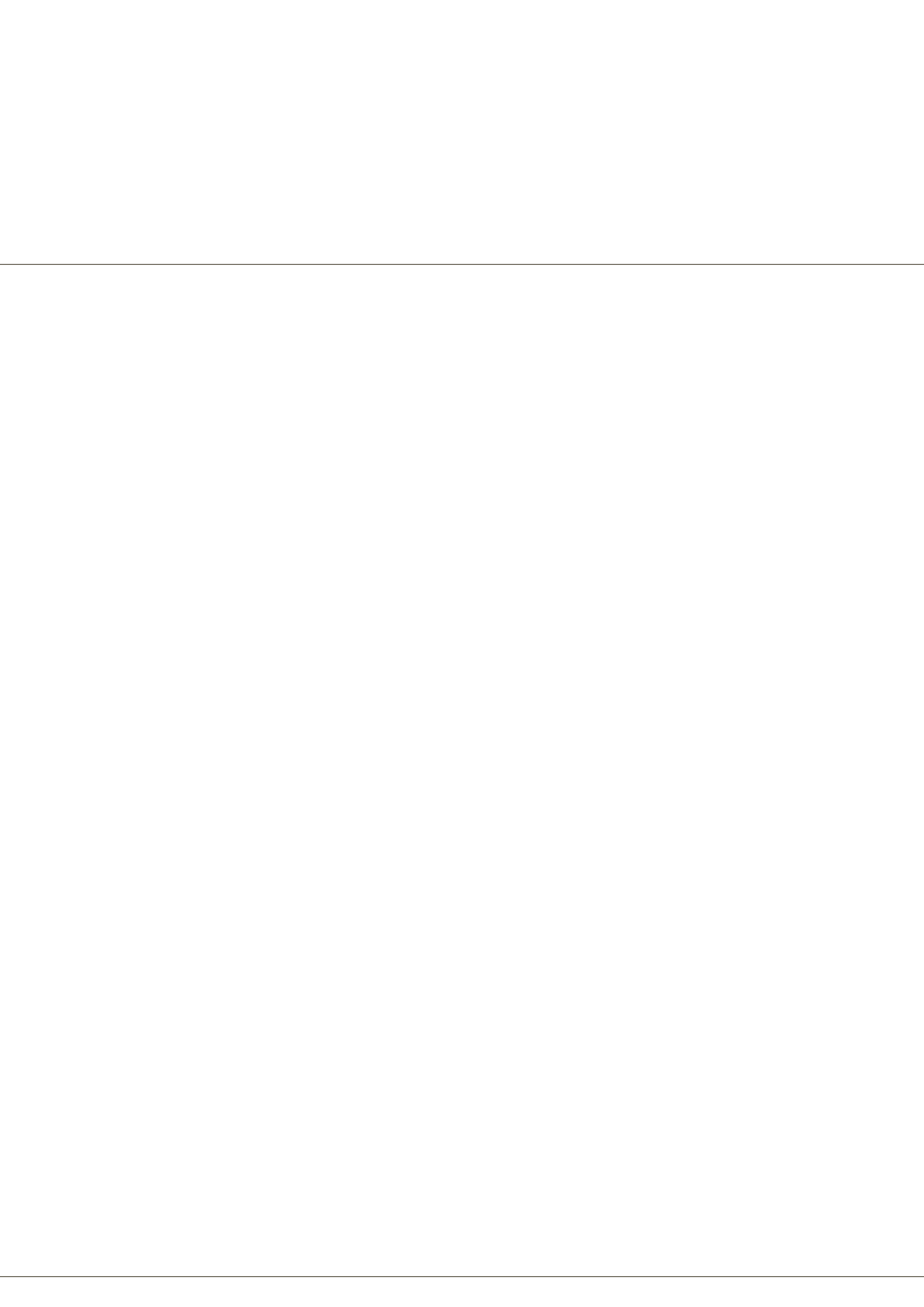
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Inset, from left: I. Boedhihartono (Papua New Guinea); Bosques Sociedad y Desarrollo (Peru); Forest Products Research and Development Institute (Philippines); CORNARE (Colombia)





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# Message from the Executive Director

The International Tropical Timber Agreement, 2006, entered into force in December 2011 and I am pleased to note that there are now more members under this new Agreement than under any of the previous ones. I take this opportunity to congratulate all countries that have become members of ITTO under the ITTA, 2006, and I renew my appeal to those countries that have not completed their procedures for becoming parties to the Agreement to do so as soon as possible.

The entry into force of the ITTA, 2006, offers a chance to take stock of developments in, and the achievements of, ITTO. It is also an ideal moment to map out new strategies, seize new opportunities and confront new challenges.

Since ITTO came into being in 1986, many countries, organizations and individuals have acclaimed the Organization for its efforts in addressing the destruction and degradation of tropical forests and promoting the international trade in tropical timber from sustainably managed and legally harvested forests. ITTO has taken the lead in formulating landmark policies, such as the Year 2000 Objective and criteria and indicators for the sustainable management of tropical forests (on which ITTO maintains its leading role). It has also developed an impressive body of normative work covering all aspects of tropical forests, much of it undertaken in collaboration with like-minded organizations. These policies and normative work have provided an effective framework for the implementation of sustainable forest management (SFM) in many tropical countries.

In translating its policy activities into practice, ITTO has mobilized, through the support of donor countries, some US\$400 million for the funding of more than 1000 projects, pre-projects and activities. To ensure the best use of available resources, ITTO continues to improve the framework for project implementation. ITTO projects have made a profound contribution towards resolving pressing issues relating to tropical forest management, and they have contributed to the fulfillment of ITTO's objectives on market transparency and industry efficiency, among others, in member countries. The assessments of the status of tropical forest management undertaken by ITTO in 2005 and 2011 show that there has been an increase in the area of sustainably managed forests over the time of ITTO's existence. This increase is not attributable solely to ITTO, but I am convinced that the Organization has, through its policy and project work, been a major driver. Nevertheless, the area of forests managed sustainably in 2011 represented only about 7% of natural forests in the total tropical permanent forest estate in ITTO member countries, and greater determination and more action are needed among ITTO member countries, both producers and consumers, to implement SFM at a large scale.

Under the ITTA, 2006, therefore, the overriding emphasis will be on accelerating the implementation of SFM in ITTO tropical member countries, based on the rich experience accumulated by ITTO since its inception. In this connection, one of the first requirements will be to improve governance throughout the whole chain of forest management: at the state and community levels and in the private sector. This will ensure the best use of internal and external financial resources to promote SFM and spread its benefits equitably among all stakeholders, including local



communities. Achieving the widespread implementation of SFM will require, among other things, addressing land tenure; revising policies for the allocation of forest resources; promoting transparency in forest production and trade; and a strong commitment to forest law enforcement.

There is also a need to increase the number of pilot SFM demonstration projects in member countries, based on local conditions, and to scale-up successful experiences to the national and even, where applicable, the regional and interregional levels. A critical mass of experiences and broad coverage are needed to ensure substantial impact in the field. Along with the scaling-up of successful experiences, there is a need to develop and implement a robust strategy for knowledge management to ensure that good practices and experiences are shared and disseminated.

In recent years, issues such as climate change and the loss of biodiversity have continued to dominate the international agenda. Because these issues are linked closely to the sustainable management of tropical forests, they will continue to be important components of ITTO's work.

Responsible production and consumption is an increasingly important societal value. It has been a driver of many national and international initiatives in such fields as certification, forest auditing, combating illegal logging, forest law enforcement, the verification of legality, procurement policies and chain-of-custody measures, all with the common intent of promoting the responsible production of, and trade in, forest products. The impacts of such measures on the international tropical timber trade and the sustainable management of tropical forests have been tremendous and far-reaching. ITTO will continue to play a central role in the development and monitoring of these initiatives, and it will continue to assist producer member countries to meet new market requirements and, where relevant, to alleviate negative impacts on their economies.

The 48th Session of the International Tropical Timber Council, held in 2012, was the first session of the Council convened under the ITTA, 2006. At that session, the Council adopted important decisions, including on a strategic action plan for the Organization for the period 2013-2018 and on the review of the Organization's rules of procedure, financial rules, rules related to projects, and the functions of Council committees under the ITTA, 2006. The Council also assessed the operation of the pilot phase of the ITTO thematic programmes as a central component of its operational work and activities in the years ahead.

For more than 25 years, ITTO has demonstrated its capacity to assist member countries in their progress towards SFM. The ITTA, 2006, offers the Organization a golden opportunity to make further progress at an accelerated pace towards its worthy and crucial goals.

**Emmanuel Ze Meka**  
Executive Director  
July 2013

# ITTO timeline of key achievements

ITTO's mission is to facilitate discussion, consultation and international cooperation on issues relating to the international trade and utilization of tropical timber and the sustainable management of its resource base. Below is a timeline of some of the Organization's key achievements

## 1983

The first ITTA is negotiated and adopted

## 1986

ITTO is established in Yokohama, Japan

## 1987

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

The first pre-projects are approved and funded

## 1985

The ITTA, 1983 comes into force

## 1989

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

The funding of projects begins

The ITTO Fellowship Programme is launched

Annual market discussions begin

## 1992

ITTO defines SFM

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

## 1994

A new ITTA is agreed, establishing the Bali Partnership Fund

## 1997

The ITTA, 1994 enters into force

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

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

*World mangrove atlas* is published

## 1993

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

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

## 1990

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

The ITTO Year 2000 Objective is adopted

## 1998

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

## 2000

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

The Trade Advisory Group is established

## 2002

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

The Civil Society Advisory Group is established

## 2006

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

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

## 2009

ITTO launches thematic programmes on a pilot basis

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

## 2011

The ITTA, 2006 enters into force (in December)

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

## 2001

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

## 2005

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

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

## 2007

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

ITTO co-convenes a landmark international conference on forest tenure

## 2010

*World atlas of mangroves* is published

## 2012

Thematic programmes are fully incorporated in the work of ITTO

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



# 48th Session of the International Tropical Timber Council and Associated Committees

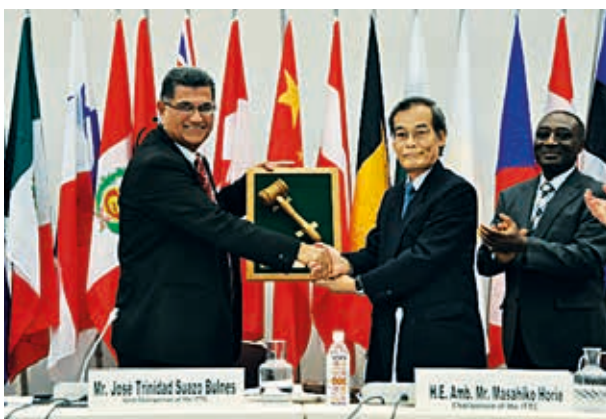
**5–10 November 2012  
Yokohama, Japan**

The International Tropical Timber Council is the governing body of ITTO. It meets at least once a year to discuss wide-ranging issues aimed at promoting sustainable tropical forest management and the trade of sustainably produced tropical timber.

The 48th Session of the Council and Associated Sessions of the Committees was the first session convened under the ITTA, 2006. It was opened by the Vice-chair of the Council, José Trinidad Suazo Bulnes (Honduras), and was honoured by the presence of Philip Ngole Ngwese, Minister of Forests and Wildlife of Cameroon; Pehin Sri Haji Abdul Taib bin Mahmud, Chief Minister of Sarawak, Malaysia; Jorge Viana, Senator, Federal Senate of Brazil; Eduardo Rojas-Briales, Assistant Director-General of the Food and Agriculture Organization of the United Nations (FAO); and Jan McAlpine, Director of the United Nations Forum on Forests (UNFF).

