

Summary of the Sixtieth Session of the International Tropical Timber Council: 2-6 December 2024

The 60th session of the International Tropical Timber Council (ITTC-60) closed on a positive note, with decisions advancing preparations for renegotiation of the International Tropical Timber Agreement (ITTA) and confirming the team through the extension of the Executive Director’s term. Members reaffirmed the central role of sustainable tropical timber trade in meeting global environmental and development objectives through the formalization of its programmatic approach to projects. Yet, despite high global funding levels for forests, clarity on how these ambitions will be financed remains limited. Even so, after years of contentious ITCC meetings, participants were happy to “take a breath,” with Chair Anna Tyler celebrating in her final statement that Members appear to be “pulling in the same direction.”

As part of preparations for the ITTA renegotiation, the Council extended the mandate of the Preparatory Working Group (PWG) until ITTC-61, asking it to work with consultants to finalize the identification of elements to be considered in the future negotiations. The PWG was given detailed instructions on what to look at and what inputs to provide for Members to use in their national preparations for the negotiations. It was instructed to report back to ITTC-61, with deliverables. Perhaps just as importantly, the until-now leaderless PWG was provided two Co-Chairs to guide its work, with the US representing Consumers, and Panama, representing Producers.

The Council also extended the term of Executive Director Sheam Satkuru until 31 January 2028 to ensure organizational continuity during the ramp-up of the negotiations. A long list of Members praised her leadership as the ITTO heads toward the ITTA renegotiation. Many echoed a sentiment voiced by Ghana, who declared, “When you have a winning team, why change it?”

The Council also embraced full implementation of a new financing architecture as a means to attract more funding for ITTO projects and thematic activities. The new system will run parallel to the regular project cycle mandated by the ITTA—at least until funding questions are dealt with under the ITTA renegotiation.

Members appeared energized by ITTO’s recent accreditation with the Green Climate Fund (GCF) and the Executive Director’s efforts to secure cooperation and collaboration agreements with diverse agencies, multilateral and regional organizations, and development banks. During the week they offered ideas and support for raising ITTO’s profile, including in forums such as the G7 and G20.

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However, there is still a great deal of work to be done before any of these efforts can bear fruit.

The Council's Annual Market Discussion and its look at the preliminary findings of the Biennial World Timber Situation report also reminded participants that the ITTO has forged a role for itself in assisting the industry, trade, and governments involved in tropical timber to green supply chains in the era of transparency, traceability, legality, and certification.

By week's end, many Members expressed hope that ITTC-60 had laid the foundation for a better future for the Organization. There is structure for the PWG to advance renegotiation preparations and the Secretariat has the drive to diversify ITTO financing, and incoming ITTC-61 Chair (and former ITTO Fellow) Carlos Espinosa Peña (Panama) looked toward making the 2025 session just as fruitful.

ITTC-60 met in Yokohama, Japan, from 2-6 December 2024. It was attended by 103 delegates from 40 member governments and the EU, and approximately 60 observers from intergovernmental organizations, technical agencies, certification bodies, civil society, the private sector, and academia.

### **A Brief History of the International Tropical Timber Organization**

The International Tropical Timber Organization (ITTO) was established in 1986 to address the importance of tropical timber and related trade to producer countries, as well as concerns about the sustainable management of the world's tropical forests. While it was negotiated as a commodity agreement to promote the expansion and diversification of international trade and the improvement of structural conditions in the tropical timber market, it differed from other commodity agreements in by focusing on both the utilization and conservation of tropical forests. Today, the ITTO also works to address related challenges which impinge upon these dual goals, particularly climate change, biodiversity loss, and land degradation.

The ITTO is headquartered in Yokohama, Japan, and currently has 76 Members, divided into two caucuses: 37 countries in the Producer caucus and 38 countries, plus the EU, in the Consumer caucus. ITTO's membership represents about 90% of the world trade in tropical timber and 80% of the world's tropical forests.

**ITTA, 1983:** The ITTO originated under the International Tropical Timber Agreement (ITTA), which was negotiated under the auspices of the UN Conference on Trade and Development (UNCTAD). The ITTA was adopted in November 1983 and entered into force in April 1985.

The ITTA was established with a "sunset clause," to remain in force for five years with the possibility of extension. It was extended twice for three-year periods; since then, it has been renegotiated on two occasions.

**ITTA, 1994** was the first successor agreement. It was negotiated between 1992 and 1994, adopted in January 1994, and entered into force on 1 January 1997. The ITTA, 1994 contained broader provisions for information sharing, including non-tropical timber trade data. It also allowed for consideration of non-tropical timber issues as they relate to tropical timber and included the ITTO Objective 2000 for achieving exports of tropical timber and timber products from sustainably managed sources by the year 2000.

**ITTA, 2006, which is still in force, was the second successor agreement** to the original ITTA. It focuses on expanding and diversifying world trade in tropical timber and the sustainable

management of the resource base. The ITTA, 2006 entered into force on 7 December 2011, for a period of ten years. It was subsequently extended to 2026 and then to December 2029.

**The Governing Body—ITTC:** The governing body of the ITTO is the International Tropical Timber Council (ITTC). It includes all Members and meets annually. Annual contributions and votes are distributed equally between the Producer and Consumer caucuses. Members in arrears are not permitted to vote or to submit project proposals.

The Council is supported by four committees. These committees, which are open to all Members and provide advice and assistance to the Council, cover the following areas: Economics, Statistics and Markets (CEM); Forest Industry (CFI); Reforestation and Forest Management (CRF); and Finance and Administration (CFA).

The Council is also assisted by the Informal Advisory Group (IAG), which meets just prior to Council sessions to produce recommendations for draft decisions that the ITTC may wish to consider. There is also a Trade Advisory Group (TAG), a Civil Society Advisory Group (CSAG), and an Expert Panel for the Technical Appraisal of Project Proposals (EP).

**Recent Events:** In the 21st century the ITTO has experienced some difficulties. First, the negotiations that resulted in the ITTA, 2006 included a dispute over the project approval and funding cycle that was not resolved. After an unprecedented level of regional wrangling over selection of a new Executive Director in 2007, the same issue arose again in 2014, and was finally resolved in 2016. The dispute was due in no small part to the discovery of a financial impairment in 2015, entailing a loss of USD 18 million of ITTO funds through two failed investments. Resolution of these issues took considerable time and energy. The COVID-19 pandemic followed close on the heels of these efforts to rebuild confidence in the organization and resulted in a substantial lack of progress in the ITTO's work. Producer countries were particularly affected, as both financing and countries' ability to pursue on-the-ground work were substantially reduced.

The ITTO's ongoing recovery has involved developing a new financing architecture, attempting to secure new sources of funding, and streamlining pathways to project approval that build on the programmatic approach as it has evolved from the Thematic Programs introduced in the ITTA, 2006. There has also been considerable work on policies for, and engagement with, key stakeholders, including women and youth.

The issue of extending the ITTA, 2006 also became a major focus in 2023, as the 2026 expiration date began to loom. In a Council decision adopted virtually on 24 May 2024, the ITTA, 2006 was extended until 6 December 2029.

### **ITTC-60 Report**

ITTO Operations Director Gerhard Breulmann opened the Council plenary on Monday, 2 December. ITTC-60 Chair Anna Tyler (New Zealand) stressed that: tropical forest management is critical to achieving sustainable development; ITTO's role is crucial to that work; and active participation of all ITTO Members and stakeholders is key.

Hirofumi Takinami, State Minister of Agriculture, Forestry and Fisheries, Japan, emphasized that enhanced international cooperation is essential to halting deforestation and achieving land degradation neutrality by 2030, noting that ITTO plays a key role in achieving those goals.

Takeharu Yamanaka, Mayor, City of Yokohama, Japan, welcomed ITTC delegates and reported on efforts to make Yokohama environmentally sustainable, including an initiative to completely decarbonize the Minatomirai business area.

Jorge Mario Rodríguez Zúñiga, Vice Minister of Environment, Costa Rica, highlighted his country's efforts in forest conservation, sustainable forest management (SFM), sustainable use, and payment for environmental services as tools of economic development benefiting local communities, especially in rural areas. He stressed the ITTO's role in helping Costa Rica in these efforts and its work on sustainable and legally sourced supply chains.

Haji Len Talif Salleh, Deputy State Minister, Urban Planning, Land Administration and Environment, Sarawak, Malaysia, emphasized the centrality of timber production to the state's economy, highlighting Sarawak's implementation of 20 ITTO projects since 1989, valued at over USD 16 million. He described his state's commitment to carbon neutrality, which will be achieved in part through sustainable forestry and conservation, landscape restoration, rewilding and rehabilitation of degraded areas.

Roberto Seminario Portocarrero, Ambassador of Peru to Japan, underscored the global importance of the ITTO in pursuing forest restoration, sustainable utilization of timber, biodiversity conservation, and climate change mitigation. He described Peru's 62 forest-related projects with ITTO over the years, which had received financing of USD 22 million, and requested support for two additional projects.

Sheam Satkuru, Executive Director, ITTO, stressed the relevance of forest-related outcomes from the recent meetings of the Conferences of the Parties (COPs) to the Convention on Biological Diversity (CBD) and UN Framework Convention on Climate Change (UNFCCC), as well as meetings of the G20 and G7. She noted these meetings provide opportunities for the ITTO to demonstrate its expertise and leadership in tropical forests.

### Organizational Matters

**Ascertainment of the Quorum:** On Monday afternoon, the Secretariat reported 35 Consumers were present, comprising 935 votes, alongside 25 Producers, comprising 787 votes, and announced that quorum was achieved.

**Adoption of Agenda and Organization of Work:** Delegates adopted the provisional agenda ([ITTC\(LX\)/1 Rev.2](#)).

**Report on Membership of the Council:** Executive Director Satkuru reported ([ITTC\(LX\)/13](#)) that Canada had deposited its instrument of accession on 22 November 2023, becoming the 76th party to the ITTA, 2006 as a Consuming Member after a 10-year absence. CANADA thanked the Council for welcoming its re-accession.

**Distribution of Votes for the 2024-2025 Biennium:** Executive Director Satkuru said the redistribution of Consumer votes based on Canada's re-accession will remain in effect for the rest of the 2024-2025 Biennium, barring further membership changes.

**Admission of Observers:** All prospective observers ([ITTC\(LX\)/Info.3](#), [ITTC\(LX\)/Info.4](#)) were admitted.

**Vice President of the Council:** The Consumer Group nominated Carlos Espinosa Peña of Panama to serve as Vice Chair of the Council.