## **During the Session, the Council:**

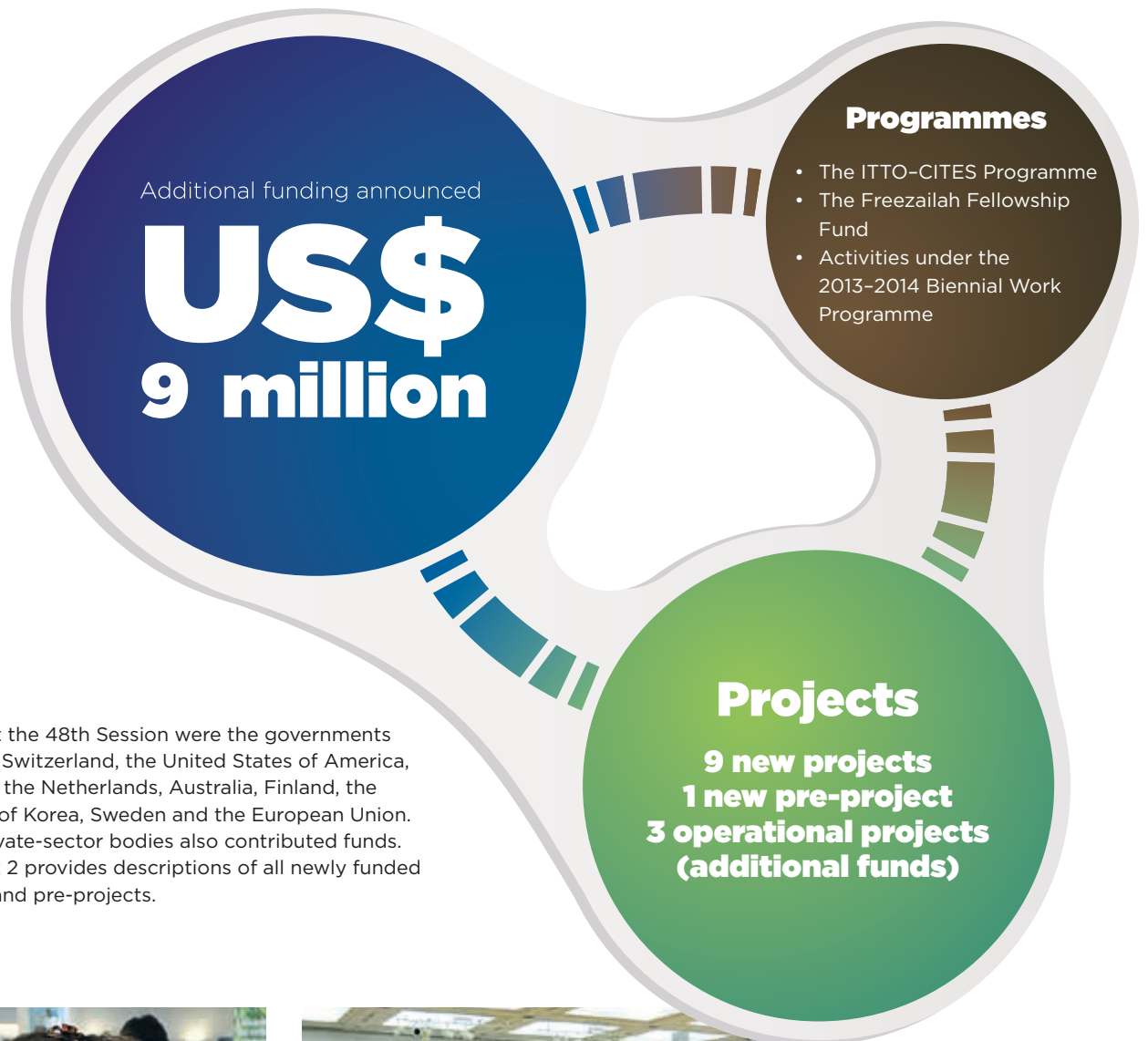
- **adopted** a new strategic action plan for the period 2013–2018, a biennial work programme for 2013–2014 and guidelines and procedures to strengthen the ITTO thematic programmes;
- **reviewed and adopted** the functions of the associated committees under the ITTA, 2006, as well as rules of procedure, financial rules, and rules relating to ITTO projects;
- **established** conditions for accession to the ITTA, 2006;
- **considered** the ex-post evaluation of ten completed projects;
- **reviewed** progress in the implementation of 68 projects and six pre-projects;
- **declared** as completed a total of 18 projects and three pre-projects (see Appendix 1 for highlights of these);
- **reviewed** applications for the ITTO Fellowship Programme and awarded 23 new fellowships; and
- **reviewed and adopted** a new structure for the ITTO Secretariat



*Incoming Chair, José Trinidad Suazo (Honduras), presents a framed gavel to outgoing chair, Ambassador Masahiko Horie (Japan). Photo: K. Sato, ITTO*



*The Committee on Reforestation and Forest Management convenes during the 48th Session of the Council. Photo: K. Sato, ITTO*



Donors at the 48th Session were the governments of Japan, Switzerland, the United States of America, Germany, the Netherlands, Australia, Finland, the Republic of Korea, Sweden and the European Union. Some private-sector bodies also contributed funds. Appendix 2 provides descriptions of all newly funded projects and pre-projects.



Delegates collect ITTO publications during the 48th Session of the Council.  
Photo: K. Sato, ITTO



The 48th Session of the International Tropical Timber Council.  
Photo: K. Sato, ITTO

# Markets, trade and industry

## Annual review of world timber

Since 1987, ITTO has produced the *Annual review of the world timber situation*, which contains the most up-to-date and reliable international statistics on the global production and trade of timber, with an emphasis on tropical timber.

### The *Annual review*:

- summarizes developments in major markets for tropical timber;
- provides an analysis of production, consumption, trade and prices for primary tropical timber products (tropical logs, sawnwood, veneer and plywood);
- describes trade in secondary processed wood products (SPWPs), with a focus on tropical countries; and
- provides information on trends in forest area, forest management and the economies of ITTO member countries.

The analysis presented in the *Annual review and assessment of the world timber situation 2012* covered 75 countries, comprising all current member countries (under the ITTA, 2006) and all former ITTO members (under the ITTA, 1994) that had not signed or had not completed required procedures to become members under the ITTA, 2006.

### Primary tropical timber products

Figure 1 shows trade flows as reported in the 2012 edition of the *Annual review*. Figures 2 and 3 show major importers of tropical logs and major exporters of tropical plywood, respectively, for 2010–2012.

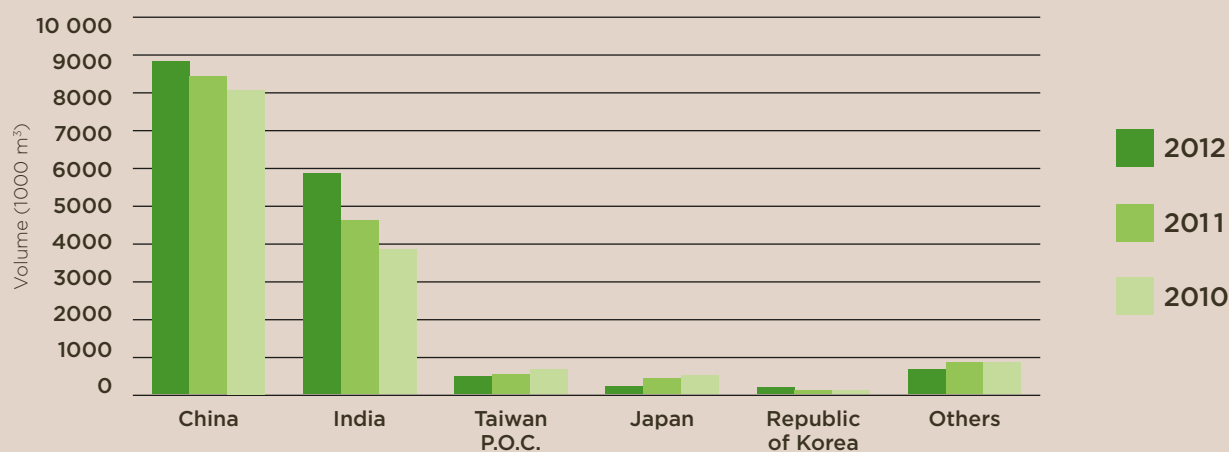


Figure 2: Major importers of tropical logs, 2010–2012

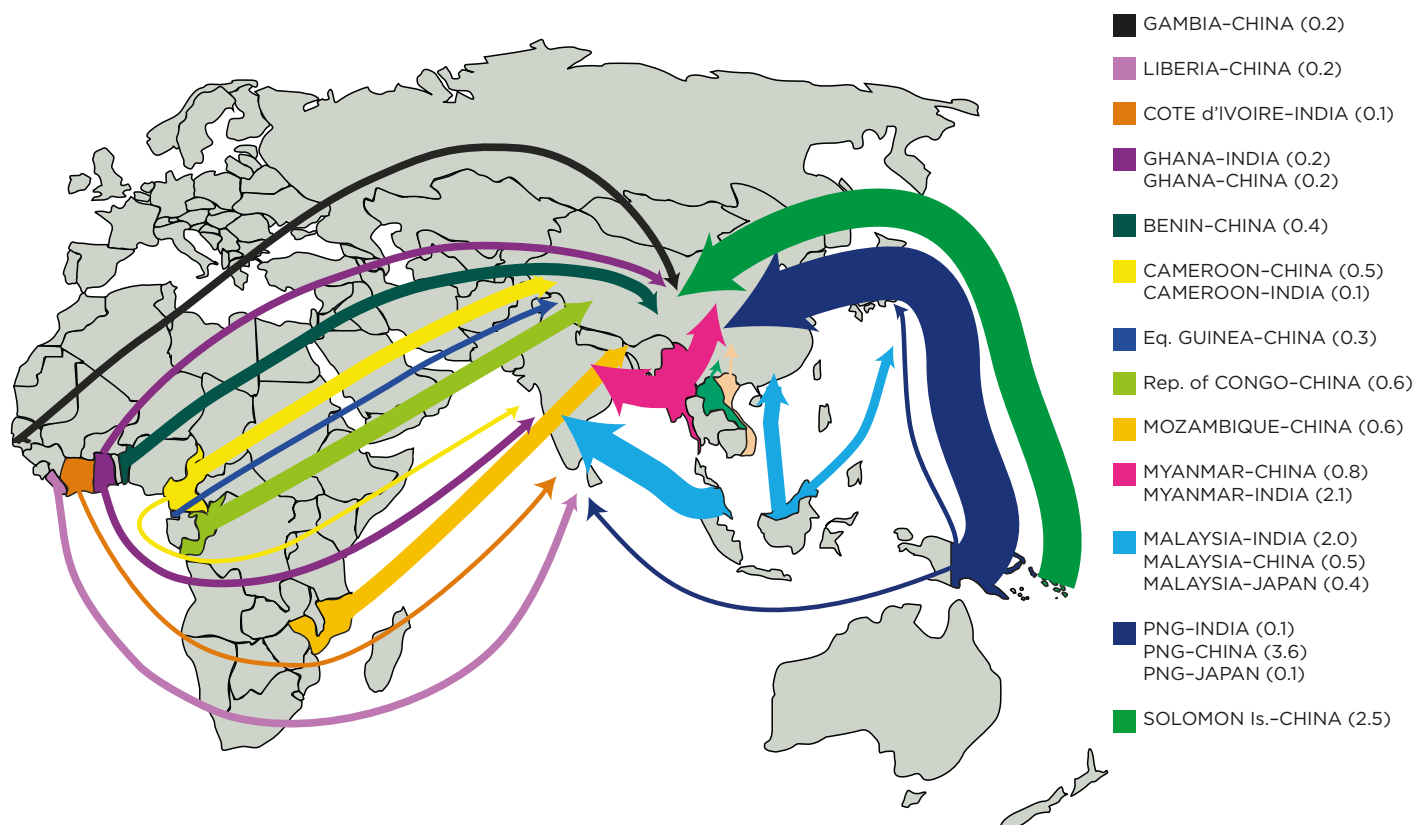


Figure 1: Major trade flows of tropical industrial roundwood, 2012 (million m³)

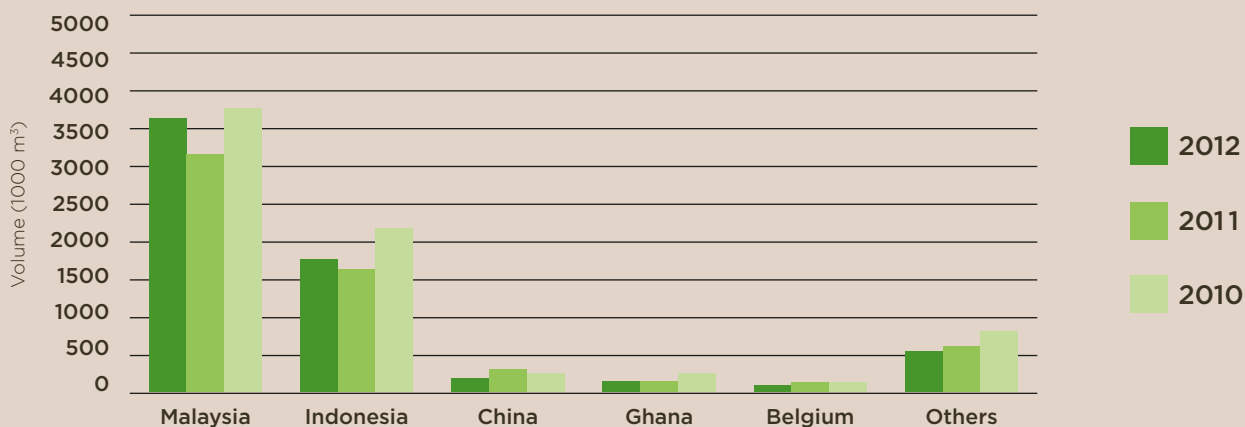


Figure 3: Major exporters of tropical plywood, 2010-2012



Figure 4: Exports of SPWPs by ITTO members, 2007-2011

### Secondary processed wood products

The 2012 *Annual review* published data on SPWPs for 2011. In that year, ITTO producer members exported US\$10.8 billion of SPWPs, 5% more than in 2010 (Figure 4). Despite this growth, exports of SPWPs by ITTO producers did not reach their pre-global financial crisis levels. Producer members exported the bulk (83.6%) of their output to ITTO consumers.

- MEXICO-USA 392
- VIETNAM-USA 1 848
- VIETNAM-EU 621
- VIETNAM-CANADA 151
- MALAYSIA-USA 590
- MALAYSIA-UK 116
- MALAYSIA-JAPAN 253
- MALAYSIA-AUSTRALIA 136
- MALAYSIA-EU 335
- THAILAND-JAPAN 200
- THAILAND-EU 175
- THAILAND-USA 171
- INDONESIA-JAPAN 165
- INDONESIA-EU 409
- INDONESIA-USA 356
- INDIA-EU 171
- INDIA-USA 124
- BRAZIL-EU 181

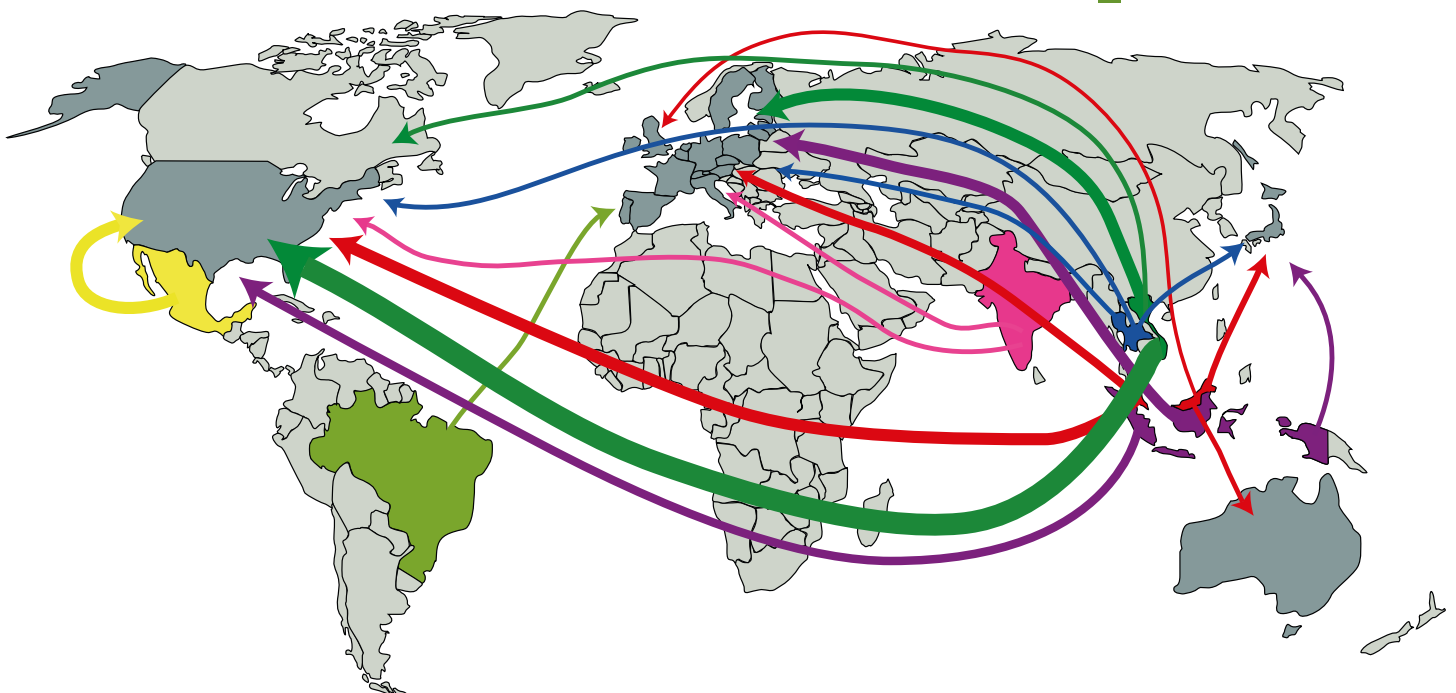


Figure 5: Major trade flows of tropical wooden furniture, 2011 (US\$ million)



*Ghana Forestry Commission officials check details of logs before transportation.  
Photo: S. Tseganu*



## Secondary processed wood products

Furniture and parts make up more than 60% of global SPWP trade, followed by:

- builder's woodwork
- mouldings
- cane and bamboo furniture and parts.

The European Union and the USA are the largest SPWP importers.

Major exporters of SPWPs include:

- the European Union, with exports valued at US\$41 billion in 2011
- China, with exports valued at US\$23.8 billion in 2011.

# Promoting tropical timber trade from sustainably managed and legally harvested sources

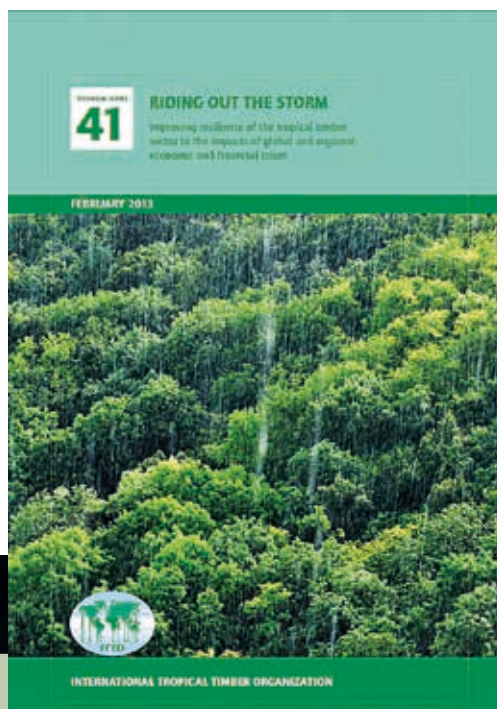
ITTO's work to promote trade in tropical timber and timber products from sustainably managed and legally harvested sources has led to the development of innovative timber-tracking systems in many countries. In 2012, for example, Ayum Forest Products Ltd, in Ghana, and Furniture Exports Ltd, in Papua New Guinea, both developed tracking systems with financial assistance from ITTO. These systems were developed mainly to demonstrate the legality of timber products for export.

Ayum Forest Products Ltd has now gained controlled-wood certification under the Forest Stewardship Council (FSC), which will enable it to export certified legal products to markets where legality is a requirement for market access. Ayum Forest Products Ltd is now also well placed to meet requirements of the Ghana-European Union Voluntary Partnership Agreement (when it becomes fully operational). Furniture Exports Ltd is able to export legally certified wood products to Australia, its main export market, and it will be able to meet the requirements of Australia's Illegal Logging Prohibition Bill, 2012, when that law enters into force.

# Facilitating market access

In 2012, ITTO published a report on improving the resilience of the tropical timber sector to the impacts of global and regional economic and financial crises. The aim of the report is to assist the tropical timber sector to anticipate, manage and recover from future global economic crises.

The report examines the macroeconomic impacts of recent and past economic crises; the impacts of such crises on the tropical timber sector, including forests, production, trade and prices, and on tropical timber demand in consumer countries, with a focus on China and the European Union; the impacts of regional and national producer-country responses and remedial measures based on case studies carried out in Brazil, Ghana and Malaysia; and the strategies employed successfully by other primary commodity sectors and their applicability to the tropical timber sector.



## Recommendations of the study focus on:

- growing domestic and regional markets;
- developing preparedness measures for global financial crises;
- cushioning the impacts on forest enterprises, particularly small and medium-sized enterprises;
- strengthening regional cooperation and integration;
- strengthening the capabilities of, and cooperation between, trade and industry organizations in the timber sector, and strengthening government-industry partnerships;
- developing marketing strategies to overcome reduced market demand, including the diversification of products and markets and promoting value-added and innovative products; and
- developing internationally competitive forest enterprises.



Sawn timber awaits shipment in Cloud Bay, Papua New Guinea. Photo: L. Qiang, ITTO

# Monitoring forest and timber certification



*A warehouse in Madre de Dios, Peru, stores FSC-certified sawn timber. Photo: R. Carrillo, ITTO*

As part of its focus on policy issues relevant to tropical timber, the Committee on Economics, Statistics and Markets encourages discussions and information exchange on the issue of timber certification during its annual sessions. At its session in 2012, the Committee reviewed progress in forest and timber certification and noted that the total area of certified forests in ITTO producer member countries in 2011 was 23.4 million hectares, which was 5.9% of the world's total area of certified forests (395 million hectares). In that year there were 1504 FSC chain-of-custody (CoC) certificates in ITTO producer member countries, which was 6.8% of the world total. Compared with 2007, the area of certified forests in ITTO producer member countries increased by 61% in 2011, while the number of CoC certificates increased more than three-fold.

**In 2011, forest certification in ITTO producer member countries involved two international certification systems (the FSC and the Programme for the Endorsement of Forest Certification – PEFC) and four national certification systems:**

- the Brazilian Forest Certification Programme (CERFLOR);
- the Malaysian Timber Certification Scheme;
- PEFC Gabon; and
- the Indonesian Ecolabelling Institute.

**In 2011, a total of 22.0 million hectares of forest were certified under either the FSC or the PEFC in ITTO producer member countries:**

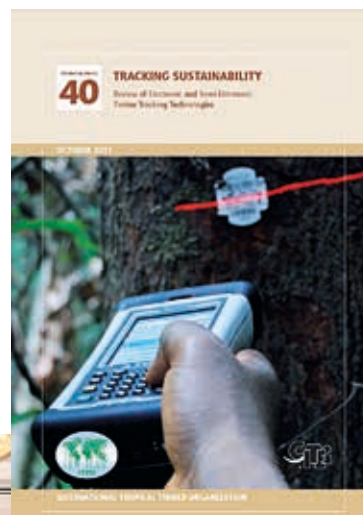
- 16.1 million hectares of forest in ITTO producer member countries were certified under the FSC, which was about 10.8% of the total FSC-certified forest area. Countries with the largest areas of FSC-certified forests were Brazil, the Democratic Republic of the Congo, Gabon and Bolivia (Plurinational State of). Brazil had the largest area – 4.9 million hectares – and the most CoC certificates (827).
- 5.9 million hectares of forest in ITTO producer member countries were certified under the PEFC, which was about 2.4% of the global PEFC-certified forest area. Countries with the largest areas of PEFC-certified forests were Malaysia and Brazil. Malaysia had the largest area – 4.7 million hectares. Three of the national certification systems – CERFLOR in Brazil, the Malaysian Timber Certification Scheme and PEFC Gabon – have been endorsed by the PEFC and are included in the PEFC's certification statistics. The Indonesian Ecolabelling Institute accounted for 1.4 million hectares of certified forests and had six CoC certificates in 2011.



# Improving forest law enforcement

In partnership with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), ITTO published a compendium of the current state of national technologies for monitoring illegal logging and related trade, focusing primarily on technologies for tracking, monitoring and control and presenting case studies in each of the three tropical regions.

The Workshop on Tracking Technologies for Forest Governance was convened in Kuala Lumpur, Malaysia, in May 2012 in collaboration with the Malaysian Timber Certification Council, CITES, the European Union and the World Bank. This led to the publication *Tracking sustainability*, which reviewed electronic and semi-electronic timber-tracking technologies and made recommendations to ITTO and tropical countries.



Participants in a workshop on timber-tracking technologies for forest governance in Kuala Lumpur, Malaysia, in 2012.  
Photo: Malaysia Timber Certification Council

## Examples of tangible outcomes from the ITTO-CITES Programme

- Ban lifted and quota granted on *Pericopsis elata* in the Republic of the Congo.
- Ban lifted and quota granted on *Prunus africana* in Cameroon and the Democratic Republic of the Congo.



# Enhancing cooperation between ITTO and CITES

In 2012, the ITTO-CITES Programme continued its collaborative capacity-building activities. In the light of high demand from participating countries, the European Union awarded a second grant to ITTO to support this work.

Activities under the Programme have taken place in Bolivia (Plurinational State of), Brazil, Cameroon, the Republic of the Congo, the Democratic Republic of the Congo, Indonesia, Madagascar, Malaysia and Peru. They have focused on, among other things, the non-detriment findings required for CITES Appendix II-listed species, improving forest inventories, harmonizing regulatory frameworks, and strengthening access to timely and reliable information on timber trade through tracking technologies.

A regional workshop held in Cameroon in June 2012 assessed the status of *Guibourtia* species (bubinga) and *Millettia laurentii* (wengé), two high-value timber species in West and Central Africa that are potentially overharvested. The workshop assessed the vulnerability of these species and established their conservation status in each country. In 2012, planning took place for an international workshop on SFM and CITES to be held in 2013 to facilitate the sharing of experiences gained under the ITTO-CITES Programme.

## Activities approved under the ITTO-CITES Programme in 2012 include:

- establishing a monitoring system for logging and processing assamela and training control agents on the use of CITES tools and procedures in Cameroon;
- providing taxonomic information on Madagascar's precious timbers and the validation, standardization and monitoring of their sustainable management;
- disseminating CITES and its implementation texts in the Republic of the Congo;
- assessing ramin plantation requirements and establishing ramin genetic resource conservation gardens (Indonesia);
- the *in vitro* propagation of ramin in Sarawak;
- the use of DNA in the identification of *Gonystylus* species and the geographical origin of timber in Sarawak; and
- assessing the regeneration of natural bigleaf mahogany and cedar populations in Peru.

ITTO has developed a website for the Programme that provides background information, completion reports for the first phase, and access to the ITTO-CITES newsletter.

The second phase of the ITTO-CITES Programme, which commenced in 2012, is funded by the European Commission, the USA, the Netherlands, Norway, Germany and the private sector.



Mahogany tree seeds collected in August 2012, Acre, Brazil. Photo: J. Olegário



# 2012 Annual Market Discussion

The 2012 Annual Market Discussion, which was held during the 48th Session of the Council, had the theme “trading in challenging markets” and a focus on developments in procurement policies and green-building initiatives.

Public agencies, trade associations and private companies are implementing timber procurement policies in many markets important to tropical timber exporters. These policies have been introduced to limit market access for illegally harvested timber, and many have implicit aims of going beyond legality by including references to the sustainability of supply. Green-building initiatives, which seek to minimize the impact of construction on the

## Highlights of the Discussion



**Brent McClendon**, Executive Director of the International Wood Products Association, pointed out that the number of LEED-certified buildings<sup>1</sup> under construction was increasing in the USA. Mr McClendon made a strong case for timber producers taking advantage of the trend in green building, because lifecycle assessments show that wood products satisfy major criteria under LEED.

*Brent McClendon speaks during the 2012 Annual Market Discussion. Photo: K. Sato, ITTO*

<sup>1</sup>LEED stands for Leadership in Energy and Environmental Design; it is a benchmark for the design, construction and operation of high-performance green buildings.