**Statement by the Executive Director:** On Monday afternoon, Executive Director Satkuru called upon all Members to “stand as

one” in supporting the ITTO. She summarized key issues to be addressed at ITTC-60, including, among others:

- the ITTA, 2006 renegotiation process;
- enhanced collaboration and cooperation with other international organizations;
- the new financing architecture;
- outcomes of CBD COP 16 and UNFCCC COP 29; and
- extension of the Executive Director's term.

**Report of the IAG:** On Monday afternoon, Chair Tyler presented the IAG's report ([ITTC\(LX\)/2](#)), which included draft decisions on:

- matters related to extending the Executive Director's term of appointment;
- continuation and review of the programmatic approach;
- ITTA, 2006 Article 44 on renewal of the ITTA; and
- support for the Japanese Government's proposal that ITTO have observer status to the UN General Assembly.

**Report of the Credentials Committee:** On Wednesday, Credentials Committee Chair Cassandra Price (Australia) reported acceptance of the credentials of 40 countries and the EU attending ITTC-60, and review of the representation of 23 countries who had delegated their interest and voting rights ([ITTC\(LX\)/3](#)). She requested those who had not yet provided their credentials to the Secretariat to do so.

### Matters Related to Article 19 of the ITTA, 2006 on the Administrative Account – Decisions 3(LVII) and 4(LIX)

On Monday, Executive Director Satkuru reported ([ITTC\(LX\)/4](#)) that a working group is considering how to help Members in arrears overcome payment issues, with discussions being held on this with two Members. The EU said it looked forward to updates on this question. MALAYSIA confirmed its ongoing commitment to pay its assessed contributions one year in advance. Chair Tyler welcomed Malaysia's announcement.

### Matters Pertaining to Article 44 of ITTA, 2006 – Decisions 4(LVII) and 5(LIX)

On Monday, Björn Merckell (Sweden), member of the PWG on the implementation of [Decision 5\(LIX\)](#) on matters pertaining to Article 44 of the ITTA, 2006, reported on ITTA, 2006 review elements discussed by the PWG and those suggested by the consultants who had produced a report on the topic (Annex 2 of [ITTC\(LX\)/5](#)). He explained that a roadmap is included in the PWG report and noted a recommendation to extend the PWG work until ITTC-61 to allow for regular review and agreement on updated modalities, as well as securing Co-Chairs for the PWG.

Alexander Knapp, AKCGlobal Group, presented a high-level summary of the “Consultant Report ‘Priorities and Options – ITTA 202X’” on process, findings, and recommendations to the Council for the ITTA. Knapp reported that the consultants considered previous decisions and documents, along with documents and treaties of other organizations, and carried out a member survey. Their general recommendations encompassed a structure to look at the “why, how, and what” of the ITTA to determine a way forward. They presented key findings showing that 98% of respondents called for “important and fundamental changes” to the ITTA.

The US reiterated concerns that no one had been identified or volunteered to chair the PWG. MALAYSIA urged careful consideration of the recommendations with a view to keeping negotiations focused on ITTO's strengths.

On Wednesday, the consultant provided options for Members to consider whether to move away from a producer/consumer structure and whether to consider new approaches for allocating votes among Members.

NEW ZEALAND, CANADA, the REPUBLIC OF KOREA, and AUSTRALIA expressed support for continuation of the PWG. CANADA requested an analysis of how other treaties organize their membership categories. Satkuru said UNCTAD commodity agreements have similar membership structures and noted that a changed structure would have implications for both voting and contributions.

The REPUBLIC OF KOREA cautioned against using difficult-to-quantify variables for assigning voting rights. JAPAN requested a decision identifying elements within the ITTA that need to be updated and, with the US, asked for Members to be proactive in discussions.

The US, supported by the EU, called for PWG meeting modalities and agendas to be determined ahead of time and that clarity on the purpose of each meeting.

Addressing the next steps for the ITTA at the invitation of Chair Tyler, the Producer Spokesperson noted some within the caucus supported maintaining a strong focus on timber, while leaving topics like biodiversity and climate to other relevant organizations, but requested more time to confer.

After being allowed time for discussions, both caucuses agreed to continue working into the evening with a Chair's Open-ended Drafting Group session.

### ***Matters Related to the Appointment of the Executive Director – Decisions 8(LII) and 6(LIV)***

On Monday, Chair Tyler recalled [Decision 8\(LII\)](#) states that the issue of appointment of the Executive Director must be on the agenda of the Council Session that occurs at least one year before the end of his or her term. Tyler noted that Executive Director Satkuru had submitted a request for an extension. Satkuru highlighted her leadership of the ITTO through challenging times, underscoring her energy and commitment to raising the profile of the ITTO.

MALAYSIA, COSTA RICA, PERU, NEW ZEALAND, BRAZIL, PAPUA NEW GUINEA, CÔTE D'IVOIRE, the US, and AUSTRALIA expressed support for extending Satkuru's term, praising her energy, fundraising efforts, and strong leadership, and underscoring the importance of continuity. After a brief break for consultations, the Consumer and Producer caucuses both expressed unanimous support for extending the Executive Director's term but asked that the drafting committee offer appropriate language for formal adoption of a decision.

### ***ITTO Biennial Work Programme***

On Thursday, the Secretariat presented a status report on the Biennial Work Programme (BWP) 2024-2025 ([ITTC\(LX\)/6 Rev.1](#)), focusing on selected activities, including:

- building legal and sustainable forest product supply chains;
- industry-led legality compliance/due care training;
- promoting quality timber production from smallholder and community-established plantations in teak and other valuable species;
- operationalizing ITTO Policy Guidelines on Gender Equality and Empowering Women;

- dissemination of the ITTO forest landscape restoration guidelines;
- conservation and sustainable use of biodiversity in tropical timber production forests;
- cooperation with the Collaborative Partnership on Forests (CPF) and UN Forum on Forests (UNFF); and
- collaboration on criteria and indicators for SFM.

He noted that the BWP only has USD 5,183,904 pledged of the USD 7,009,585 sought.

The REPUBLIC OF KOREA confirmed its pledge to second an officer from the Korea Forest Service to the ITTO and encouraged other Members to consider secondments.

The PHILIPPINES stated its desire to participate in ITTO's work on legal and sustainable supply chains and on fire management. He called for training for regional fire management experts, given differences between countries, and stressed budgeting for systematically including gender considerations at every project stage.

ITTC-60 Vice Chair Espinosa then presented an update on the ITTO Fellowship Programme 2023-2024 ([ITTC\(LX\)/7](#)). He said the Selection Panel worked virtually. Espinosa explained that, of 91 applications received, the Panel recommended 15 for fellowships, with a further four recommended conditionally upon modification or reduction of their budgets, for a total Fellowship Programme budget of USD 131,382.

Espinosa added that he had once been an ITTO Fellowship recipient and it "changed my life."

### ***Matters Related to Article 15 of the ITTA, 2006 on Cooperation and Coordination with Other Organizations – Decision 7(LVII)***

On Wednesday, Executive Director Satkuru updated the Council on ITTO efforts under Decision 7(LVII). In her report (ITTC(LX)/8), Satkuru noted that:

- countries generally allocate funding received to their own agencies rather than to the ITTO in implementing projects funded by the Global Environment Facility (GEF);
- having achieved GCF accreditation in March 2024, the ITTO is now in discussion with potential partners to identify streams of work to propose to the GCF Board;
- the ITTO co-leads the Sustainable Wood for a Sustainable World initiative on legal and sustainable supply chains with the Food and Agriculture Organization of the UN (FAO);
- the ITTO is seeking to operationalize memoranda of understanding (MOUs) with the CBD, the Asian Forest Cooperation Organization (AFoCO), the Japan International Cooperation Agency (JICA), the UN Convention to Combat Desertification (UNCCD), and the UNFF;
- the ITTO is seeking to renew its MOU with the Institute for Global Environmental Strategies (IGES); and
- the ITTO is exploring MOUs with the Asian Development Bank (ADB), the United Nations University, and the Remote Sensing Technology Center of Japan (RESTEC).

She cited initiatives and discussions with other organizations, including the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), CIFOR-ICRAF, the International Union of Forest Research Organizations (IUFRO), the UN Environment Programme (UNEP), the Common Fund for

Commodities (CFC), the Central African Forest Initiative (CAFI), Japanese partners, and others.

Satkuru also noted ongoing engagement with TAG and CSAG, and a proposal made at ITTC-59 for a youth engagement platform.

Delegates thanked the Secretariat for their efforts to promote the visibility and prominence of the organization, especially their recent participation in the Forest Pavilion at UNFCCC COP 29 in Baku, Azerbaijan. They also expressed appreciation for the continuing practice of reporting details of the Secretariat's activities.

PANAMA and PAPUA NEW GUINEA spoke of upcoming projects and their intentions to involve the ITTO. CANADA, NEW ZEALAND, and the PHILIPPINES suggested rekindling and developing new relationships with additional organizations and programs, such as: the UK's Forest Governance, Markets and Climate Programme; the International Model Forest Network; and multilateral development banks.

While welcoming the suggestions, Satkuru cautioned that, given ITTO's limited staff and funds, a balance has to be struck between "getting the word out" and successfully managing the relationships they are already cultivating. She thanked the US and Japan for their additional funding allowing ITTO to pursue collaborative efforts. Satkuru noted GCF accreditation ended the need for ITTO to pursue an MOU with UNFCCC. She encouraged ITTO Members with connections at the ADB and the regional FAO offices to "put in a good word" with them about working with the ITTO.

Minoru Takada, Deputy Director, UNFF Secretariat, noted that the UN General Assembly's (UNGA) September 2024 Pact for the Future warns of rising and catastrophic human-caused risks. He called forests a "critical cornerstone" for global resilience to climate change, biodiversity loss, and desertification, and urged united ITTO-UNFF action to: make forests a political priority; close financing gaps; address data gaps and resource mobilization; and ensure transformative action.

Robert Nasi, Chief Operating Officer, CIFOR-ICRAF, offered his "gut feeling" that the tropical timber business is going to die unless it changes. Citing diminishing demand for tropical timber, he noted that the emerging bioeconomy requires more timber, not less, and said this must come from tropical plantation wood and laminate. He also underscored that forests are needed not just for ecosystem services but for output in the bioeconomy. He cited this as "the very valuable task of the ITTO, the CPF, and everyone working with tropical forests."