**Michael Snow**, Executive Director of the American Hardwood Export Council, spoke about his organization’s emphasis on lifecycle assessments, which facilitate the preparation of environmental product declarations (EPDs). Mr Snow stressed that the advantages of wood as a material have to be backed by good design, because carbon storage is heavily dependent on design and manufacturing strategies, and this could affect EPD ratings.

*Michael Snow presents during the 2012 Annual Market Discussion. Photo: K. Sato, ITTO*



*A forest station in the Iwokrama forest, Guyana, built using green-building principles.  
Photo: Iwokrama International Center*

environment and make better use of resources and energy, were in operation in 2012 in several countries that are major markets for tropical timber.

Timber procurement policies and green-building initiatives are becoming strong market drivers for verified legal and sustainably produced timber. Many participants in the 2012 Annual Market Discussion suggested that there was a danger that such initiatives could evolve into unjustified environmental barriers to tropical timber.

**Takashi Fujiwara**, Managing Director of the Japan Federation of Wood Industry Associations, spoke about Goho-wood, the name given to Japan's effort to eliminate illegal timber from trade, and recent legislation enacted in Japan to promote greater and more efficient wood use. Mr Fujiwara said that three means for assessing compliance with Japan's Green Purchasing Law, 2006, had been agreed between the Forestry Agency and the industry: forest certification and CoC systems; verification methods implemented by enterprises and authorized by relevant associations; and verification schemes operated by individual enterprises.

*Takashi Fujiwara talks about Japan's green procurement policies during the 2012 Annual Market Discussion. Photo: K. Sato, ITTO*



**André de Boer**, Secretary General of the European Timber Trade Federation, reported that the species mix in the European Union market is changing in favour of softwoods because softwoods were known and uncontroversial. The European Union share of the global timber trade in 2007 was 22%, but this had fallen to 17% by 2011. While the consumption of wood products in the European Union had contracted in absolute terms, there had been a steady increase in imports of finished products.

*André de Boer speaks during the 2012 Annual Market Discussion. Photo: K. Sato, ITTO*



# Promoting efficient wood-processing technologies in producer countries

ITTO-funded training to increase capacity in efficient wood-processing technologies was carried out in nine factories in Ghana and five in Cameroon in 2012, ranging from sawmills to furniture manufacturers.

The scope of the in-house training, which was conducted by an independent consultant, included a physical review of mill facilities and a technical audit focusing on the following areas:

- log-handling at the log yard;
- sawmilling;
- plymilling;
- saw-doctoring;
- conditioning and air-drying;
- kiln-drying and boiling;
- wood processing, including cross-cutting, grading and sorting, laminating, moulding, planing, rip-sawing, sanding, coating and painting, repairing and finishing;
- packaging;
- waste control;
- maintenance; and
- safety and attitude.

#### The technical audit helped to:

- identify deviating procedures and techniques;
- propose and demonstrate appropriate approaches; and
- examine standard operating procedures at each point in the process chain to identify weaknesses and propose technical solutions.

“The in-house training that was organized in Cameroon in December 2012 attests once more to the willingness of ITTO to contribute to the development of the Cameroon wood industry. The training was very rich and practical, and all the companies visited benefited from the expertise of the specialist. Thanks to this training, companies could evaluate and reconsider the way they manage the different units of the wood-processing chain. I am certain that the training has improved companies’ processing efficiency, product quality and waste management practices.”

#### Mahamat Habibou

Director, Timber Transformation and Promotion of Forest Products, Ministry of Forest and Wildlife, Cameroon



*In-house training has strengthened the woodworking industry in Ghana. Photo: T. Yanuariadi, ITTO*



*Workers learn new saw-doctoring skills in an ITTO training exercise in a mill in Cameroon. Photo: T. Yanuariadi, ITTO*

# Reforestation and forest management

# 3

## Validating draft revised principles and guidelines for SFM

Following up on a recommendation made by the Committee on Reforestation and Forest Management in November 2011, three workshops – one each in Africa, Asia and Latin America – were held in 2012 to validate the draft revised ITTO principles and guidelines for the sustainable management of natural tropical forests.

The Committee recommended that:

- The guidelines should be lean, simple and practical.
- There should be a clear connection between the guidelines and the ITTO criteria and indicators.
- The guidelines should address the drivers of unsustainable forest management, such as poor governance.
- The focus should be on SFM, with attention to certification and the understanding that a sustainably managed forest is carbon-neutral.

The revised guidelines will be considered by the Committee on Reforestation and Forest Management at its 47th session in 2013.



Participants in a validation workshop held in Malaysia in July 2012.  
Photo: Ministry of Plantation Industries and Commodities, Malaysia



# Continuing collaboration with the CBD

The ITTO/Convention on Biological Diversity (CBD) Collaborative Initiative to Conserve Tropical Forests aims to help in the conservation and sustainable management of tropical forests through regional biodiversity conservation projects.

## New transboundary conservation project

As part of the Initiative, a project<sup>2</sup> approved in 2012 will continue the work done under earlier projects to promote the conservation and management of the Betung Kerihun National Park in Kalimantan, Indonesia, and the Batang Ai National Park and the Lanjak Entimau Wildlife Sanctuary in Sarawak, Malaysia. The project is funded by the governments of Japan, Switzerland and the USA.

## Ongoing transboundary biodiversity initiatives

- **Capacity Building for Sustainable Management of Tropical Rainforests and Biodiversity Conservation in the ITTO Congo Basin Countries:** this project aims to build the capacities of environmental and forestry training institutions in Central Africa to ensure they are capable of providing adequate training for the implementation of SFM and biodiversity conservation in the Congo Basin.
- **Building Capacities of ACTO [Amazon Cooperation Treaty Organization] Member Countries in Ecologically Responsible Forest Management and Biodiversity Conservation in Managed Forests of the Amazon:** the aim of this project is to establish an interdisciplinary process for building the technical capacity necessary for implementing ecologically responsible forest management in public and private production forests in the Amazon.
- **Management of the Emerald Triangle Protected Forests Complex to Promote Cooperation for Transboundary Biodiversity Conservation between Thailand, Cambodia and Laos:** this project, which commenced in August 2012, aims to strengthen the protection of habitats of endangered species in the Emerald Triangle, an area of high conservation importance shared by Cambodia, the Lao People's Democratic Republic and Thailand.



*The Kapuas River, Betung Kerihun National Park, Indonesia. Photo: Marzuki Pasaribu*

The Emerald Triangle has some of the most extensive natural forests in Southeast Asia. It contains large numbers of threatened species and it is a refuge for 16 species listed as either critically endangered or endangered on the IUCN Red List.

<sup>2</sup> PD 617/11 Rev. 3 (F)



## ITTO participation in the 11th Conference of the Parties to the CBD

At the 11th Conference of the Parties (COP) to the CBD, which was held on 6-17 October 2012 in Hyderabad, India, ITTO participated in the third global conference of the International Partnership for the Satoyama Initiative as a new member of the steering committee that serves as the Partnership's executive body.

### Also at CBD COP 11, ITTO:

- co-hosted a side-event in partnership with the Japan International Cooperation Agency and BirdLife International to promote collaboration in activities that contribute to achieving the forest-related Aichi Biodiversity Targets;
- participated in the first meeting of the Task Force on the Implementation of the Strategic Plan for Biodiversity 2011-2020 and the Achievement of the Aichi Biodiversity Targets, which focused on enhancing coordination and cooperation in supporting national and regional efforts to implement the CBD's Strategic Plan for Biodiversity; and
- had consultations with high-level officials of various member countries, as well as with regional organizations such as ACTO.



Emmanuel Ze Meka, ITTO (left), Asad Rahmani, Bombay Natural History Society/BirdLife India, and Shinya Ejima, Japan International Cooperation Agency (right), at an ITTO side-event convened during CBD COP 11. Photo: J. Leigh, ITTO

# Looking at the feasibility of REDD+

As part of its efforts to help cut greenhouse gas emissions, the Government of Japan, assisted by ITTO with its strong field experience, has been undertaking feasibility studies on greenhouse gas emission reduction projects.

The REDD+ Feasibility Study 2012<sup>3</sup> carried out in Indonesia focused on enhancing the accuracy and credibility of the monitoring, reporting and verification methodology; the estimation of net greenhouse gas emission reductions; the implementation of social safeguard strategies; and facilitating requirements for a robust standard and capacity and data for provincial REDD+.

<sup>3</sup> REDD+ stands for reducing emissions from deforestation and forest degradation, including the role of conservation, sustainable management of forests and enhancement of forest carbon stocks.



*Measurements are taken for carbon assessment in peat swamp forests in Central Kalimantan, Indonesia, during the REDD+ Feasibility Study 2012. Photo: FORDA*



# Promoting community forest management through a public-private partnership

As part of a partnership between ITTO and the 7&I Holdings Co Ltd (Japan), an ITTO project is supporting community-based forest management in the rehabilitation zone of the Meru Betiri National Park in Indonesia. The project has established a memorandum of understanding between the Meru Betiri National Park and local communities in the buffer zone and is assisting in the development of a community-based forest enterprise to process jackfruit and in the preparation of a REDD+ project design document. The project is also implementing a primary-school education programme on biodiversity conservation.



*Participants in a project steering committee meeting held on 22 June 2012 in Bogor, Indonesia. The meeting recommended, among other things, facilitating the preparation of a REDD+ project design document to be submitted to the Verified Carbon Standard. Photo: FORDA*

## Hosting international forums to debate issues

### Forest Policy Day

In June 2012, ITTO and the African Forest Forum hosted a Forest Policy Day event in Nairobi, Kenya, to explore the policy/science interface in SFM in Africa. The event was attended by 134 participants from 33 countries worldwide.

### Forest Day 6 and side-event

During the 18th COP of the United Nations Framework Convention on Climate Change in Doha, Qatar, in November 2012, and as part of Forest Day 6, ITTO co-hosted a forum on the role of forest landscape restoration in ecosystem health, sustainable development, poverty alleviation, human rights and carbon sequestration. More than 150 people participated in the forum.

Also during the Doha COP, ITTO co-hosted a side-event with the United Nations University Institute for Advanced Studies, the REDD Research and Development Center, the Japan International Cooperation Agency and the Rainforest Alliance on REDD+ monitoring, reporting and validation. The side-event featured a panel of speakers, who explored the links between REDD+ and community-based forest management in the tropics.



*Panelists in the Forest Day 6 forum on forest landscape restoration. Photo: H. Ok Ma, ITTO*

# Thematic programmes

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## Implementation of the thematic programmes

The thematic programmes are an innovation of the ITTA, 2006. Five have been established to date:

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

These thematic programmes were established on a pilot basis in November 2008, but with the entry into force of the ITTA, 2006, they are now fully incorporated in the Organization's work.

## Thematic programme cycle, 2012

In 2012, a call for proposals for small projects and pre-projects was made under the TFLET, REDDES and TMT thematic programmes. Of 35 eligible proposals received from 16 member countries, 13 were approved and financed for immediate implementation; these are presented in Table 1. Table 2 shows the total amount pledged for ITTO thematic programmes since their inception, by donor.

In 2012, funding of US\$3 102 963 was pledged for the thematic programmes, comprising US\$2 196 608 from Australia; US\$356 355 from the European Union under CITES-TMT; US\$300 000 from Switzerland; US\$200 000 from Japan; and US\$50 000 from the USA.

Table 1

Approved and financed proposals under the TFLET,  
REDDes and TMT thematic programmes, 2012

Country	Identification code	Title	ITTO funding	Total project funding
<b>TFLET</b>			<b>US\$</b>	
Ghana	TFL-SPD 028/12 Rev.1 (M)	Empowering civil-society organizations and other non-state actors to effectively contribute to forest law compliance in Ghana	147 701	188 456
Peru	TFL-SPD 029/12 Rev.1 (M)	Marketing of timber from legal and sustainable sources by indigenous communities in Ucayali, Peru, for the fair-trade market	137 941	230 291
Peru	TFL-SPD 030/12 Rev.1 (M)	Improved governance and implementation of transparent negotiation mechanisms for indigenous community forestry in Atalaya (Ucayali), Peru	131 236	191 263
Subtotal			<b>416 878</b>	<b>610 010</b>
<b>REDDes</b>			<b>US\$</b>	
Cameroon	RED-PPD 074/12 Rev.1 (F)	Identification of a project on gender mainstreaming in the development of actions to control deforestation and forest degradation to improve the well-being of communities dependent on forests and other ecosystems in Central and West Africa	101 117	126 739
China	RED-SPD 075/12 Rev.1 (F)	Demonstration on investigation and assessment of typical forest ecotourism resources in Hainan Province, China	145 800	199 000
Ghana	RED-SPD 077/12 Rev.1 (F)	Rehabilitation of degraded forests for sustainable woodfuel production and climate-change mitigation in the forest-savanna transition zone of Ghana (RED-PPD 044/11 revised)	121 662	169 360
Ghana	RED-SPD 093/12 Rev.3 (F)	Advancing REDD+ in Ghana: preparation of REDD+ pilot schemes in off-reserve forests and agroforests	297 205	366 954
Guatemala	RED-SPD 079/12 Rev.1 (F)	Strengthening of governance and sustainable management of mangrove ecosystems in Guatemala as a climate-change adaptation measure	146 751	215 223
Liberia	RED-SPD 084/12 Rev.1 (F)	Improving efficiency of forestry policies and activities in Liberia through REDD+ demonstration projects	149 922	308 718
Togo	RED-SPD 092/12 Rev.1 (F)	Reducing deforestation and forest degradation in the Natchambonga and Djijega community forests by promoting participatory forest management actions	149 904	290 377
Subtotal			<b>1 112 361</b>	<b>1 676 371</b>
<b>TMT</b>			<b>US\$</b>	
France	TMT-SPD 010/12 Rev.1 (M)*	Preparation of the publication "Atlas of tropical timber species", 1st edition, technological characteristics and uses of 273 tropical timber species (and 17 temperate species)	138 033	373 789
Gabon	TMT-SPD 011/12 Rev.2 (M)	Adaptation and application at the national scale of Trace Bois-Gabon (Gabon timber-tracking) for the collection and processing of forest and timber statistics in Gabon	138 996	411 996
Ghana	TMT-SPD 012/12 Rev.1 (M)*	Improving intra-African trade and market transparency in timber and timber products	111 931	149 996
ITTO	TMT-SPD 013/12 Rev.1 (M)	Analysis of the economic impact of governmental procurement policies on tropical timber markets	150 000	150 000
Subtotal			<b>538 960</b>	<b>1 085 781</b>
<b>Total funding, all thematic programmes</b>			<b>2 068 199</b>	<b>3 372 162</b>

\* Funded under a grant from the European Union to the ITTO-CITES Programme, which provides for part of the funds pledged to be used for TMT activities with objectives relevant to both programmes.