Aya Yamamoto, Executive Managing Director, RESTEC, said they are committed to helping with global mapping of forest resources through its technical expertise in forest monitoring and targeted capacity building programmes. She reported that RESTEC and ITTO were signing an upcoming MOU outlining their cooperation on mobilizing financial resources and technical support for sustainably managing the global resource.

JAPAN described their proposal for a draft decision for UNGA to grant ITTO observer status. Offering to share the draft decision, he requested support from other ITTO Members. NEW ZEALAND, BRAZIL, REPUBLIC OF KOREA, PANAMA, and COSTA RICA indicated their support for the initiative.

### ***Special Account and Bali Partnership Fund***

**Pledges to the Special Account and the Bali Partnership Fund (BPF):** On Thursday, ITTC-60 Chair Tyler opened the floor for pledges to the Special Account. The US announced a contribution

of USD 600,000 for project work and BWP activities. JAPAN announced a pledge of USD 250,000 for project funding, noting an additional contribution of approximately USD 470,000 from the Japanese Forestry Agency in 2024 and potential approval by Japan's National Diet of USD 750,000 in further funding.

**Report of the Panel on Sub-Account B of the BPF:** On Friday, Pyoabalo Alaba, Chair, Panel on Sub-Account B of the BPF, reported ([ITTC\(LX\)/9](#)) the balances in BPF Sub-Account B and the Unearmarked Fund totaled USD 56,708 and USD 56,170, respectively, for a total of USD 107,878. He confirmed the Panel's recommendation to allocate the unearmarked funds to the 2025 Fellowship Programme.

The report was adopted without comment.

### ***Implementation of ITTO's New Financing Architecture, Phase II – Decisions 4(LVI), 5(LIV) and 8(LVII)***

On Wednesday, Executive Director Satkuru provided a progress report on the implementation of ITTO's new financing architecture, Phase II ([ITTC\(LX\)/10](#)). She reported that, since 2020, there have been 49 concept notes submitted with 31 published for donor consideration and 13 of these receiving donor interests. She noted Japan, Australia, the United States, Republic of Korea, and Germany have been the primary project funders. She said the programmatic approach has raised USD 14.8 million over six years, but 31 projects remain unfunded, and cautioned that concept notes will sunset in the coming years. She requested that the Council take decisions on: the future of the pilot Programmatic Approach with four Programme Lines; and whether to run the concept note and regular project cycle processes in parallel.

NEW ZEALAND, the US, EU, REPUBLIC OF KOREA, the PHILIPPINES and AUSTRALIA expressed their preference for continuing with a programmatic approach, moving toward a single project cycle per year, and continuing with the use of concept notes. The PHILIPPINES asked to ensure funding availability is clear and that the Secretariat seek partnerships to mobilize additional resources.

On Thursday morning, ITTC-60 Chair Tyler invited consultant Alexander Knapp to address the New Financing Architecture from the point of view of delegate feedback during the week, specifically regarding fundraising in the context of renegotiating the ITTA, 2006. Knapp urged consideration of what should be prioritized internally and externally, and how limited resources should be used. He noted delegates mentioned priorities including:

- deforestation-free supply chains;
- monitoring, evaluation and learning;
- traceability;
- capacity building for Members;
- the triple planetary crisis;
- strengthening discussion on markets; and
- policy frameworks for businesses.

In describing opportunities from international finance, Knapp cited sources of significant financing, noting that 1-2% of the USD 128 billion that ITTO is eligible to bid on focuses on forestry and tropical trade commodities.

Knapp proposed three potential methods to approach the dilemma:

- a balanced approach where the ITTA renegotiation and fundraising receive matching attention and resources over the next few years;

- a tapered approach where the ITTA renegotiation receives the most attention at the beginning before gradually transitioning to fundraising; and
- a sequential approach where the ITTA renegotiation receives all attention until completed and is then followed by fundraising efforts.

The US reiterated that establishing legal supply chains is a key priority for ITTO. She urged ITTA to focus on a structure that is responsive to relevant emerging trends.

Executive Director Satkuru reassured the membership that that if the Programmatic Approach with four Programme Lines is continued, the regular project cycle as formulated in the original ITTA and maintained in the 1994 and 2006 iterations would remain in place until a new ITTA is agreed. She also noted that the ITTO is already pursuing whatever funding or other activities it can without additional financial resources. Satkuru invited Members to consider seconding a member of staff from their organization with fundraising experience.

On Thursday afternoon, ITTC-60 Chair Tyler reopened discussion of this agenda item. The PHILIPPINES expressed appreciation for the ITTO's efforts regarding the new financing architecture and called for prioritizing investments in: ITTO's institutional capacity, including fundraising personnel; market analysis; and outreach activities. He also recommended that ITTO:

- align its fundraising with global priorities on environmental threats and resilient livelihoods to attract funding from the GCF and other funding agencies;
- capitalize on its comparative advantage in promoting legal and sustainable supply chains;
- align project funding with donor interests, such as forest restoration;
- optimize resource allocation and prioritize activities;
- establish a balanced parallel process for fundraising; and
- fulfil donor expectations by ensuring long-term viability.

He commended efforts to secure funding through upcoming ITTA renegotiation while safeguarding the interests of its Members.

Chair Tyler asked the Philippines to engage with the US on any specific text recommendations for the drafting group.

### ***Biennial Review and Assessment of the World Timber Situation 2023-2024***

On Thursday, Frances Maplesden, consultant, outlined preliminary findings from the 2023-2024 Biennial Review and Assessment of the World Timber Situation ([ITTC\(LX\)/12](#)), explaining the report was based on information provided to date by ITTO member countries through the Joint Forest Sector Questionnaire (JFSQ), and supplemented by other sources where necessary. She noted many Members had not submitted their JFSQs, which affected confidence in the data quality. She urged all Members to submit and check data by 31 January 2025, since the final report is due to be published in August 2025.

She noted broad trends based on data provided so far, including:

- a drop in tropical log exports, with the major trade being from the Pacific and West Africa to Asian destinations, particularly China;
- the bulk of the trade in tropical sawnwood occurs in Asia, with 67% of exports accounted for by Asian ITTO Members and China accounting for 85% of the imports, principally from Thailand;

- China is the largest producer of tropical plywood, but Viet Nam's production has increased significantly, rising to second;
- China and India consume most of their tropical plywood production domestically;
- Indonesia remains the largest exporter of tropical plywood, followed by Viet Nam, which exports mostly to the US; and
- two-thirds of secondary wood products are furniture, where Viet Nam leads, but the market has been depressed lately because of housing pressures in the US.

Maplesden provided a long list of market risks and uncertainties faced by tropical timber trade, such as geopolitical conflicts, protectionism, China's property crisis, the European Union Regulation on deforestation-free products (EUDR), and log export restrictions.

In response to a question from the US regarding how hardwood imports are classified and reported, the Secretariat explained that this goes to the heart of an ongoing debate between the ITTO analysts and those from the FAO and the UN Economic Commission for Europe (UNECE), with the former considering any wood from a tropical country to be tropical timber and FAO and UNECE instead favoring the tropical species list used by the World Customs Organization (WCO) for tariff classification. He noted the ITTO approach can be problematic, since many wood products in ITTO member countries are not native tropical species and yet are classified as tropical production and exports simply because the country in question is located in the tropics.

He suggested that the definition of "tropical timber" should be considered carefully in the upcoming ITTA renegotiation.

BRAZIL asked if it is possible to differentiate between products from planted and natural forests in reporting and data. The Secretariat responded that this issue has been debated for years by ITTO, FAO and UNECE experts without resolution.

### ***Joint Session of the Committees***

#### **Report of the Expert Panel for the Technical Appraisal of Project Proposals:**

On Tuesday, the Secretariat presented the Expert Panel's report ([ITTC/EP-59](#)), noting that five projects were appraised, four of which were commended with the incorporation of minor amendments:

- Protection and Restoration of Forest Lands for Water Catchment, Regulation and Recharge in the Upper Salinas River Watershed, Guatemala;
- Sustainable Management of Production Forests Driven by Traditional Communities in the Brazilian Amazon;
- Strengthening Effective Forest Area Designation in Indonesia's East Nusa Tenggara Province as Precondition of Achieving SFM; and
- Capacity Building for Private and Community Tree Farmers in Relation with the Sustainable Management of Forest Plantations in Southern Benin.

The Secretariat reported that a fifth project, Generation of Fundamental Information for the Second Cutting Cycle in Brazil's Amazon Rainforest, was deemed to require essential modifications before it could be commended.

The Secretariat noted the Expert Panel did not highlight major findings or recommendations. He added that the number of project proposals has dropped steadily since 2019, and suggested the Council should reflect on this trend.

**Ex-Post Evaluation Reports:** Lucy Amissah, Forestry Research Institute of Ghana, presented the ex-post thematic group evaluation report on forest fires based on two CRF projects ([CRF\(LVIII\)/4](#)):

- Capacity Building on Forest and Land Fire Management in Indonesia; and
- Forest Fire Prevention and Response in Tropical Forests and Forest Plantations in Peru.

Amissah reported the challenges identified and recommendations made regarding each project, and noted general recommendations, including:

- improving the ITTO Guidelines on Fire Management in Tropical Forests regarding the role of the community in forest and land fire prevention activities, reducing greenhouse gas emissions through land cultivation without the use of fire, and considering and elaborating on improvement and environmentally benign methods of peatland management; and
- supporting the establishment or strengthening of independent national and regional centers of excellence in landscape fire management.

The US welcomed the report and said it should inform revisions of the ITTO Guidelines on Fire Management in Tropical Forests. She also supported the recommendations regarding regional centers, but cautioned that they should have a clearly defined mandate and linkages between them. She also suggested the regional centers should consider the Global Fire Management Hub coordinated by FAO. CANADA agreed that regional centers should work with the Hub and urged examining synergies between the ITTO Guidelines and Hub work.

The Secretariat noted that ITTO is a core member of the Wildland Fire Advisory Group established under the UN International Strategy for Disaster Reduction and has liaison status with the Global Fire Management Hub. She also said that fire guidelines development will be discussed by the CRF.

**CSAG Panel Discussion:** On Tuesday, Chen Hin Keong, TRAFFIC, moderated a panel on “Restoration Strategies and Experiences: Challenges and Lessons Learned.” He explained that TRAFFIC believes promoting sustainable use is important for ensuring that restored habitats remain so long-term. Chen noted figures from reports showing that one in five people rely on wild species for food and income, and that global legal trade in non-timber forest products in 2022 was around USD 1.8 billion. He summarized TRAFFIC’s work on: guidance for legal and sustainable trade from landscapes undergoing restoration; a global standard on promoting protection, restoration, and enhancement of biodiversity among different landscape types; and support for sustainable rosewood trade.

Delphine Ahoussi, President, Association Malebi (MALEBI), Côte d’Ivoire, explained MALEBI is an association of women working on behalf of women that manages 4,500 hectares of forest in Côte d’Ivoire that sustainably produces charcoal. She noted a recent technical project undertaken with the FAO to prove traceability of the charcoal and MALEBI’s training of 50,000 women in sustainable use of forests to support management of more than 15,000 hectares of forest. Ahoussi said MALEBI hopes to access carbon financing for its initiatives.

Christine Wulandari, CSAG, described gender roles in forest restoration, noting that women are often actively excluded from engagement in forest management. She provided examples from Indonesia on increasing women’s participation in decision

making, including involvement in forest management, community governance and forest product business activities. She outlined factors that influence women’s impact, including women’s self-confidence, their knowledge, forest use rates, family social status, community-level perceptions of women’s roles, and the engagement of husbands. She concluded that activities carried out by both men and women are required to increase women’s decision-making over forest resources.

Ximena Buitrón Cisneros, Fairwild Foundation, summarized restoration experiences from Bolivia, Brazil, and Ecuador. She stressed that restoration is a more complicated process than reforestation, highlighting the importance of monitoring ecosystem functions including, for example, following natural regeneration post-wildfire impact. She outlined the challenge of protecting socio-biodiversity in Brazil, describing:

- conflicts that arise between economic interests and environmental conservation;
- issues of landscape fragmentation and loss of ecological connectivity;
- devaluation of traditional knowledge;
- financial and governance constraints; and
- limited investment in monitoring and evaluation.

Buitrón Cisneros described the positive impacts of restoration networks in Brazil to increase the landscape-level effectiveness of local initiatives. She reflected on the difference between project-level and large-scale restoration in Ecuador, noting efforts to lower costs and increase collaboration with local government, academia and local groups. She also described the differences between managing landscapes for conservation and managing productive landscapes.

Danièle Ramiamanana, African Women’s Network for Community Forest Management (REFACOF), described three projects implemented by REFACOF’s partners in Cameroon focused on increasing women’s engagement in forest management. She noted efforts to: invest in nurseries and agroforestry with rural women; restore degraded mangrove forests; and examine gender inclusion within Cameroon’s biodiversity policy. Across all the activities she found that lack of access to land and financial services limits the participation of women and youth in forest restoration. She said these activities prove communities can directly implement programmes with climate finance and that they can effectively integrate gender equality into programs.

Lydia Atutonu, REFACOF, Togo, presented on the third phase of a project aiming to consolidate and guarantee the long-term duration of its achievements in restoring forests through creation of community forests that provide alternative sources of subsistence and income generation, especially for women. She noted the creation of eight new plantation species that were nurtured over a wide expanse of land, as well as production of corn, soya, and beans.

In the ensuing discussion, COSTA RICA spoke at length on gender gaps, highlighting points from previous ITTC meetings on the roles of women in achieving the Sustainable Development Goals (SDGs) and their often-invisible contributions, as well as Costa Rica’s own efforts to empower women, including by enhancing access to landownership so women can receive funding.

REPUBLIC OF KOREA asked about best practices on energy as it relates to wood for heating and cooking. Speakers from MALEBI and REFACOF both explained how their use of quick-growing tree species in plantations allowed them to keep up with community

energy demands and coal and charcoal development without needing to touch natural forests.

INDONESIA underscored efforts to close gender gaps and ensure social inclusion, but noted there are matters pending from ITTC-59 on involving youth more formally in the work of the ITTO.

Chen noted some of the recommendations to the ITTO, including actively engaging member organizations and civil society on sustainable development and climate goals to scale up the area of forest landscape restoration, and on the need to find funding for employing gender-sensitive policies.

**Policy Work Under the CEM and CFI:** On Tuesday, the Secretariat described updates to international legal frameworks related to market access from 2023-2024. The Secretariat noted that the EUDR entry into force has been postponed to 30 December 2025, while emphasizing that the EUDR and EU Timber Regulation (EUTR) are expected to run in parallel through 2028. He noted recently published information by the EU on the Strategic Framework for International Cooperation Engagement on Deforestation and the methodology for benchmarking countries as “low,” “standard,” or “high” risk. He said the system is expected to be finalized in 2025.

Regarding the US Lacey Act, the Secretariat noted the implementation of Phase VII started on 1 December 2024, requiring declarations for additional plant products, including cork, furniture, and some essential oils that did not previously require a declaration.

On the US draft act relating to Fostering Overseas Rule of Law and Environmentally Sound Trade, the Secretariat noted the bill was reintroduced in December 2023. He reported that it would prohibit the import of products from illegally deforested land and is focused on certain products (palm oil, soybeans, cocoa, cattle, and rubber) from high-risk countries.

On the Australia Illegal Logging Prohibition Act, he reported that regulations were amended to reflect country-specific guidelines, and new guidance was introduced to help importers and processors assess risk.

Regarding the Japan Clean Wood Act, the Secretariat noted that recent revisions will come into force in April 2025 and that Japan has established an expert committee to promote the distribution of legally harvested timber.

The Secretariat reported that the Republic of Korea’s revisions to its Sustainable Use of Timbers Act came into force in July 2024, and they also developed 50 country-specific guidelines.

Regarding the Vietnam Timber Legality Assurance System, which became effective in 2020, he noted that a risk-based-results approach came into effect in 2024.

The Secretariat reported no new developments on the Chinese Forest Law amendment process and that public consultations are in process.

With respect to CITES, the Secretariat described relevant training and committee meetings on high value timber.

On forest and timber certification, the Secretariat described the total certified forest area of ITTO producer Members as 42.8 million hectares, representing 9% of the world’s total certified area; as well as 7,667 certificates of chain of custody, representing 10% of the world’s total. He described the relative contributions of certification systems under the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC), also noting the producing countries most heavily represented under each system.

In the ensuing discussion, CÔTE D’IVOIRE announced the signing and ratification of its Voluntary Partnership Agreement in 2024.

NEW ZEALAND reported development of a legal harvest and supply chain system to reduce illegal harvesting, help sell its timber overseas, and ensure that timber imports come from legal sources.

MALAYSIA reported continuing increases in extent of forests with PEFC certification and number of companies certified in responsible timber practices. She said Malaysia participates in the initiative for a Global Timber Index (GTI) Platform on legal supply chains.

PAPUA NEW GUINEA said that after many years its Forest Law Enforcement, Governance and Trade (FLEGT) timber legality standard has finally been approved and is being piloted in numerous timber concessions, with a timber legality verification standard being developed.

PANAMA expressed concern about responding to the EUDR even with a financed traceability system. She asked the ITTO to help clarify how legality regulations will be applied for Producers so they can respond with their domestic systems and frameworks.

ITTC-60 Vice Chair Espinosa confirmed large areas of forest in Panama have been certified but lamented that in Bolivia much forest has been lost. He called for action to help countries in this situation.

INDIA and INDONESIA reported development of national certification schemes.

The Secretariat expressed hope that donors will continue to provide funding for ITTO projects to improve certification systems.

**Annual Market Discussion:** Barney Chan, Chair, TAG, moderated this discussion on Tuesday afternoon. Ivan Tomaselli, Association for Mechanically Processed Timber, Brazil, examined trends over the last 30 years in tropical timber market share. He outlined that while demand and market share of tropical timber have declined, value-added tropical timber goods, including furniture and other goods, have seen increased interest. He recommended that the sector put more effort into communicating with potential consumers and clients on the changes and progress on sustainability in the sector, and for more efforts to be focused on plantations as an efficient but underutilized growing practice.

Jean-Marie Ntoutoume, Union of Foresters and Wood Industries in Gabon, spoke about the important role the timber sector plays in Gabon. He outlined that after public service, forestry and forestry-related industries are the largest employment sector in the country. He spoke about the high costs of domestic timber for export, and underscored how inflation in prices for transportation has significantly and negatively affected the industry.

Alfonso Hernández Ángel, National Association of Importers and Exporters of Forest Products, Mexico, provided an overview of the tropical timber industry in Mexico. He noted that:

- timber production dropped drastically in his country in the decade after 2002, but has increased steadily since;
- commercial forest plantations increased their share dramatically after 2003, but now this is decreasing;
- there are three types of timber certification in Mexico: FSC and two national systems; and
- Mexico runs a trade deficit in timber and its imports continue to grow faster than its exports.

Ngo Sy Hoai, Viet Nam Timber and Forest Product Association, noted factors transforming Viet Nam’s forestry and wood industry, including:



- a ban on logging natural forests since 2014;
- land tenure reform to allow privatization;
- the rise of commercial plantations;
- the growing use of innovative financing, including payment for ecosystem services and REDD+;
- market-driven movement in exports from chips to higher value-added products such as furniture; and
- greater focus on fast-growing acacia.

He identified challenges including: global marketplace uncertainties associated with rising costs; bewildering certification demands and trade restrictions; and gradual loss of Viet Nam's low labor cost advantage.

Braden Jenkin, Sylva Systems Australia, presented on the differences in wood from natural forests and from plantation-grown trees. He highlighted how wood properties differ based on where trees are grown, noting the benefits of plantation-grown wood in terms of uniformity and the fast growth rate. Jenkin stressed the demand for legally sourced, third-party certified wood that has consistent wood properties and a predictable price. He described plantation management processes and noted that ITTO can play an important role in informing plantation species selection and guiding increased acceptance of plantation trees by markets.

Luo Xinjian, Global Green Supply Chain (GGSC), China, provided an introduction to the GGSC and the Global Legal and Sustainable Timber Forum (GLSTF) co-hosted by GGSC and ITTO. On GGSC, she outlined how the platform integrates producers, traders, processors, and consumers across the supply chain to help translate corporate social responsibility into competitive advantage, particularly around traceability and transparency. It works across national, industrial, and consumer levels through: supporting dialogue and policy engagement; building a green finance and green supply chain integration platform; and increasing outreach to industry and customers.