**Table 2**  
**Funding pledged for ITTO thematic programmes, as of 31 December 2012,**  
**by donor**

<b>US\$</b>						
<b>Donor</b>	<b>Total</b>	<b>TFLET</b>	<b>REDDES</b>	<b>CFME</b>	<b>TMT</b>	<b>IDE</b>
Norway	<b>8 228 960</b>	15 000	8 173 960	40 000		
Netherlands	<b>3 000 000</b>	3 000 000				
Japan	<b>2 475 953</b>	1 191 235	483 782	635 000	165 936	
Australia*	<b>2 281 608</b>	2 281 608				
Switzerland	<b>2 183 040</b>	683 040	700 000	100 000	700 000	
USA	<b>1 582 456</b>	807 456	175 000	300 000	300 000	
United Kingdom	<b>949 380</b>	949 380				
European Union (under CITES_TMT)	<b>356 355</b>				356 355	
Finland	<b>132 888</b>	35 199			97 689	
Germany	<b>87 871</b>	87 871				
Japan Lumber Importers Association	<b>50 000</b>	50 000				
New Zealand	<b>37 530</b>	37 530				
Sweden	<b>25 000</b>			25 000		
Republic of Korea	<b>10 000</b>	10 000				
<b>Total</b>	<b>21 401 041</b>	<b>9 148 319</b>	<b>9 532 742</b>	<b>1 100 000</b>	<b>1 619 980</b>	<b>0</b>

\* Includes a pledge made by the Government of Australia of AUD2 000 000 (calculated at an exchange rate of AUD1 = US\$1 and subject to fluctuations in the exchange rate). This pledge is not included in the 2012 financial statements presented in section 8 as the actual amount received will be converted into US dollars at the prevailing rate of exchange as contributions are received in 2013 and will be reflected in the 2013 financial statements (see note on page 42).

# Status of the thematic programmes

Under the thematic programmes, 65 projects, pre-projects and activities have been approved for funding, totalling US\$17 872 823; Figure 6 shows their location, by country. Fifteen projects funded under thematic programmes have been completed (see Appendix 3 for a list of those projects completed in 2012).

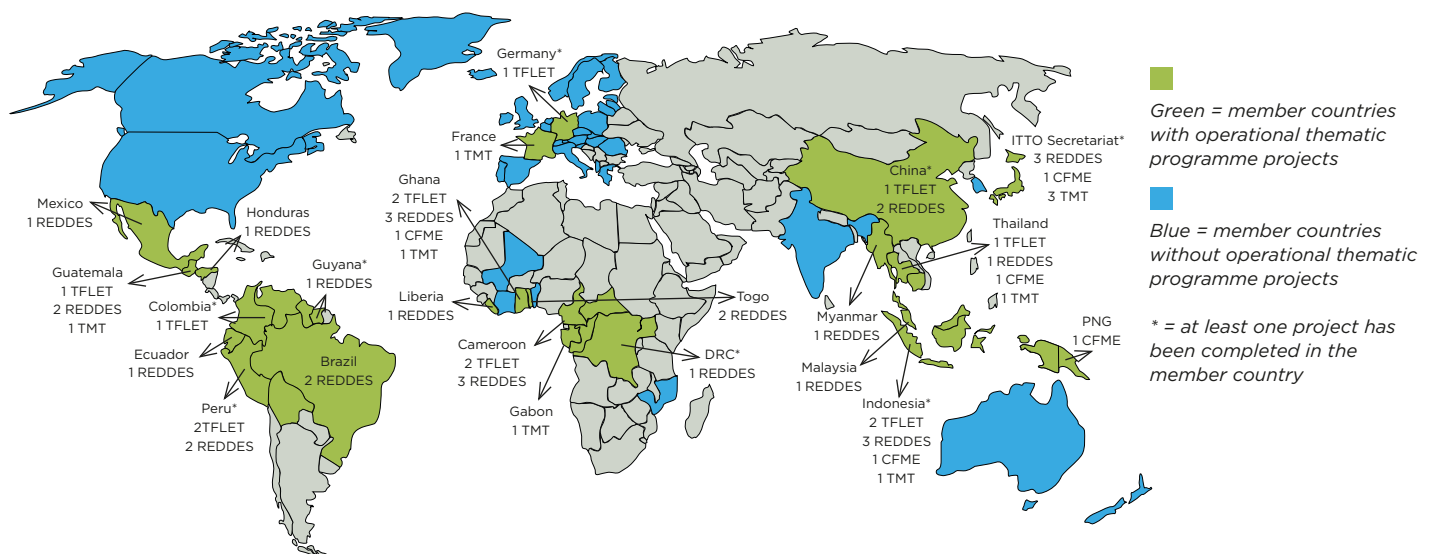


Figure 6: Geographic distribution of thematic programme projects

# Evaluating the effectiveness of the thematic programmes pilot phase

In 2012, two consultants evaluated the effectiveness of the thematic programmes pilot operation. Their report pointed out the great value of the innovative approach embodied by the thematic programmes, and it made recommendations for further improvement, including strengthening the use to which thematic programme outcomes are put and making project learning available more widely.

# Fellowships

The aim of the ITTO Fellowship Programme is to promote human resource development in member countries and strengthen professional expertise in tropical forestry and related disciplines.

Since its establishment in 1989, the ITTO Fellowship Programme has enabled more than 1200 young and mid-career professionals from over 40 countries to pursue professional development and improve their career prospects. The total investment in the Programme is about US\$7 million, of which Japan has provided 74%, the USA 15%, the Netherlands 7% and Australia 3%, with the remainder provided by various sources.

Two selection panels were convened in 2012 and a total of 51 fellowships awarded to professionals in 24 member countries. The total value of these fellowships was US\$289 185. Figures 7–9 show how the fellowships were distributed by region, type and gender.

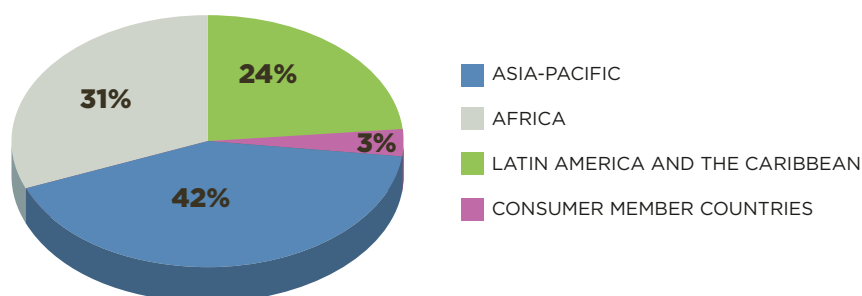


Figure 7: Fellowships awarded in 2012, by region

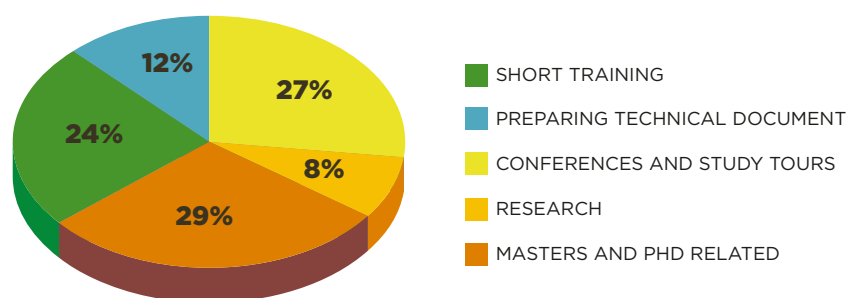


Figure 8: Fellowships awarded in 2012, by type

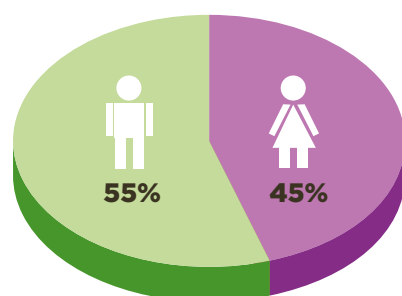
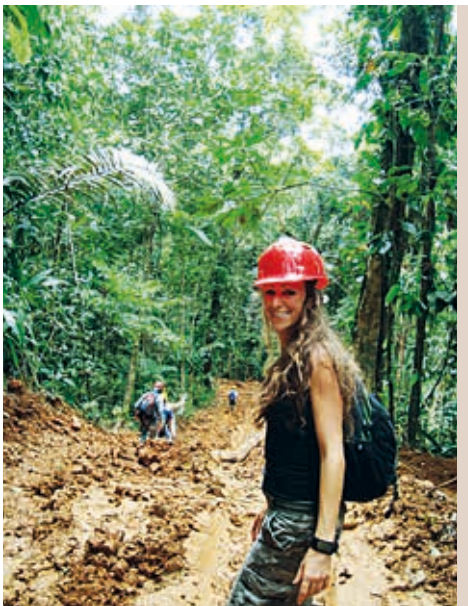


Figure 9: Fellowships awarded in 2012, by gender

## Fellowship alumni network

A web-based ITTO Fellowship alumni network has been designed and yet to be created to encourage the exchange of information and ideas among alumni and to inspire collaborative work. The concept of the ITTO Fellowship Alumni Network was shared with United Nations agencies at the 19th Meeting of the Senior Fellowship Officers of the United Nations System, which was held in Trieste, Italy, on 25-27 September 2012.



*Barbara Viguera (Spain) participates in a field trip during the International Intensive Course on Diversified Management of Tropical Natural Forests, which was held in Costa Rica and which she attended courtesy of an ITTO fellowship grant. Photo: B. Viguera*



*ITTO fellow Albert Piñon, from the Philippines, extracts DNA for his master's thesis on phenotypic and genetic characterization of Eucalyptus deglupta x pellita Blume F. Muell hybrids at the University of the Philippines. Photo: A. Piñon*

### Online application process

Fellowship applications can be completed online:

[www.itto.int/itto\\_fellowship\\_login](http://www.itto.int/itto_fellowship_login)



# Sponsoring and co-organizing events

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

13-14  
March

2012

World Agroforestry Centre, Nairobi, Kenya

Representatives of 58 member organizations attended the International Partnership for the Satoyama Initiative (IPSI) Assembly. The chair of the IPSI steering committee, Professor Alfred Oteng-Yeboah, presented a report on the activities of the steering committee since the first IPSI global conference in March 2011. For example, the steering committee had approved seven new IPSI collaborative activities, of which the following three were proposed jointly by ITTO and a non-governmental organization in Benin:

- the conservation and sustainable management of mangrove forests in Benin through local capacity-building and community development;
- the sustainable management and conservation of resources and traditional knowledge of sacred forests; and
- support for village reforestation.

During the Working Group Session on Sharing Experiences of Restoring Socio-ecological Production Landscapes, ITTO proposed the joint development of guidelines for the management of socio-ecological forestry-based production landscapes in the tropics, which the Assembly adopted unanimously.



A speaker during the IPSI Assembly. Photo: J. Leigh, ITTO



A small-scale sawmill in a community forest in Estuaire, Gabon. Photo: P. Masupa, ITTO

## Promoting and Strengthening/ Enhancing Second Generation Community Forestry

26-28  
March

2012

Rome, Italy

This meeting brought together 26 experts from organizations and institutions dealing with community forestry to discuss second-generation community forestry and how to put it into practice, particularly through community forest enterprises. During the meeting it was recognized that ITTO's CFME is dealing with the issue of second-generation community forestry.

### The expert group agreed to emphasize:

- developing socio-organizational capacities and business skills in communities;
- improving the enabling environment for secure rights of communities to harvest and commercialize high-value forest products;
- improving access to financial services; and
- negotiating partnerships and attracting investments to enable communities to increase the benefits they obtain from the sustainable management of their forests.

## Workshop on Tracking Technologies for Forest Governance

15-17  
May

2012

Kuala Lumpur, Malaysia

See page 13 for a summary of this event.

## IUFRO/FORNESSA Regional Congress

25–29  
June

2012

Nairobi, Kenya

This was the first regional congress of the International Union of Forest Research Organizations (IUFRO) and the Forestry Research Network of Sub-Saharan Africa (FORNESSA). The congress, which had the theme “forests and trees: serving the people of Africa and the world”, was sponsored by ITTO and a number of other organizations and institutions.