She noted achievements associated with a youth leadership initiative on forests and SDGs, collaboration among national wood industry associations, the advancement of the GTI for empowering legal and sustainable timber, and the upgrading of the blockchain-based timber traceability system.

Regarding the GLSTF, she described the action framework for promoting legal and sustainable timber, including support for dialogue between Central Africa and China timber industry clusters. She highlighted the full operation of the GTI across 10 pilot countries, as well as the range of sub-forums supported, including on timber legality, sustainable timber, partnering approaches, and innovative financing.

In response to audience members' questions, panelists noted:

- the GTI's functioning website;
- monthly surveys to ascertain trends in the industry;
- organization of GTI Focal Points to discuss challenges; and
- plans for training and European visits covering the EUDR.

Several panelists confirmed that: degraded land can be used for plantations; greater understanding is needed about plantation regulations; and plantation producers can prepare to show that land used was not adversely cleared.

Also, in response to audience questions, Braden Jenkin provided information about balsa wood and Executive Director Satkuru summarized the ITTO-GLSTF relationship.

Ashley Amidon, Executive Director, International Wood Products Association, delivered the TAG Statement, noting: current instability of tropical timber markets; slow recovery of the trade; and skyrocketing shipping costs due to drought and conflict affecting key shipping routes.

She recommended that ITTO publicize Members' progress on traceability, legality, and sustainability of the tropical timber trade.

**Other Business:** Robert Nasi, Chief Operating Officer, CIFOR-ICRAF, explained the EUDR, including:

- its aims to reduce domestic and foreign deforestation;
- its difference from the EUTR; and
- some of the limitations and loopholes.

In response, the EU reiterated their concerns regarding deforestation and noted that while entry into force of the regulation has been postponed, the EUDR will continue to address activities that impact deforestation from 31 December 2020

Luis Alvarado, Panama Canal Authority, described the Authority's forest management and reforestation efforts through an economic incentive programme in the Panama Canal watershed, specifically collaborating with local farmers to ensure they are given incentives for protecting the forests along and within the Panama Canal basin and for tackling land degradation and erosion.

Representatives of TCL Development sawmill in Panama presented their system for ensuring traceability of legally harvested timber as it is processed from raw materials to value-added products using electronic and manual traceability methods.

Cindy Cheng, FSC, described their broad global membership, highlighting that their focus for 2025 is to support EUDR compliance within the sector. She described the FSC suite of solutions that includes guidance, frameworks, and technology packages. Cheng said the FSC is supporting data collection on geolocation, as well as risk assessments and a remedy framework to ensure quality forest restoration.

### **Committee on Finance and Administration (CFA)**

The CFA met on Monday, Wednesday and Friday.

On Monday afternoon, the Secretariat announced Pyoabalo Alaba (Togo), CFA Vice-Chair, as acting CFA Chair, given the absence of a Consumer caucus nomination for Chair.

The Committee adopted the provisional agenda ([CFA\(XXXIX\)/1](#)) without comment and agreed to the admission of observers as approved by the Council.

**Approved Biennial Administrative Budget for the Years 2024 and 2025:** On Monday, the Secretariat reported no revisions to the Budget ([CFA\(XXXIX\)/2](#)) approved in 2023. Responding to the US, the Secretariat explained Canada's new contribution will not affect the already-approved Biennium Budget but will go into the Working Capital Account.

**Review of Contributions to the Administrative Budgets:** On Monday, the Secretariat reported ([CFA\(XXXIX\)/3 Rev.1](#)) that the assessed contributions of Producer Members to the 2024 Administrative Budget totaled USD 3,325,064, of which USD 2,029,428 was paid, while those of Consumers were USD 3,999,331, of which USD 3,394,981 was paid. He added that Producers' cumulative outstanding assessed contributions now total USD 10,107,243, while those of Consumers total USD 925,016.

The Secretariat explained that [Decision 4\(LIX\)](#) allows for submission of one project proposal or one concept note for every two years of arrears paid, provided that a payment plan for the total

arrears owed is submitted at the same time. The Secretariat reported that no country has yet to avail itself of the option, but discussions are ongoing with two countries that may be interested.

JAPAN reported that it cannot make its 2024 contribution due to closure of the ITTO's USD bank account in the US, following tightened measures against money laundering and Japanese regulations prohibiting foreign currency deposits in a Japanese domestic bank account.

The EU expressed hope that countries will be interested in pursuing actions now provided by Decision 4(LIX) and called for negotiation of appropriate mitigation and recovery actions for the new ITTA.

**Current Status of the Administrative Account for Fiscal Year 2024:** On Monday, the Secretariat introduced a status report on the Administrative Account together with estimated expenditures for the current year ([CFA\(XXXIX\)/4 Rev.1](#)). He noted that while estimated expenditures for FY2024 amount to USD 6,115,374, contributions received amount to USD 5,424,409 and arrears payments received in 2024 amount to USD 560,361. He reported the current year's arrears total USD 1,737,179.

The Chair welcomed efforts made which achieved a collection rate of close to 76% of the Assessed Contributions for the current year.

The Committee took note of the document.

**Resources of the Special Account and the Bali Partnership Fund:** On Monday, the Secretariat presented the report ([CFA\(XXXIX\)/5 Rev.1](#)) showing a balance of funds under the BPF of USD 17,231,221, of which USD 12,422,447 were funds committed to specific projects and activities. The Committee took note of the document.

**Auditor's Report for the Financial Year 2023:** The Secretariat presented the Financial Reports (CFA(XXXIX)/6), Management Letter prepared by the independent auditors for ITTO management (CFA(XXXIX)/CRP-1), and Internal Audit Report (CFA(XXXIX)/CRP-2). He noted that as a condition for ITTO's recent GCF accreditation, the CFA was requested to provide oversight of ITTO's internal audit activities and assessment of the performance of its independent internal audit function.

**Election of Chairperson and Vice-Chairperson for 2025:** Pyoabalo Alaba (Togo) was elected Chair for 2025. The Consumer Caucus said it would announce its nominee for Vice Chair at a later date.

**Recommendations to the ITTC:** The Committee recommended to the Council that it approve the Financial Reports, as well as add to the function of the CFA a new responsibility to provide oversight of ITTO's internal audit activities and assess the performance of its independent internal audit function.

**Report of the CFA Session:** On Wednesday, the CFA reviewed its draft report to the Council ([CFA\(XXXIX\)/7](#)). Delegates made small additions for clarification, such as identifying which ITTO "financial rules" dictate that Canada's contribution will be deposited into the Working Capital Reserve. The EU sought clarification on in-kind contribution reporting. The EU also requested detailed explanations on certain expenses, with the Secretariat to respond with the information at a later session.

### **Committee on Economics, Statistics and Markets and Committee on the Forest Industry (CEM-CFI)**

The joint 58th session of the CEM-CFI, chaired by Catherine Karr-Colque (US), met on Monday, Wednesday and Friday. On Monday delegates adopted the agenda and organization of work ([CEM-CFI\(LVIII\)/1 Rev.1](#)). They agreed to the admission of observers as approved by the Council.

**Review of Projects and Pre-projects in Progress:** Chair Karr-Colque introduced the report on projects and pre-projects in progress ([CEM-CFI\(LVIII\)/2](#)), noting no projects were reported to have experienced implementation problems.

The CEM-CFI discussed a project pending agreement on the promotion of sustainable teakwood use in domestic markets of India. India reported the project agreement was close to being signed. Japan, as the project donor, urged signing as soon as possible.

The CEM-CFI also discussed a project awaiting financing, which would institute phase II of an existing project to strengthen technical and business management in the timber forest industry of Peru. The Secretariat indicated that the Republic of Korea was willing to provide funding for phase II.

**Report on Completed Projects:** Chair Karr-Colque introduced the report on completed projects ([CEM-CFI\(LVIII\)/3](#)), which noted completion of two projects on: Implementing Mechanisms to Improve Traceability in the Forest Production Chain in Guatemala; and Promotion of Sustainable Domestic Wood Consumption in Viet Nam.

GUATEMALA expressed satisfaction that their project has brought small forest operators into the formally regulated sector while improving monitoring and traceability of wood products within the country using digital technology. JAPAN and the US expressed satisfaction at the project outcome, but the latter requested more information on any impacts of instituting simplified forest management plans. JAPAN noted the Guatemala project was featured among the forestry innovations in FAO's [State of the World's Forests 2024 report](#).

VIET NAM thanked the ITTO and Japan, the donor, for its project, which it said has stimulated sustainable wood markets in its country. JAPAN noted it is conceptualizing a second phase of the project.

**Ex-post Evaluation:** On Monday, Chair Karr-Colque recalled no project was selected for ex-post evaluation during recent Committee sessions. The Committees noted three completed projects meeting the criteria for ex-post evaluation:

- Improve Forest Governance in Mozambique;
- Promotion and Sustainable Management of Lesser-Used Timber Species in the Moist Forests of the Departments of Atlantida, Colón and Northern Olancho in Honduras; and
- Enhancing the Capacity of Forest Communities in Forest Governance, Monitoring and Community Development Projects in Mankranso Forest District, Ghana.

The Chair noted that the completed Guatemala traceability project also met the criteria for ex-post evaluation. The Secretariat cautioned that if the Committees decided to subject that project to ex-post evaluation, they should schedule the evaluation for 2026 so that sufficient time will pass to adequately assess the success of the changes it prompted. GUATEMALA concurred. The Committees decided to schedule the project for ex-post evaluation but asked the Secretariat to draft appropriate decision language regarding evaluation timing.

**Policy Work:** On Monday, the CEM-CFI discussed promotion of sustainable wood use in domestic markets through reports from VIET NAM, THAILAND, MALAYSIA, and INDONESIA on ongoing and recently completed projects. They described experiences related to domestic policy frameworks, capacity building, and opportunities for scaling impact.

Each country noted its approach to developing a national council for domestic wood, as well as the importance of the local construction sector for driving demand. MALAYSIA also described the importance of the domestic paper and packaging sector. All stressed the importance of broad public awareness activities.

VIET NAM outlined its approaches to gender integration and youth engagement, underscoring how investment in domestic wood legality supports legality across the entire market.

Having recently completed its project, MALAYSIA recommended continued sharing across ITTO Members, as well as collaboration with other international institutions.

The US shared opportunities to link activities to the Forest and Climate Leaders Partnership, as well as global initiatives on greening construction.

The project proponents thanked the funders, particularly Japan.

The Secretariat described opportunities for expanding similar projects to Africa and Latin America.

On Wednesday, the Committees considered policy work to be addressed at the CEM-CFI in 2025. The Secretariat noted that regular yearly CEM policy items for discussion include market access, forest and timber certification, and Asia-Pacific Economic Cooperation Experts Group on Illegal Logging and Associated Trade (APEC EGILAT) and ITTO collaboration, and regular CFI discussion takes place on the promotion of sustainable wood use in domestic markets. He proposed including a new topic on updates on the work of the GLSTF.

The US lamented the fragmentation and overlaps in discussions on these topics during Tuesday's Joint Committee session, including separate presentations on updates on the EUDR and Lacey Act, and then a separate EUDR description and two presentations from Panama on projects on market access under "Other Business." He observed that timber legality and tracing are topics of great interest to both Producers and Consumers, noting traceability in particular as an area where many countries are undertaking work. Supported by AUSTRALIA, CANADA, and the EU, he proposed grouping discussions on these related topics under a general item on timber traceability and transparency.

Chair Karr-Colque identified relevant related topics including transparency, traceability, legality, and certification. She proposed modifying categories of policy-related matters under the CEM to include two general policy areas for discussion—legality and traceability frameworks—while maintaining the standing sub-item on cooperation between APEC EGILAT and ITTO. She proposed keeping the CFI policy matter on promotion of sustainable wood use in domestic markets as is.

The CEM-CFI agreed to convey this proposal for its agenda for the 2025 session.

**Election of Chair and Vice Chair for 2025:** On Friday, CEM-CFI elected Ray Kabigting (Philippines) as Chair and Rata Muda (New Zealand) as Vice-Chair for 2025.

**Recommendations to the ITTC:** The Committees recommended that funding be made available immediately for the Strengthening Technical and Business Management in the Timber Forest Industry

of Peru project, approved and partially funded earlier by the Republic of Korea.

**Report of the CEM-CFI Session:** On Friday, CEM-CFI reviewed the draft report to Council (CEM-CFI(LVIII/4). INDONESIA requested to add a sentence under a paragraph under forest and timber certification about how they are developing an addition to their Timber Legality and Sustainability System (SVLK) which they referred to as SVLK+ to support traceability.

After some deliberations between Consumer and Producer Members on whether traceability is contained with certification processes, CEM-CFI agreed to adjust the language on one of the items for discussion under its policy work in 2025 from "certification, traceability, and transparency" to "forest and timber certification and traceability."

### ***Committee on Reforestation and Forest Management (CRF)***

The CRF, chaired by Jorge Mario Rodríguez Zúñiga (Costa Rica), met on Wednesday, Thursday, and Friday. Chair Rodríguez opened the session on Wednesday, inviting delegates to adopt the provisional agenda ([CRF\(LVIII/1 Rev.1\)](#)).

**Policy Work:** The CRF considered this agenda item on Wednesday.

***Adapting the 2006 ITTO Criteria and Indicators for SFM to the African Context:*** The Secretariat reported that the adaptation had been cleared and published on the ITTO website as [PS-26](#), and dissemination workshops will be held in Africa in 2025.

***Revision of the ITTO Guidelines on Fire Management in Tropical Forests:*** The Secretariat reported experts' suggestion that, instead of revising the Guidelines, ITTO formulate a tool on fire management in tropical forest contexts. She indicated that work on the tool will be initiated during 2025.

CANADA stressed that the tool should take into account the role of Indigenous Peoples. The US urged that the tool connect to other global efforts, such as the Global Fire Management Hub.

***Dissemination of the ITTO Guidelines for Forest Landscape Restoration in the Topics:*** The Secretariat said it was seeking additional funding to hold additional dissemination workshops on the [Guidelines](#) in Africa. He indicated that ITTO will reach out to CPF partners to explore the possibility of collaboration in funding such workshops. MALAYSIA expressed appreciation for the Asia-Pacific dissemination workshop held in August 2024.

***Joint ITTO–CBD Collaborative Initiative for Tropical Forest Biodiversity:*** The Secretariat reported that the MOU with the CBD was renewed through 2025. She noted collaboration on a brochure demonstrating how some ITTO projects help implement the Kunming-Montreal Global Biodiversity Framework (GBF). She added that, with a small grant from Canada, ITTO is working on an update of the 2009 [ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Timber Production Forests](#), which they hope to have ready in 2025.

***Collaboration on Criteria and Indicators for SFM:*** The Secretariat noted a training workshop held in Trinidad and Tobago in 2024, and said work will continue in 2025. The US urged ITTO to collaborate with FAO in this activity. CANADA suggested collaboration with the [Montreal Process](#) on Criteria and Indicators for the Conservation and Sustainable Management of Temperate and Boreal Forests.

**New Projects and Pre-projects:** On Wednesday, CRF Chair Rodríguez presented the report of the Expert Panel (ITTC/EP-59), noting four projects had been approved through virtual meetings:

- Protection and Restoration of Forest Lands for Water Catchment, Regulation and Recharge in the Upper Salinas River Watershed, Guatemala;
- Sustainable Management of Production Forests Driven by Traditional Communities in the Brazilian Amazon;
- Strengthening Effective Forest Area Designation and Customary Rights in East Nusa Tenggara Province, Indonesia as a Precondition of Achieving SFM; and
- Capacity Building for Private and Community Tree Farmers in Relation with the Sustainable Management of Forest Plantations in Southern Benin.

The US expressed support for virtual meetings for review of projects.

BRAZIL stressed the global importance of its project approach that focuses on enhancing livelihoods and productive use of vast forested landscapes that include over one million residents, noting that these areas face substantial deforestation pressures. INDONESIA outlined the relevance of social forestry and customary rights within its project.

**Report of Completed Projects:** With reference to document [CRF\(LVIII\)/2](#), the CRF declared two projects completed:

- Sustainable Management of Production Forests at the Commercial Scale in the Brazilian Amazon – Phase II; and
- Enhancing the Value of Secondary Natural Forests through their Sustainable Use, Generating Rural Employment in a Post-COVID Context in Costa Rica.

Presenting on their project, BRAZIL described impacts on efficiency for timber companies and government using forest management plans, economic management plans, and digital tools. She highlighted national and multi-country training and engagement of a broad coalition of partners.

Regarding its project, COSTA RICA noted its expansion of secondary forests over the past forty years, stressing that the project has increased knowledge of market niches for secondary forest species. Responding to a question from Brazil, COSTA RICA said that restoration has occurred primarily on private land and restoration has been achieved through direct incentives to landholders from a fossil fuel tax.

The REPUBLIC OF KOREA highlighted the potential for its research activities on global databases and genetic testing for wood identification to combat illegal timber trade to inform ITTO projects.

**Ex-post Evaluations:** On Wednesday, the Secretariat noted that the ex-post evaluations for two CRF projects related to fire management had been considered in the Joint Committees session on Tuesday.

Referring to the shortlist of 12 completed CRF projects available for ex-post evaluations ([CRF\(LVIII\)/5](#)), the Secretariat requested that the Committee prioritize the ones they wanted for the 2025-2026 period. The CRF prioritized a thematic ex-post evaluation of two projects in the Forest Management/Inventory category.

**Projects, Pre-projects and BWP Project-Based Activities in Implementation:** On Wednesday, the Secretariat presented an overview of projects and pre-projects in implementation ([CRF\(LVIII\)/3](#)).

The Secretariat reported that a project on landscape management of the Giam Siak Kecil-Bukit Biosphere Reserve (GSK-BR) in Sumatra was delayed due to the expiration of the mandate of the GSK-BR management coordination board, as the mandate renewal requires approval from the regional authority. The Secretariat urged Indonesia to secure the regional approval as soon as possible since the board was a key deliverable of the project.

The Secretariat noted that a final audit report had yet to be submitted for a completed project on community forest management schemes in Papua New Guinea. PAPUA NEW GUINEA explained the auditor had been ill and promised to submit the final report soon.

CÔTE D'IVOIRE presented on the technical, environmental and social benefits of a project on conservation of African barwood and mentioned its intention to pursue a Phase II project. Noting barwood is overexploited in most of Western Africa, TOGO inquired about the propagation techniques used.

The Secretariat, supplemented by a video, reported on a Cambodian project on community forest programmes in Kratié and Monduliri Provinces. The US inquired about aggregated gender data for the project. The Secretariat responded that while such data is not currently available, it would investigate ways to secure this before the project finishes.

MALAYSIA requested closure of a project on Management of Upper Baram Forest Area for Conservation and Sustainable Development with Involvement of Local Communities, Upper Baram, Sarawak.

INDONESIA presented a project to develop an information system on the potential of wood and carbon benefits to support SFM in South Kalimantan and reported that the project is currently ahead of schedule, but with separate forestry and environment ministries, some aspects of project implementation pose challenges.

MYANMAR reported that its project on strengthening SFM standards and timber legality frameworks had unspent funds, which it requested to use on acquiring forest accreditation for a private plantation, and training and capacity building workshops. JAPAN, as the donor, made no objection to the request.

Citing various implementation challenges, COLOMBIA and FIJI requested second extensions for their projects. JAPAN, as the donor, indicated reluctance to grant a second extension. The Secretariat advised filing formal written requests enumerating the reasons for extensions.

MALAYSIA requested an extension until June 2025 on its project on community empowerment in forest management and forest landscape restoration in Upper Baram. The Secretariat asked that it be filed in writing for consideration.

On Thursday, project manager Yongyut Trisurat, Kasetsart University, Thailand, presented a status report on the BWP Activity on Promoting Quality Timber Production in Smallholders and Community-based Teak and Other Valuable Species Plantations in the Tropics. He reported on MOUs completed with Cambodia, India, Thailand, Togo, and Viet Nam, and one pending approval with Indonesia. He reported progress toward three desired outputs:

- strengthening supply chains and management systems through easy availability of high-quality planting stock, implementation of improved practices in silviculture, and timber processing and legality;
- financing schemes (contract farming, remunerative prices, micro-financing, access to voluntary carbon markets, etc.); and

- regional and international collaboration, information sharing and knowledge management.

CÔTE D'IVOIRE inquired if the project could be expanded to include his country. Yongyut responded that the project scope is limited for now but expressed hope that its lessons will be shared widely, including among African neighbors of Togo. He indicated the project partners' intention to include other countries in the next phase of the Teak project, offering to raise the possibility with the primary donor, Germany.