The achievements of relevant ITTO projects were presented in technical/scientific sessions at the congress. These were:

- PD 105/01 Rev.3 (F) and PD 528/08 Rev.1 (F), on mahogany resistance to pest attack in forest plantations: this presentation provided background information and data for scientific sessions of the Meliaceae Working Group and the Forest Insects Group;
- TFL-PPD 023/10 Rev.1 (F) and PD 620/11 Rev.1 (M), on the use of DNA fingerprinting and isotope analysis as a tool for the tracking of forest products through the chain of custody: this presentation was a basis for discussions in the scientific sessions of the Meliaceae Working Group; and
- PD 256/03 Rev.2 (F), on alternative mixed plantation systems and restoration strategies for conservation and sustainable production of native timber species in Ghana, which contributed to debate in the Invasive Alien Species Group.

*Taking a sample for DNA fingerprinting in Ghana.  
Photo: G. Breulmann, ITTO*



## ITTO-FAO Statistics Workshop for Central America

2-5  
October

2012

Panama City, Panama

In the context of its ongoing effort to enhance the capacity of member countries in data collection and reporting, this workshop was organized jointly by ITTO and FAO to cater for Spanish-speaking countries in Central America and the Caribbean, including ITTO member countries Guatemala, Honduras, Mexico and Panama.



*Panama workshop participants  
at a local sawmill.  
Photo: A. Lebedys, FAO*



# ITTO'S involvement in international cooperation and collaboration



*ITTO's Executive Director, Emmanuel Ze Meka, speaks during the ITTO/Japan International Cooperation Agency side-event at Rio+20.  
Photo: S. Fukasawa, Japan International Cooperation Agency*

## United Nations Conference on Sustainable Development

During the United Nations Conference on Sustainable Development (Rio+20) in June 2012 in Rio de Janeiro, Brazil, ITTO and the Japan International Cooperation Agency convened a side-event on "harnessing tropical forests for the transition to a green economy", with support from the governments of Brazil and Japan and featuring high-level speakers from Brazil, Japan and Switzerland.

Also at Rio+20, ITTO was involved in the high-level side-event organized by the Collaborative Partnership on Forests, the 8th Roundtable on Forests organized by the Center for International Forestry Research, and a meeting of the Collaborative Partnership on Forests.



## **United Nations Forum on Forests**

ITTO participated in and made a presentation at the Organization-led Initiative on Forest Financing in Support of the United Nations Forum on Forests held at FAO headquarters in Rome on 19–21 September 2012, sharing the practical experience in financing gained through the implementation of a credit scheme executed through an ITTO project (PD 233/03 Rev.2 (I)) in Peru.

## **FAO Committee on Forestry and World Forest Week**

ITTO was present at the 21st Session of FAO's Committee on Forestry and the 3rd World Forest Week, both of which took place at FAO headquarters in Rome on 24–28 September 2012.

## **Asia-Pacific Network for Sustainable Forest Management**

Collaboration with the Asia-Pacific Network for Sustainable Forest Management (APF Net) continued in earnest in 2012, with ITTO attending meetings of the APF Net interim steering committee, the APF Net focal points and the APF Net expert panel for project appraisal, and holding discussions on the financing of an ITTO project. ITTO and APF Net also collaborated in the convening of workshops on forest statistics and mangroves.

## **Inter-secretariat Working Group on Forest Statistics and Joint Forest Sector Questionnaire Process**

ITTO attended a meeting of the Inter-secretariat Working Group on Forest Statistics and Joint Forest Sector Questionnaire Process in February 2012 at FAO headquarters in Rome.

*Members of the UNISDR Wildland Fire Advisory Group and the International Liaison Committee for the Organization of the 6th International Wildland Fire Conference.  
Photo: J. Leigh, ITTO*



## Joint Meeting of the UNISDR Wildland Fire Advisory Group and the International Liaison Committee for the Organization of the 6th International Wildland Fire Conference

Since 2008, ITTO has been a core member of the United Nations International Strategy for Disaster Reduction (UNISDR) Global Wildland Advisory Group and the related Global Wildland Fire Network and Global Fire Monitoring Center. The membership of the UNISDR Global Wildland Advisory Group comprises a range of intergovernmental and non-governmental organizations.

At the joint meeting, held in mid-2012, ITTO presented the work it has carried out on forest fire prevention and management in tropical forests at the policy and field levels. It also presented the outcomes of relevant projects implemented by ITTO in its producer member countries and outlined the potential future expansion of the Organization's role and partnerships.

## 27th Session of the FAO Latin American and Caribbean Forestry Commission

At the 27th Session of the FAO Latin American and Caribbean Forestry Commission, held on 5-9 March 2012 in Asuncion, Paraguay, the Amazon Subregional Group reported on activities carried out in 2010-2011 and highlighted the REDDES ITTO/ACTO Pan-Amazonian Forest Monitoring Project. ACTO also referred to its ongoing work on the harmonization of the ITTO and ACTO criteria and indicators for SFM (C&I) and the steps needed to complete the process. ITTO informed participants of developments in the ITTO/ACTO project on building capacities on SFM and biodiversity conservation in the Amazon under the auspices of the ITTO/CBD Collaborative Initiative for Tropical Forest Biodiversity (see page 19).



*Fire in a palm forest in East Kalimantan, Indonesia.  
Photo: ITTO*



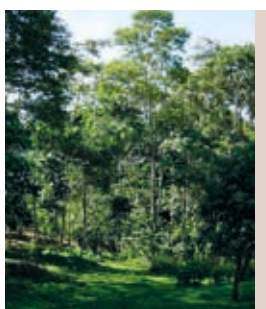
*Opening session of the FAO Latin American and Caribbean Forestry Commission in March 2012.  
Photo: J.A. Alanis, CONAFOR*

## Pan-Amazonian Regional Meeting to Deliberate on the Harmonization of the Criteria and Indicators of the Tarapoto Process and those of ITTO

This event, sponsored by ITTO and organized by ACTO, was held on 8-10 May 2012 in Paramaribo, Suriname. It gathered forestry specialists from ACTO's eight member countries – Bolivia (Plurinational State of), Brazil, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela (Bolivarian Republic of).

Countries made presentations on their application of C&I. There were also two group sessions on specific aspects of the ACTO/ITTO C&I harmonization process and a plenary session on regional priorities related to the harmonization of the ACTO and ITTO C&I in the Amazon Basin.

The meeting concluded with the development of a road map for the completion of the ACTO/ITTO harmonization process, as well as for following up and providing assistance to ACTO and to those member countries expressing interest in applying, in the future, the harmonized C&I at the national level.



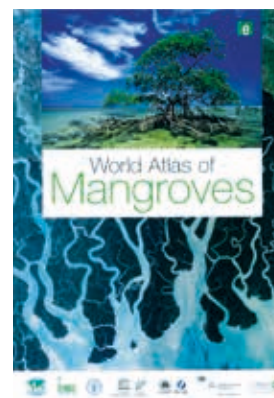
Forest in Tarapoto, Peru.  
Photo: ITTO

Meeting participants consider revisions in the harmonization of the ACTO and ITTO C&I.  
Photo: J. Leigh, ITTO



## Side-event at CBD COP 11

In collaboration with the United Nations University Institute for Water, Environment and Health, FAO and the United Nations Environment Programme, ITTO co-hosted a side-event at the CBD COP 11 in Hyderabad, India, in October 2012 to launch a policy brief on mangroves. The policy brief, *Securing the future of mangroves* is based on the *World atlas of mangroves*, which was published in 2010 under an ITTO-funded project. The brief outlines some of the lessons learned on the conservation and management of mangroves and recommends policy measures that could be taken to protect them.





# Financial highlights

## Balance sheets

	31.12.2012	31.12.2011
	<b>US\$</b>	
<b>Assets</b>		
Cash and time deposits	23 536 955	35 624 828
Held to maturity securities	15 061 660	4 969 284
Arrears in voluntary contributions	5 965 379	9 981 950
Accounts receivable from Japan	381 028	-
Prepaid expenses	1 325	65 183
Advances to and receivable from staff members and others	86 538	319 164
Accrued interest on time deposits	132 120	9 696
	<b>45 165 005</b>	<b>50 970 104</b>
<b>Liabilities and contributions</b>		
Accounts payable to staff members and others	1 290	1 824
Accounts payable to Japan	-	16 118
Accrued liabilities	893 487	187 421
Membership contributions received in advance	348 869	269 483
Unappropriated funds	1 079 419	3 228 840
Reserve for programme support	1 105 425	2 478 403
	<b>3 428 490</b>	<b>6 182 089</b>
<b>Members' funds</b>		
<b>Administrative account:</b>		
Special reserve	1 500 000	1 500 000
Reserve provided by interest income	2 063 797	2 161 790
Surplus of revenues over expenditures and surplus from completed projects	7 545 803	7 728 348
<b>Project accounts:</b>		
Appropriated for specified projects	39 103 581	42 995 989
Unappropriated funds	(5 272 905)	(5 439 166)
Surplus from completed projects	2 244 750	1 694 725
<b>Subtotal</b>	<b>47 185 027</b>	<b>50 641 685</b>
<b>Arrears in assessed contributions</b>	<b>(5 448 512)</b>	<b>(5 853 670)</b>
	<b>41 736 515</b>	<b>44 788 015</b>
<b>Total</b>	<b>45 165 005</b>	<b>50 970 104</b>

The consolidated balance sheet and consolidated statements of revenues and expenditures have been audited by Ernst & Young ShinNihon LLC.

## Statements of revenues and expenditures

	31.12.2012	31.12.2011
	<b>US\$</b>	
<b>Revenues</b>		
Contributions from member countries	6 406 455	7 058 228
Reimbursement by Japan	967 569	-
Voluntary contributions	11 113 312	19 923 356
Reversal of time delay in settling Fellowship and other advance payments	-	15 542
Correction to prior year's budget	-	(233 820)
Interest income	211 635	76 794
Other income	3 523	8 681
	<b>18 702 494</b>	<b>26 848 781</b>
<b>Expenditures</b>		
<b>Administrative accounts:</b>		
Salaries and benefits	4 950 476	5 040 565
Installation costs	32 722	-
Official travel	132 080	232 427
Social security	777 065	791 373
Special activities	21 166	66 119
Data processing	161 678	201 135
Other costs	329 135	418 118
Council meetings	935 427	8 348
Write-off of arrears in contributions	75 988	62 954
Write-off of advance payment	-	90
Unsettlement cost for advances	(4 375)	11 875
Correction to prior year's expenditure	-	2 494
Exchange loss	95 922	71 057
Reversal of time delay in settling Fellowship and other advance payments	(69 321)	238 169
<b>Subtotal</b>	<b>7 437 963</b>	<b>7 144 723</b>
<b>Project accounts:</b>		
Project cost	14 320 984	12 875 208
<b>Subtotal</b>	<b>21 758 946</b>	<b>20 019 931</b>
<b>Excess of revenues over expenditures</b>	<b>(3 056 452)</b>	<b>6 828 850</b>

The consolidated balance sheet and consolidated statements of revenues and expenditures have been audited by Ernst & Young ShinNihon LLC.

Part of ITTO's uniqueness is its strength in the field through the implementation of projects in member countries. The total amount allocated for financing projects, pre-projects and activities in 2012 was US\$8 975 210.68, including US\$1 166 587.88 for the ITTO thematic programmes. Allocations of funds were made by the governments of Japan (\$3 820 166.80), Switzerland (\$954 760.00), USA (\$950 000.00), Germany (US\$411 442.57), the Netherlands (\$250 000.00), Australia (US\$196 607.95), Finland (\$63 625.00), the Republic of Korea (\$40 000.00) and Sweden (\$10 000.00), as well as by the European Commission (\$1 781 774.63), the Japan Lumber Importers Association (\$50 000.00) and private organizations (US\$291 207.73). In addition, a total amount of US\$155 626.00 was allocated from the Unearmarked Fund and the Programme Support Fund in the Special Account. In December 2012, Australia pledged AUD2 000 000 for the TFLET Programme, in addition to the above.

## Summary of funding pledged for projects, pre-projects and approved activities in 2012

	Newly funded						Additional funding for ongoing proj./activities	US\$	
	Projects		Pre-projects		Activities				
	NO.	ITTO funding	NO.	ITTO funding	NO.	ITTO funding	ITTO funding	NO.	ITTO funding
Economic Information and Market Intelligence	2	747 736						2	747 736
Reforestation and Forest Management	6	2 552 490	1	79 380			576 290	7	3 208 160
Forest Industry							511 208	0	511 208
Thematic programmes*							1 166 588		1 166 588
Council					16	1 124 657	2 216 862	16	3 341 519
<b>Total</b>	<b>8</b>	<b>3 300 226</b>	<b>1</b>	<b>79 380</b>	<b>16</b>	<b>1 124 657</b>	<b>4 470 948</b>	<b>25</b>	<b>8 975 211</b>

## Thematic programmes (additional funding)

	US\$
Forest Law Enforcement, Governance and Trade (TFLET)*	446 608
Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests (REDDES)	300 000
Community Forest Management and Enterprises (CFME)	nil
Trade and Market Transparency (TMT)	419 980
Industry Development and Efficiency (IDE)	nil
<b>Total (included above)</b>	<b>1 166 588</b>

\* In addition, Australia pledged AUD2 000 000 to the TFLET Programme in December 2012 (see note on page 42).