**Projects and Pre-projects Awaiting Financing:** On Thursday, the Secretariat urged donors to consider the nine projects awaiting financing, noting one will sunset before the 2025 session of the CRF. He observed that while the potential for impact of the projects is significant, the investment is not enormous.

**Election of Chair and Vice Chair for 2025:** On Thursday, Björn Merzell (Sweden) was nominated as CRF Chair in 2025. No nomination was made for Vice Chair.

**Other Business:** On Thursday, the Secretariat briefly outlined their efforts to develop an MOU between the ITTO and AFoCO for the benefit of their five overlapping Members, focused on delivering pilot project funding under the pillars of community-based forest management, promoting the tropical timber trade, nature-based solutions, and blended public-private financing. She said they will begin accepting concept notes in 2025.

**Recommendations to the ITTC:** On Friday, the Committee agreed to recommend to the Council the projects and concept notes pending financing.

**Report of the CRF Session:** On Friday, the Committee reviewed the draft CRF report ([CRF\(LVIII\)/6](#)), noting minor corrections, a missing intervention from the US about the utility of the Expert Panel meeting virtually, a correction in a US intervention on fire management, and an adjustment in a note about a Ghanaian question to Côte d'Ivoire about the role of women in its project on restoration of degraded forests.

### **Reports of the Committees**

On Friday, CEM-CFI Chair Karr-Colque presented the CEM-CFI report (CEM-CFI(LVIII)/4). CRF Chair Rodríguez presented the CRF report ([CRF\(LVIII\)/6](#)). Acting Chair Pyoabalo Alaba presented the CFA report ([CFA\(XXXIX\)/7](#)). All reports were adopted.

### **Election of Chair and Vice Chair of the Council for 2025**

The Council elected Carlos Espinosa Peña (Panama) as Chair. The Producers announced they have yet to determine a nomination for Vice Chair and suggested they continue to discuss the topic between sessions.

### **Dates and Venues of ITTC-61 and ITTC-62 and the Associated Sessions of the Committees**

PANAMA offered to host ITTC-61. Noting a packed calendar of international meetings for November-December 2025, Executive Director Satkuru suggested scheduling the session for 20-24 October 2025, which delegates approved. JAPAN proposed to hold ITTC-62 in Yokohama in 2026, at a date to be determined, and noted their interest in hosting ITTC-63 in 2027 due to the concurrent International Horticultural Expo to be held from March to September 2027.

### **Decisions and Report of the Session**

On Friday, ITTC-60 adopted five decisions.

**Projects, Pre-Projects and Activities:** In decision 1(LX), the Council endorses the approval obtained through its time-bound electronic no-objection procedure for the following projects and pre-projects:

- Protection and Restoration of Forest Lands for Water Catchment, Regulation and Recharge in the Upper Salinas River Watershed, Guatemala;
- Sustainable Management of Production Forests Driven by Traditional Communities in the Brazilian Amazon;
- Strengthening Effective Forest Areas Designation and Customary Rights in Indonesia's East Nusa Tenggara Province as a Precondition for Achieving SFM; and
- Capacity Building for Private and Community Tree Farmers in Relation with the Sustainable Management of Forest Plantations in Southern Benin.

The Council also:

- authorizes the financing for immediate implementation of projects, pre-project and activities listed in an annex to the decision; and
- authorizes the financing for immediate implementation of all other approved projects, pre-projects and activities as soon as earmarked funds are available in the Special Account or the BPF Account.

The Council urges Members to consider financing any projects for which funds are not immediately available and also requests the Executive Director to continue consulting with potential donors.

### **Extension of the Term of Appointment of the Executive**

**Director:** Decision 2(LX) extends the term of Sheam Satkuru as the Executive Director with effect from 1 February 2026 until 31 January 2028.

**Programmatic Approach and Programmatic Lines:** Decision 3(LX) terminates the pilot phase and continues the Programmatic Approach with four Programme Lines, and decides to implement the concept note approach in parallel with the regular project cycle, running one regular project cycle per year.

**Matters Pertaining to Article 44 of ITTA, 2006:** Decision 4(LX) extends the mandate of the PWG until ITTC-61. It requests the PWG to work in line with the roadmap in Document ITTC(LX)5 to finalize the identification of elements to consider in the future negotiations, based on discussions among Members and thorough analysis, in close collaboration with the Secretariat, with the support of independent consultants, including:

- comparative analysis of structural and functional aspects of other commodity organizations;
- a mapping of the global institutional landscape to identify how ITTO fits into ongoing and emerging economic, social, climate, and biodiversity goals for tropical forests;
- discussion questions to guide the consultation meetings with regional groups and caucuses; and
- a summary of elements to consider in future negotiations to help Members conduct national preparations and reviews, with balanced representation of the perspectives of all Members.

The decision requests:

- the Secretariat to share proposed terms of reference for the consultants' work with the PWG for feedback and input;
- the Secretariat to post minutes of PWG meetings within four weeks of each meeting on the ITTO member portal for transparency and awareness of Members; and

• the PWG to submit to ITTC-61 a report, including all deliverables.

The decision encourages all Members to actively engage in the PWG.

**UNGA Observer Status:** Decision 5(LX) supports efforts for the ITTO to obtain UNGA observer status. It requests Japan, as ITTO host country, to take the lead in submitting a request and encourages other Members to support Japan's efforts.

### *Closure of the Session*

AUSTRALIA, BRAZIL, CÔTE D'IVOIRE, PANAMA, PAPUA NEW GUINEA, INDIA, REPUBLIC OF KOREA, MALAYSIA, GHANA, the US, EU, PERU, NEW ZEALAND, and CONSUMERS and PRODUCERS spokespersons hailed the extension of the Executive Director's term and praised her leadership.

CÔTE D'IVOIRE and MEXICO thanked ITTO for the help they have provided through projects. MEXICO expressed hope that progress at ITTC would lay the foundation for continued progress for ITTO.

BRAZIL, as host of the next UNFCCC COP in Belém, briefed Members on several initiatives that are expected to spotlight the role of tropical forests at the COP, including the proposed [Tropical Forest Forever Facility](#) (TFFF), a multilateral investment fund that would reward tropical forest countries for protecting natural tropical forests, and "United for Our Forests," a coalition of forested developing countries calling for help in conservation and sustainable use of forest biodiversity. He invited ITTO Members to become involved in these efforts.

While expressing appreciation for the hard work and decisions taken at ITTC-60, the EU regretted that it was not asked to offer its own briefing and explanations regarding the EUDR during the Trade and Markets Day and other ITTC-60 discussions related to the EUDR. She said the EU Member States support ITTO observer status at the UNGA. She cautioned that the success of the PWG's work depends on the active participation of all ITTO Members.

NEW ZEALAND praised the "spirit of camaraderie" that prevailed at ITTC-60. She suggested that ITTO consider working with FAO on improving communications on the importance of sustainable use and management of tropical forests.

The PEFC thanked the ITTO for its first invitation to attend Council. She described the PEFC's work to implement sustainability of tropical forest resources globally through SFM and legal and sustainable trade, particularly through strengthening and empowering smallholder and community forestry and motivating improved practices to achieve SFM.

The FAO congratulated everyone on ITTC-60's successes. He highlighted numerous FAO-ITTO joint initiatives, including on, among others: piloting a flexible reporting modality; jointly developing a new classification of forest products with the WCO; the 2025 workplan for the Sustainable Wood for a Sustainable World initiative; and a multi-country project, with Germany, to train the next generation of forest practitioners.

The INTERNATIONAL WOOD PRODUCTS ASSOCIATION expressed their pleasure in seeing the successful projects discussed during ITTC-60.

Executive Director Satkuru thanked all Members for the vote of confidence expressed through the extension of her term and for the

"strong commitment" of Members demonstrated at ITTC-60. She urged Members to strengthen and enhance their engagement.

Incoming ITTC-61 Chair Espinosa congratulated participants, stating that the decisions of ITTC-60 were the result of a lot of work, but also indicating that there is still much more work facing Members in the months ahead. He expressed hopes of making ITTC-61 a similar success.

ITTC-60 Chair Taylor expressed her appreciation for the engagement demonstrated during the week, observing that it felt like Members and the organization were "pulling together in the right direction." She congratulated the Executive Director on the extension of her term of office, saying the organization "is in good hands." She urged Members to make the most of the comparatively short time between ITTC-60 and ITTC-61 and to participate actively in the PWG.

Chair Tyler closed the session at 1:14 pm.

### **A Brief Analysis of ITTC-60**

"The tropical timber business will die unless it evolves..." This statement from CIFOR's Executive Director at the International Tropical Timber Council's (ITTC) 60th session also appears to apply to the International Tropical Timber Organization (ITTO) in general. The renegotiation of the International Tropical Timber Agreement (ITTA), 2006, which expires in 2029, represents the ITTO's opportunity to evolve its mandate and remain relevant in the global sustainable development and trade communities. At the same time, a major topic of consideration of ITTC-60 was the challenge of fundraising to meet the current mandate.

This brief analysis considers the current health of the ITTO and the extent to which ITTC-60 provided the necessary direction and momentum to reaffirm the ITTO's expertise and leadership in global forest dialogues.

### *Diagnosing the Condition of the ITTO*

Tropical forests have not been as high on the global development agenda in recent years as they are at present, with prominent roles in the most recent Convention on Biological Diversity (CBD) and UN Framework Convention on Climate Change (UNFCCC) negotiations, as well as the 2024 G20 Rio Leaders Declaration and G7 Climate, Energy and Environment Ministerial Communiqué. Financing for forests has also increased, representing billions of dollars in climate and biodiversity funding annually through diverse bilateral, multilateral and market-driven sources.

At the same time, the health of the ITTO has been at risk. The ITTO consistently struggles to mobilize financing for its pre-approved projects or for expanding its staff to respond to emerging issues, let alone to increase its overall budget. The ITTO faces the reality that most Members attending ITTC do not have discretion to raise their ambition. Indeed, there may still be some lack of confidence in the institution stemming from the almost decade-old "financial impairment" (defined as the loss of USD 18 million in failed investments) that rocked the ITTO. At the same time, Producer countries in arrears are locked out of participation in proposals, projects and votes, which has led the ITTC to identify pathways to bring these partners back into good standing.

The needs and desires of ITTO Members differ dramatically, which may create challenges for the ITTO in presenting a clear, unified image. Some Producers, particularly those with small export markets, are primarily interested in developing successful projects,

while many find value in the ITTO's technical exchanges on timber trade, fire management and other technical topics.

Some Consumers, like the EU and US, underscored the importance of traceability, recognizing how their legislation impacts global timber trade. Japan, which funds a disproportionate number of projects, takes advantage of bilateral meetings on project implementation. Other Consumers, such as China, were conspicuously absent, despite being very engaged in parts of the ITTO's work during the year; for example, China provides direct support to the ITTO for the Global Legal and Sustainable Timber Forum. Some Members were bold enough to question whether the ITTO's divide between Producer and Consumer countries still makes sense, as many large Producer countries, like Viet Nam, India, and Brazil, are also major consumers through their domestic markets.

Tropical timber continues to face a publicity challenge. Producers and Consumers, as well as trade industry representatives, lamented that the public still "doesn't understand that the legal tropical timber trade does not lead to deforestation; rather it increases the value of standing forests to communities and governments, in the face of agricultural conversion pressures."

This misunderstanding of the sources of tropical deforestation has been a long-standing problem for the ITTO and was at the heart of the environmental provisions enshrined in the original ITTA in 1983. The fact that ITTO Members are still struggling with messaging is discouraging, though understandable. It is difficult to convince domestic consumers that cutting down tropical trees is not a large driver of tropical deforestation. The industry has been historically conservative and not very consumer facing, unlike, for example, the cocoa and coffee sectors that carefully guard their public image.

To address the question of relevance of the ITTO, some, like the EU and the Philippines, advocated that the ITTO diversify and expand its engagement with processes on climate and biodiversity, as well as with legality and traceability frameworks under development in tropical timber importing countries. Others, such as Brazil, opined that the ITTO should continue to focus on benefits of productive forests in order to demonstrate their relevance to the global community. Producers reported divergence within their caucus with some, including Malaysia, wishing to keep the organization narrow and focused on trade to meet its national interests.

As the ITTC moves towards negotiations on a new ITTA, these perspectives may evolve. One long-time observer noted that "countries send representatives with very different backgrounds to the ITTC. Some send trade representatives, others send their forestry department, and others just send local embassy staff. At present, they are representing only a narrow portion of their government's views." As the ITTC gets closer to the renegotiation process, Member positions are likely to become more nuanced with multiple national ministries providing input to balance trade and timber interests.

Discussions at the ITTC-60 sometimes lacked dynamism with specific questions from the podium often going unanswered from Members, even when advised that items were for discussion and not negotiation. Some Members expressed concerns about this relative silence in meetings and worried that this may also lead to intersessional inaction or a lack of diverse voices in the process. At the same time, many delegates were happy with a calm meeting in comparison to previous years, noting that this ITTC-60 "has allowed us to take a breather."

The lack of urgency was palpable. With just over four years before the ITTA expires, the Preparatory Working Group (PWG) has until 2025 to finalize the identification of elements to consider for future negotiation. No Members expressed discomfort with this timeline. Yet, with the incoming European Union Regulation on Deforestation-free Products (EUDR), concerns over protectionist tariffs, and the global need to address climate change and biodiversity challenges, there are pressing crises for the ITTO to address.

### ***Staying Fit: Reasons to be Optimistic for Recovery***

Despite the diverse interests on display during ITTC-60, Members universally described the value that they find in the ITTO, even if value propositions differed by country. In contrast to some recent "dead" sessions, there were many Members present at this meeting, with quorum reached on the first day (an unusual occurrence compared to previous meetings). There were even signs of new interest, with Canada rejoining after a ten-year absence. The ITTO also expects to see the re-engagement of the UK in coming years.

It was notable that Council Members pressed the need for ITTO to heighten its profile and access funding, demonstrating that there is continued interest in advancing the technical work of the ITTO. Unfortunately, the Members in the room were not willing (or potentially able) to pay for these efforts. Executive Director Satkuru had to caution that, given its small staff and limited current budget, ITTO has to prioritize its fundraising. Indeed, identifying funding and successfully accessing it are two very different challenges.

The ITTO's focus on the technical aspects of tropical forestry is a unique selling point that permeated Committee discussions on industry and trade, as well as project impacts. Delegates welcomed the technical focus of the discussions, expressing a shared conviction that saving and restoring tropical forests requires sustainable production of timber within the landscape.

Many noted that the calm and rapid completion of procedural steps at the meeting was a good sign that the ITTO is on the right track, and it should continue to "get down to business" of project implementation, knowledge sharing, and collaboration. Many further lauded the value of the project approach that reflects small, well-designed investments with outsized impacts in national scaling and policy reform.

Noting that within many bilateral and multilateral financing approaches, projects are designed by consultants, one long-time participant praised the fact that ITTO projects are truly co-designed and owned by the government proponents. ITTO has established a process that meets global aspirations for locally-led solutions that inform and are informed by best practices. Notably, this meeting formalized its programmatic approach and thematic lines. Despite this achievement, participants bemoaned, as usual, the large number of proposals approved that will never be implemented, due to lack of adequate funding within the ITTO's budget.

Another sign of renewed confidence in the ITTO was the extension of Executive Director Sheam Satkuru's tenure into 2028. Satkuru demonstrated positivity throughout the week, as a champion for the organization, outlining its outreach and fundraising efforts with global initiatives and imploring Members to engage relevant ministries in integrating ITTO into multilateral-funded projects.

**Did ITTC-60 Deliver a Prescription?**

At ITTC-60, Consumers, Producers, trade and industry representatives, and the few civil society participants present reaffirmed the relevance of the ITTA to meet global forest challenges, and the Secretariat demonstrated interest in rising to the occasion, if resourced adequately. This leaves the ITTO ready to move forward during the intersessional period, but still lacking direction regarding its long-term mandate and funding.

The cure may lie in the Preparatory Working Group process toward renegotiations and, ultimately, the process and decisions that will emerge from the renegotiations themselves. There is some concern, reflected in the decision, that only few Members will engage, although the newly identified Co-Chairs of the Preparatory Working Group are committed to structure and inclusivity.

Many participants underscored the ITTO's technical focus on markets, particularly that legality and sustainable supply chains are unique selling features of the organization. During the closing of ITTC-60, Brazil underscored that as host of the UNFCCC 30th meeting of the Conference of the Parties, it expects to see tropical forests central to the agenda and referenced the synergies among UN Convention to Combat Desertification, CBD, and UNFCCC.

The challenge remains to reflect these priorities in a new ITTA and for the ITTO to unlock adequate financing to achieve its mission, as it seeks to demonstrate that the tropical timber trade is part of the solution, not an impediment, to the climate, biodiversity and economic growth goals. There is no doubt that ITTO has suffered a period of declining health, however the conditions are ripe for a positive recovery.

ITTO is, in many ways, in control of its own destiny. Productive, sustainably managed forests and forest regeneration are global priorities. Consumers demand legality and traceability for sustainably sourced wood. Funding for tropical forests is increasing. The opportunity is clear.

Fortunately, the ITTO does not have to wait for ITTA renegotiation to act, as its programmatic approach is broad enough to respond to current crises and the Secretariat has the freedom to diversify funding. Members will continue to engage virtually through the PWG before the next ITTC meeting in Panama in October 2025.

With Panama acting as Co-Chair of the PWG, as well as Chair and host of next ITTC session, and with continuity in ITTO leadership, there is good reason to expect that the organization is on the path to re-emerge in a stronger position than ever before.

**Upcoming Meetings**

**IPBES 11:** The eleventh meeting of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services will consider the assessment on interlinkages among biodiversity, water, food, and health, and the transformative change assessment. **dates:** 10-16 December 2024 **location:** Windhoek, Namibia **www:** [ipbes.net/events/ipbes-11](http://ipbes.net/events/ipbes-11)

**UNFF20:** The UN Forum on Forests will review progress in implementing the UN Strategic Plan for Forests, progress in implementing mid-term review outcomes, UNFF's inputs to the High-level Political Forum on Sustainable Development (HLPF), and other international forest-related developments. **dates:** 5-9 May 2025 **location:** UN Headquarters, New York **www:** [un.org/esa/forests](http://un.org/esa/forests)

**IUCN World Conservation Congress:** Held once every four years, the IUCN World Conservation Congress brings together leaders and decision-makers from government, civil society, Indigenous Peoples, business, and academia, with the goal of conserving the environment and harnessing the solutions nature offers to global challenges. **dates:** 9-15 October 2025 **location:** Abu Dhabi, United Arab Emirates **www:** [iucn.org/our-union/iucn-world-conservation-congress](http://iucn.org/our-union/iucn-world-conservation-congress)

**ITTC-61:** Among other things, the Council is due to discuss the PWG report and deliverables regarding the renegotiation of the ITTA, and ITTO cooperation and collaboration with other bodies. **dates:** 20-24 October 2025 **location:** Panama [TBD] **www:** [itto.int](http://itto.int)  
For additional upcoming events, see [sdg.iisd.org](http://sdg.iisd.org)

**Glossary**

ADB	Asian Development Bank
AFoCO	Asian Forest Cooperation Organization
BPF	Bali Partnership Fund
BWP	Biennial Work Programme
CBD	Convention on Biological Diversity
CEM	Committee on Economics, Statistics, and Markets
CFA	Committee on Finance and Administration
CFI	Committee on Forest Industry
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
COP	Conference of the Parties
CPF	Collaborative Partnership on Forests
CRF	Committee on Reforestation and Forest Management
CSAG	Civil Society Advisory Group
EUDR	EU Regulation on Deforestation-Free Products
EUTR	EU Timber Regulation
FAO	Food and Agriculture Organization of the UN
FSC	Forest Stewardship Council
GCF	Green Climate Fund
GLSTF	Global Legal and Sustainable Timber Forum
GTI	Global Timber Index
IAG	Informal Advisory Group
ITTA	International Tropical Timber Agreement
ITTC	International Tropical Timber Council
ITTO	International Tropical Timber Organization
MOU	Memorandum of Understanding
PEFC	Programme for the Endorsement of Forest Certification
PWG	Preparatory Working Group
RESTEC	Remote Sensing Technology Center of Japan
SFM	Sustainable Forest Management
TAG	Trade Advisory Group
UNCTAD	UN Trade and Development
UNFCCC	UN Framework Convention on Climate Change
UNGA	UN General Assembly
UNFF	UN Forum on Forests
WCO	World Customs Organization