## Voluntary contributions

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

**US\$**

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

## Projects, pre-projects and other approved activities

funded by the Organization, 1987-2012 [ITTC (II)-ITTC (XLVIII)]

**US\$**

	STATUS	NO.	ITTO funding
Projects	Completed	457	229 510 872.10
	Operational	73	48 937 407.86
	Pending contract	8	4 782 175.80
	<b>Subtotal</b>	<b>538</b>	<b>283 230 455.76</b>
Pre-projects	Completed	204	18 068 842.03
	Operational	6	387 863.00
	Pending contract	0	0.00
	<b>Subtotal</b>	<b>210</b>	<b>18 456 705.03</b>
Approved activities	Completed	217	37 194 735.90
	Operational	63	37 944 091.68
	<b>Subtotal</b>	<b>280</b>	<b>75 138 827.58</b>
<b>Total</b>		<b>1 028</b>	<b>376 825 988.37</b>

**Note: Approved activities included ITTO thematic programmes, the status of which are as follows:**

	Budget (US\$)	Pledges (US\$)
Forest Law Enforcement, Governance and Trade (TFLET)*	15 000 000	7 148 319
Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests (REDDES)	18 000 000	9 532 742
Community Forest Management and Enterprises (CFME)	10 000 000	1 100 000
Trade and Market Transparency (TMT)	5 000 000	1 683 605
Industry Development and Efficiency (IDE)	10 000 000	
<b>Total</b>	<b>58 000 000</b>	<b>19 464 666</b>

\* In addition, Australia pledged AUD2 000 000 to the TFLET Programme in December 2012 (see note on page 42).



# Allocations/pledges by donors to the Special Account and the Bali Partnership Fund, 2010–2012

(Pledges for thematic programmes are shown separately)

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

## Project sub-account (Projects)

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

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

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

Continued ...

## Thematic programmes sub-account

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

## Bali Partnership Fund unearmarked income

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

## ITTO thematic programmes

	Budget	Cumulative pledges 2007-2012			
TFLET	15 000 000.00	7 148 318.95	446 607.95	220 000.00	635 327.00
REDDES	18 000 000.00	9 532 742.02	300 000.00		4 793 784.38
CFME	10 000 000.00	1 100 000.00			100 000.00
TMT	5 000 000.00	1 619 979.93	419 979.93		200 000.00
IDE	10 000 000.00	0.00			
<b>Total</b>	<b>58 000 000.00</b>	<b>19 401 040.90</b>	<b>1 166 587.88</b>	<b>220 000.00</b>	<b>5 729 111.38</b>

NOTE: Contributions are based on pledges except for the European Union, which is paid in installments and in non-US dollars. Contributions from the European Union represent the amount received during the fiscal year that is converted to US dollars at the prevailing rate of exchange. The same will apply to the Australian pledge of AUD2 000 000 made in December 2012 for TFLET which will be reflected in the 2013 financial statements as contributions are received and converted to US dollars.

# APPENDIX 1:

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

Project ID	Title	Total budget (US\$)	Donor(s)	Submitted by	Main outputs
PD 406/06 Rev.1 (M)	Establishment of a national forest and timber marketing statistics system	569 401	Japan USA	Ecuador	<ul style="list-style-type: none"> <li>The National System of Forest Administration (SAF-2) was developed (<a href="http://saf.ambiente.gob.ec">http://saf.ambiente.gob.ec</a>).</li> </ul>
PD 479/07 Rev.2 (M)	Timbers of tropical Africa, Part 2: Group 7(2) within the PROTA Programme	1 053 635	Japan	Ghana	<ul style="list-style-type: none"> <li>A database of 570 tropical timber species in Africa was developed in English and French in the form of a printed book, a CD, and a website (<a href="http://database.prota.org/search.htm">http://database.prota.org/search.htm</a>).</li> </ul>
PD 480/07 Rev.2 (M)	Demand and supply of tropical wood products in China towards 2020	410 988	Switzerland USA	China	<ul style="list-style-type: none"> <li>An outlook report was produced on the demand and supply situation of tropical wood products in China in 2020, including an analysis of the timber-processing capacity of Chinese companies, the preference of Chinese consumers for tropical wood products, and local policies for trading tropical wood products.</li> </ul>
PD 40/00 Rev.4 (I)	Utilization of small-diameter logs from sustainable sources for bio-composite products	865 163	Common Fund for Commodities	Indonesia	<ul style="list-style-type: none"> <li>Physical-mechanical properties of small-diameter logs of 42 timber species from Indonesia, Malaysia, the Philippines and PNG were assessed for biocomposite products.</li> <li>Guidelines for incorporating small-diameter logs into the production line of biocomposite products were developed so that products can meet international market standards.</li> </ul>
PD 384/05 Rev.3 (I)	Testing laboratory for the development of quality standards for Mexican primary and processed tropical forest products	756 270	Japan USA Finland	Mexico	<ul style="list-style-type: none"> <li>The forest products laboratory at the Institute of Ecology was updated and upgraded.</li> <li>The laboratory was accredited by the Mexican Entity of Accreditation in 2010 and has maintained its accreditation. The laboratory now has the capability to perform 13 different tests under ASTM standards, including those for structural timber panels and timber products. Since 2010, the laboratory has provided its services to the timber industry.</li> <li>Technical sheets were developed for 26 Mexican tropical timber species.</li> </ul>
PD 513/08 Rev.1 (I)	Enhancing the capacity of the wood-processing sector to improve efficiency and add value in Guyana	377 953	Japan USA	Guyana	<ul style="list-style-type: none"> <li>A code of practice for wood-processing operations was developed.</li> <li>A capacity-building strategic plan for the wood-processing sector was developed.</li> <li>Training was provided based on the code of practice at the managerial and operational levels.</li> </ul>

Project ID	Title	Total budget (US\$)	Donor(s)	Submitted by	Main outputs
PD 32/99 Rev.2 (F)	Productive forest management for the rural reserve area of Guaviare	1 682 383	Japan USA	Colombia	<ul style="list-style-type: none"> <li>Local communities were engaged in alternative income-generating activities, such as rubber cultivation, agroforestry and non-timber forest products.</li> <li>Staff were trained in the recovery of degraded lands in the reserve zone.</li> <li>The area was mapped to help in regulating land occupation and use.</li> </ul>
PD 165/02 Rev.3 (F)	Conservation of biological diversity through sustainable forest management practices	1 231 612	Japan USA Norway	Malaysia	<ul style="list-style-type: none"> <li>Assessment plots for biodiversity in logged and unlogged forests were established for long-term monitoring.</li> <li>Statistical models that relate biodiversity and forest community type to forest characteristics were developed.</li> <li>Personnel were trained in the use of biodiversity assessment tools.</li> </ul>
PD 276/04 Rev.2 (F)	Revised world atlas of mangroves for the conservation and restoration of mangrove ecosystems	733 950	Japan USA	Japan	<ul style="list-style-type: none"> <li><i>World atlas of mangroves</i> (2010 edition) was published – 1500 copies in English, 700 copies in French and 1000 copies in Spanish.</li> <li>The Global Mangrove Database and Information System (GLOMIS) is available on-line (<a href="http://www.mangrove.or.jp">www.mangrove.or.jp</a>).</li> </ul>
PD 284/04 Rev.2 (F)	Fire management and post-fire restoration with local community collaboration in Ghana	731 925	Japan USA Norway	Ghana	<ul style="list-style-type: none"> <li>The relationship between the use of resources by rural communities and fire management was determined.</li> <li>The roles and responsibilities of key stakeholders in fire management were determined.</li> <li>A mechanism for fire management by the communities was developed and implemented.</li> <li>Fire-degraded areas covering a total of 87.2 hectares (of 350 hectares of community land) were rehabilitated.</li> <li>Fire guidelines and a manual were developed and endorsed by the Government of Ghana.</li> </ul>
PD 288/04 Rev. 2 (F)	Development of Lanjak Entimau Wildlife Sanctuary as a totally protected area, Phase IV (final phase)	973 932	Japan Switzerland USA	Malaysia	<ul style="list-style-type: none"> <li>The local capacity for SFM was strengthened. Local communities benefited from the development of schools and longhouses.</li> <li>An environmental education programme was established in 64 longhouses and 14 schools in the periphery of the Sanctuary.</li> <li>A joint management plan for the Lanjak Entimau Wildlife Sanctuary and the Batang Ai National Park was approved for implementation.</li> <li>A book on the Lanjak Entimau Sanctuary was published.</li> </ul>



Continued ...

Project ID	Title	Total budget (US\$)	Donor(s)	Submitted by	Main outputs
PD 396/06 Rev.2 (F)	Strategy for developing plantation forest: a conflict-resolution approach in Indonesia	645 694	Japan Norway	Indonesia	<ul style="list-style-type: none"> <li>• A national workshop held in March 2012 endorsed a strategy and mechanism for collaborative plantation forest management.</li> <li>• Demonstrative areas for collaborative plantation management were established in 104.9 hectares in South Kalimantan and Jambi provinces.</li> <li>• Training was provided on establishing nurseries and mass vegetative propagation.</li> </ul>
PD 405/06 Rev.3 (F)	Extending the area under sustainable forest management in the forest lands of the Emberá-Wounaan Comarca, Darien, Panama	967 992	Japan	Panama	<ul style="list-style-type: none"> <li>• Two forest polygons were demarcated in Turqueza and Chucunaque, with four communities benefiting from training in forest production, reduced impact logging and business development.</li> <li>• Three forest community enterprises were legally constituted and participated in the Handicraft National Fair, Panama.</li> <li>• Forest inventories, management plans and annual harvesting plans were developed for four forest management units covering 48 121 hectares.</li> <li>• Contracts with the private sector were established for the sale of timber.</li> </ul>
PD 426/06 Rev.1 (F)	The prevention of further loss and the promotion of rehabilitation and plantation of <i>Gonystylus</i> species (ramin) in Sumatra and Kalimantan	682 542	Japan USA Republic of Korea Australia	Indonesia	<ul style="list-style-type: none"> <li>• High-quality planting materials were propagated and plantation trials conducted in Sumatra and Kalimantan.</li> <li>• Institutional and human capacity-building on CITES was carried out, and four manuals were developed.</li> <li>• Existing rules and regulations on ramin were analyzed. A harvest protocol was drafted.</li> </ul>
PD 451/07 Rev.1 (F)	Transboundary biodiversity conservation area: the Pulong Tau National Park, Sarawak, Malaysia, Phase II	1 708 325	Switzerland Japan USA Norway Republic of Korea	Malaysia	<ul style="list-style-type: none"> <li>• The capacity for management and conservation in the Pulong Tau National Park was strengthened, two ranger posts were constructed, boundaries were marked, and access was improved.</li> <li>• The park was extended by 10 000 hectares with the surrender of a timber licence in 2011.</li> <li>• A survey to construct the biodiversity baseline was carried out.</li> </ul>
PD 539/09 Rev.1 (F)	Promoting conservation of selected tree species currently threatened by habitat disturbance and population depletion	189 943	Japan	Indonesia	<ul style="list-style-type: none"> <li>• Data on conservation and protection status were updated. The main timber species are ironwood, ebony and cempaka.</li> <li>• Genetic conservation plots were established for ironwood, ebony and cempaka.</li> </ul>

Project ID	Title	Total budget (US\$)	Donor(s)	Submitted by	Main outputs
PD 493/07 Rev.1 (F)	Strengthening capacity of forest law enforcement and governance in Cambodia	684 362	Japan USA Australia Republic of Korea	Cambodia	<ul style="list-style-type: none"> <li>• Equipment for better law enforcement, including satellite imagery, was provided.</li> <li>• Training on law enforcement was carried out, with a focus on harvesting, wildlife identification, CITES, forest offences, conflict management and resolution, global positioning systems, the use of maps, and forest laws.</li> <li>• Forest monitoring practices have been improved, such as patrolling, the availability of pocket guides, and a tracking system developed based on the experience of the United States Forest Service.</li> <li>• Collaboration and coordination with the provincial courts improved.</li> <li>• A website for dissemination was created (<a href="http://www.twgfe.org/itto">www.twgfe.org/itto</a>).</li> </ul>
PD 542/09 Rev.1 (F)	Support to convene the 5th Latin American Forestry Congress	166 129	Bali Partnership Fund (unearmarked)	Peru	<ul style="list-style-type: none"> <li>• The Latin American Forestry Congress was held in the auditorium of the National Agrarian University, at La Molina, Lima, Peru, on 18–21 October 2011 and attended by 549 participants from 24 countries.</li> </ul>
PPD 136/07 Rev.1 (F)	Study for conservation land management and sustainable mountain biodiversity management in the Centre North Region of Togo	68 631	Japan	Togo	<ul style="list-style-type: none"> <li>• Information on flora and fauna, and the socio-economic situation in the area, is available.</li> <li>• A project proposal to support local communities for the conservation and sustainable use of mountain biodiversity in the Center-North Region of Togo has been formulated and submitted to ITTO.</li> </ul>
PPD 143/09 (F)	Assessment of mangrove forest affected by Cyclone Nargis to facilitate the development of integrated mangrove ecosystem management in the Ayeyarwady Delta, Myanmar	61 938	Japan Republic of Korea	Myanmar	<ul style="list-style-type: none"> <li>• Data were collected on mangrove rehabilitation.</li> <li>• A full project proposal entitled “Developing monitoring system of mangrove ecosystem management with livelihood Improvement in Ayeyarwady Delta, Myanmar” was developed under REDDES.</li> </ul>
PPD 147/10 Rev.1 (F)	Zoning and sustainable development of the Minkebe Protected Area towards the protection of transboundary conservation corridors between Gabon, Cameroon and the Congo	139 279	Japan	Gabon	<ul style="list-style-type: none"> <li>• A report providing updated and documented information on the management of natural resources in Gabon’s component of the TRIDOM area was prepared and validated by key stakeholders.</li> <li>• A project proposal was formulated and submitted to the ITTO regular project cycle as PD663/12 (F).</li> </ul>

# APPENDIX 2:

## Projects and pre-projects funded in 2012 (project cycle)

Project ID	Title	Budget (US\$)	Donor(s)	Submitted by	Project aim
PD 456/07 Rev.4 (F)	Building the capacities of forestry training institutions, members of the Network of Central African Forestry and Environmental Training Institutions (RIFFEAC) for providing SFM training for forest concessions: "Capacity building for sustainable management of tropical rainforests and biodiversity conservation in the ITTO Congo Basin countries"	<b>Total</b> 4 518 857  <b>ITTO</b> 4 408 557  <b>Counterpart</b> 110 300	Japan Switzerland Belgium	RIFFEAC Secretariat	To build the capacities of environmental and forestry training institutions in Central Africa to ensure they are capable of training qualified personnel to implement SFM while ensuring biodiversity conservation in the Congo Basin by: (i) harmonizing training modules and programmes in SFM, taking into account the CBD framework; (ii) upgrading and updating training equipment, materials and infrastructure; and (iii) capacity-building among full-time and part-time trainers.
PD 477/07 Rev.4 (F)	Improving forest functions in Bengkulu Province through community participation in rehabilitation of degraded forest by using local prospective commodities	<b>Total</b> 430 424  <b>ITTO</b> 338 256  <b>Counterpart</b> 92 168	Japan	Indonesia	<p>To contribute to the sustainable management of tropical forests in Bengkulu Province through the rehabilitation of degraded forestlands using indigenous species. The rehabilitation of degraded forestlands, which is the main activity of the project, will be carried out by local communities.</p> <p>Expected outputs of the project are: (i) seed sources of indigenous species identified and suitable technology for seed collection and processing developed; (ii) technical guidelines for forest plantations with the selected species developed and disseminated; (iii) high-quality planting materials produced and distributed; and (iv) community-based forest plantation models developed.</p>
PD 581/10 Rev.2 (F)	Establishing a geographic information system for the sustainable management of the forest areas of Togo	<b>Total</b> 565 523  <b>ITTO</b> 345 840  <b>Counterpart</b> 219 683	Japan	Togo	<p>To improve the management of forest geospatial information in Togo.</p> <p>Expected outputs are: (i) the collection and processing of forest-sector data based on modern equipment and methodology; (ii) stakeholders trained in the use of forestry GIS; and (iii) a system of decentralized geospatial information management for forests is in place.</p>

Project ID	Title	Budget (US\$)	Donor(s)	Submitted by	Project aim
PD 617/11 Rev.3 (F)	Promoting biodiversity conservation in the Betung Kerihun National Park as the transboundary ecosystem between Indonesia and the state of Sarawak, Malaysia (Phase III)	<b>Total</b> 1 508 111  <b>ITTO</b> 1 283 191  <b>Counterpart</b> 224 920	Switzerland Japan USA	Indonesia	<p>To promote the sustainable conservation and management of the Betung Kerihun National Park, which was established in 1992.</p> <p>The expected outputs of the project are: (i) cooperation between Indonesia and Malaysia for the conservation of transboundary ecosystems maintained and strengthened; (ii) an operational plan for biodiversity conservation of transboundary ecosystems formulated; (iii) sustainable livelihoods for communities living within and surrounding the Betung Kerihun National Park improved; (iv) community-based conservation management and monitoring systems well-established; (v) community-based carbon and biodiversity conservation project design (REDD+ project) developed.</p>
PD 635/12 Rev.2 (F)	Development of guidelines for buffer zone management for Pulong Tau National Park and Involvement of local communities in management, Sarawak, Malaysia	<b>Total</b> 1 421 925  <b>ITTO</b> 517 450  <b>Counterpart</b> 904 475	Japan Switzerland Japan Lumber Importers Association	Malaysia	To facilitate the establishment of 6000 hectares of the buffer zone and secure a forest base to meet the communities' needs. The project will study the multiple functions of buffer zones for environmental services such as watershed protection, biodiversity conservation and research. Guidelines for buffer-zone management will be developed and submitted to the state government for consideration.
PD 653/12 Rev.1 (F)	Sustainable mixed and pure forest plantation development in the transitional zone of Ghana's Biakoye District Assembly, employing poverty reduction strategies	<b>Total</b> 324 088  <b>ITTO</b> 245 272  <b>Counterpart</b> 78 816	Japan	Ghana	To initiate a participatory poverty alleviation approach (innovative value-adding cassava processing and sale) and forest enrichment and plantation development using tropical timber species in mixed stands and exotic teak (for timber and poles) and <i>Cassia siamea</i> (for fuelwood) in Ghana's Volta Region.



Continued ...

Project ID	Title	Budget (US\$)	Donor(s)	Submitted by	Project aim
PD 668/12 Rev.1 (F)	Integrated management of natural resources and biodiversity in the Tacaná Volcano and its range of influence in Mexico and Guatemala	<b>Total</b> 949 492  <b>ITTO</b> 641 639  <b>Counterpart</b> 307 853	Japan USA	Guatemala	<p>To contribute to improving living standards for 28 000 people in the two countries based on the conservation and sustainable use of local natural resources.</p> <p>The project will begin with an initial two-year phase to establish the foundations of joint work with the community (both men and women) with pilot activities, including forest management, the diversification of economic opportunities, the upgrading of the legal framework for protected areas, and the enhancement of collaboration between the two countries.</p>
PD 673/12 Rev.1 (F)	Strengthening the capacity in forest law enforcement and governance of the permanent forest estates in Kratie and Mondulhiri provinces, Cambodia	<b>Total</b> 555 527  <b>ITTO</b> 464 033  <b>Counterpart</b> 91 494	Japan Republic of Korea	Cambodia	<p>To strengthen forest law enforcement in the permanent forest estates of Mondulhiri and Kratie provinces.</p> <p>Expected outputs are: (i) enhanced operational capacity of the Forestry Administration to enforce forest laws; (ii) increased support of local communities towards the law enforcement initiative of the Forestry Administration; and (iii) improved collaboration between the Forestry Administration and stakeholders.</p>
PD 621/11 Rev.3 (M)	Traceability of timber produced by forest concessions and native communities in Madre de Dios and Ucayali	<b>Total</b> 627 157  <b>ITTO</b> 349 032  <b>Counterpart</b> 278 125	Japan USA	Peru	<p>To develop a traceability system so that small and medium-sized producers, native communities and forest concessionaires can certify the legal origin of marketed timber.</p>
PPD 165/12 Rev.1 (F)	Study for the rehabilitation and sustainable management of sacred forests on Ramsar sites 1017 and 1018 In Benin	<b>Total</b> 96 980  <b>ITTO</b> 79 380  <b>Counterpart</b> 17 600	USA Japan Republic of Korea	Benin	<p>To evaluate the potential of sacred forests located in the 1017 and 1018 Ramsar sites in order to formulate a project to support the rehabilitation and sustainable management of these forests.</p>

# APPENDIX 3:

## Projects and pre-projects completed in 2012 (thematic programmes)

Project ID	Title	Total budget (US\$)	Donor(s)	Submitted by	Main outputs
TFL-PPD 001/09 Rev.2 (M)	Implementing and promoting sustainable forest management through the formulation of an action plan for improved forest law enforcement and governance in Colombia	122 598	TFLET	Colombia	<ul style="list-style-type: none"> <li>• Pilot study to develop a full proposal.</li> <li>• Analytical report on respective legislation covering 36 national laws, five national policies, 12 international treaties and 61 regional norms.</li> <li>• Development of a project proposal on implementing and promoting SFM through forest law enforcement and governance in Colombia [PD 640/12 (F)] submitted to the ITTO expert panel.</li> </ul>
TFL-PD 010/09 Rev.1 (M)	Strengthening the capacity of related stakeholders in Java to implement the new Indonesian timber legality assurance system (TLAS)	555 163	TFLET	Indonesia	<ul style="list-style-type: none"> <li>• 196 people trained on skills required for the practical application of the TLAS to community forests.</li> <li>• Piloting of TLAS application at two selected community forest management units, including workshops, to enable communities to prepare TLAS documentation and fully benefit from compliance with TLAS policy and procedures.</li> <li>• Assessment of independent institutions eligible to monitor the TLAS application process for community forests, selection criteria, and practical monitoring guidelines.</li> </ul>
RED-PD 005/09 Rev.2 (F)	Strengthening Guyana's capacity to manage forest resources and environmental services through resource assessment and monitoring changes in deforestation and degradation	540 880	REDDES	Guyana	<ul style="list-style-type: none"> <li>• Development of a model for forest resource valuation at the demonstration scale accompanied by a user manual to provide the main basis for training and capacity-building.</li> <li>• Preparation of two analytical reports on: (i) review of available environmental services; and (ii) requirements for accessing markets for such services.</li> <li>• Six communities trained in environmental services and SFM.</li> </ul>
RED-PD 007/09 Rev.2 (F)	Enhancing forest carbon stock to reduce emissions from deforestation and degradation through sustainable forest management initiatives in Indonesia	539 617	REDDES	Indonesia	<ul style="list-style-type: none"> <li>• A database of all REDD+ and forest carbon-related projects in Indonesia established.</li> <li>• Methodologies for establishing forest carbon baselines and estimating the contribution of forest management to reducing greenhouse gas emissions established and disseminated.</li> <li>• Over 500 representatives of national/local government and a diverse range of other stakeholders made aware of the importance of SFM in achieving Indonesia's REDD+ goals.</li> </ul>

Continued ...

Project ID	Title	Total budget (US\$)	Donor(s)	Submitted by	Main outputs
RED-SPD 020/09 Rev.1 (F)	Development and demonstration of a scheme of payment for environmental services derived from degraded and secondary tropical production forests in China	203 040	REDDES	China	<ul style="list-style-type: none"> <li>• Assessment report produced on environmental services derived from degraded and secondary tropical production forests in the demonstration area.</li> <li>• A scheme for payments for environmental services developed and implemented in the demonstration area.</li> <li>• A technical report prepared on payments for the environmental services of natural production forests in Hainan Province.</li> </ul>
TMT-SPD 002/010 Rev.1 (M)	Improving resilience of the tropical timber sector to the impacts of global and regional economic and financial crises	150 000	TMT	ITTO	<ul style="list-style-type: none"> <li>• A technical report (ITTO Technical Series 41) published on improving the resilience of the tropical timber sector to the impacts of global and regional economic and financial crises.</li> </ul>
TMT-PA 007/11 Rev.1 (I)	Methodological development for life cycle analysis of tropical wood products to improve their competitiveness in international markets	60 116	TMT	ITTO	<ul style="list-style-type: none"> <li>• A technical report published on wood-product accounting and climate-change mitigation projects involving tropical timber.</li> <li>• A technical report published on a work plan for accounting methodology development for wood products in climate-change mitigation projects involving tropical timber.</li> </ul>

# APPENDIX 4:

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

Producer members	No. of votes	Consumer members	No. of votes
<b>Africa</b>			
Benin	31	Albania	10
Cameroon	31	Australia	16
Republic of the Congo	31	Canada	15
Côte d'Ivoire	31	China	241
Democratic Republic of the Congo	32	<b>European Union</b>	
Gabon	31	Austria	11
Ghana	31	Belgium	15
Liberia	31	Bulgaria	11
Mali	31	Cyprus	10
Mozambique	31	Czech Republic	12
Togo	31	Denmark	12
<b>Asia and the Pacific</b>		Estonia	10
Cambodia	22	Finland	10
Fiji	17	France	32
India	45	Germany	19
Indonesia	112	Greece	11
Malaysia	129	Hungary	10
Myanmar	53	Ireland	14
Papua New Guinea	47	Italy	28
Philippines	20	Latvia	10
<b>Latin America and the Caribbean</b>		Lithuania	10
Ecuador	25	Luxembourg	10
Guatemala	18	Malta	11
Guyana	25	Netherlands	31
Honduras	19	Poland	11
Mexico	43	Portugal	15
Panama	18	Romania	10
Peru	48	Slovakia	11
Trinidad and Tobago	17	Slovenia	10
		Spain	22
		Sweden	11
		United Kingdom of Great Britain and Northern Ireland	26
		Japan	156
		New Zealand	11
		Norway	10
		Republic of Korea	64
		Switzerland	12
		United States of America	72
<b>Total:</b>	<b>1 000</b>	<b>Total:</b>	<b>1 000</b>



# Acronyms

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ACTO	Amazon Cooperation Treaty Organization
APF Net	Asia-Pacific Network for Sustainable Forest Management
C&I	criteria and indicators for sustainable forest management
AUD	Australian dollar(s)
CBD	Convention on Biological Diversity
CERFLOR	Brazilian Forest Certification Programme
CFME	ITTO Thematic Programme on Community Forest Management and Enterprise
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CoC	chain of custody
COP	Conference of the Parties
EPD	environmental product declaration
FAO	Food and Agriculture Organization of the United Nations
FORNESSA	Forestry Research Network of Sub-Saharan Africa
FSC	Forest Stewardship Council
IDE	ITTO Thematic Programme on Industry Development and Efficiency
IPSI	International Partnership for the Satoyama Initiative
ITTA	International Tropical Timber Agreement
ITTO	International Tropical Timber Organization
IUCN	International Union for Conservation of Nature
IUFRO	International Union of Forest Research Organizations
LEED	Leadership in Energy and Environmental Design
PEFC	Programme for the Endorsement of Forest Certification
REDD+	reducing emissions from deforestation and forest degradation, including the role of conservation, sustainable management of forests and enhancement of forest carbon stocks
REDDES	ITTO Thematic Programme on Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests
RIFFEAC	Network of Central African Forestry and Environmental Training Institutions
SFM	sustainable forest management
SPWP	secondary processed wood product
TFLET	ITTO Thematic Programme on Tropical Forest Law Enforcement Governance and Trade
TMT	ITTO Thematic Programme on Trade and Market Transparency
UNISDR	United Nations International Strategy for Disaster Reduction
USA	United States of America



# Sustaining tropical forests



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