



Federal Ministry  
of Food  
and Agriculture



## Minutes of the First Project Steering Committee (PSC) Meeting Promoting Quality Timber Production in Smallholders and Community-based Teak and Other Valuable Species Plantations in the Tropics (PP-A/54-331A)

Best Western Hotel, Bangkok, Thailand  
17 September 2024

### Item 1. Welcome and Opening of the Meeting (moderated by Mr. Montri Intasen, RFD)

#### Welcome Remarks 1: Mr. Stephan Wagner, Ministry of Food and Agriculture (BMEL), Germany

On behalf of the BMEL, Mr. Stephan Wagner extended his appreciation to delegates from the six participating countries, namely Cambodia, India, Indonesia, Thailand, Vietnam and Togo attending the 1<sup>st</sup> PSC Meeting in-person and virtually.

The Ministry is positively impressed in the Phase I project outputs implemented during 2019-2022, which significantly contribute to the conservation and sustainable management of teak forests and legal and sustainable wood supply chains in the Greater Mekong Sub-region. In addition, these excellent outputs were published in the Teak Book and shared in various national and international fora such as the 4<sup>th</sup> World Teak Conference in Ghana in 2022, at the FAO's XV World Forestry Congress in S. Korea in 2022 and 18<sup>th</sup> UN Forum on Forests in New York in 2023.

The BMEL is pledged to provide grant of approximately USD 1.4 million through ITTO to support 5 countries in the Asia-Pacific and Togo in West Africa to implement the project phase II for a period of 3 years starting October 2023-September 2026. The ITTO-BMEL Project Phase II was built on the outcome and achievement of the project phase I to mainstream the production of high-quality timber from teak and other valuable species plantations established by smallholders and communities in the Asia-Pacific and West Africa. Besides, the project will address the pending issues facing the smallholder tree plantations such as accessing to optimized financial mechanisms to promote longer rotations, value addition, and improved silviculture practices, timber processing and legality throughout the supply chains of smallholders and community-based teak and other valuable species plantations.

He thanked Cambodia's Forest Administration, Thailand's Royal Forest Department, Vietnamese Academy of Forest Sciences, and Togo's University of Lomé for their participation in this project. It is understood that the MoU signing between ITTO and Indian Council of Forestry Research & Education (ICFRE), and the Indonesia's Ministry of Environment and Forestry are under internal review and will be finalized soon.

He also acknowledges The Institute of Forestry, Germany to carry out feasibility studies for financing schemes for smallholder teak plantations; and TEAKNET to promote regional and international collaboration, information sharing and knowledge management, networking, and outreach activities. His special thanks go to ITTO and the Faculty of Forestry, Kasetsart University as the Executing Agency for coordinating and communicating with all participating countries and collaborative partners.

**Welcome Remarks 2: Dr. M. Nurudeen Iddrisu, Director of Trade and Industry Division, ITTO** conveyed the regards of Mrs. Sheam Satkuru, Executive Director of ITTO, to extend welcome all the the six (6) participating countries; Thailand, the host country of this workshop, Cambodia, Indonesia, India, Vietnam and Togo to this Regional Workshop entitled ***“Enhancing smallholder plantations towards quality timber production of teak and other economic species and carbon neutrality in the tropics”***. The phase II project was built upon the successes chalked out in Phase I and our heartfelt gratitude to the Federal Ministry of Food and Agriculture (BMEL) of the Federal Republic of Germany for the kind support channeled through ITTO to fund and implement this project.

He acknowledged **Gerhard Dieterle**, former Executive Director, ITTO, and **Matthias Schwoerer**, BMEL-Germany. Both are founders and key persons who made the ITTO-BMEL phase 1 (2019-2022) to successful completion and continue to the ITTO-BMEL phase 2 (2023-2026), and enlarge the project scope from the Greater Sub-Mekong Region to cover 5 countries in Asia-Pacific and West Africa.

This regional gathering of six (6) participating countries in the project and other stakeholders present, will provide a forum for us to share information on teak and other valuable species to support smallholders to improve on the quality of their plantation, support communities to build sustainable and resilient local economies as well as contribute towards carbon emission reduction through tree plantation. He also emphasizes pros and cons of longer rotation for quality wood and short- and medium-term rotation, in particular the affordable capacity of smallholders and higher interest rate from loan.

As noted from the workshop program, we have a strong line up of speakers that will delve into policy, sustainable and legal supply chains, among others. They will provide valuable inputs to the development of strategies and policy improvement in the participating countries to strengthen plantation management of teak and other valuable species.

On behalf of ITTO, he thanked the Project Steering Committee led by Prof. Yongyut Trisurat for organizing this Regional Workshop. Special thanks go to Mr. Bannaruk Sermthong, the Deputy Director-General of the RFD and Chair of the PSC, and Dean Kobsak Wanthongchai for their great support to the project.

### **Welcome Remarks 3: Dr. Kobsak Wanthongchai, Dean, Faculty of Forestry, KU**

On behalf of Kasetsart University, Dr. Kobsak warmly welcomed all delegates joining the 1<sup>st</sup> PSC meeting workshop online and onsite.

He noted that Kasetsart University obtained the invitation letter from ITTO to execute the project on 6 September 2023 and the faculty of Forestry obtained a permission from the University to sign MoU on 22 September 2023, but the actual execution started from 1 November 2023.

He noted that the project scope and objectives are highly relevant to the vision and mission of Kasetsart University (KU), especially the Faculty of Forestry. KU aims to provide 'Knowledge of the Land and Natural Resources', to promote sustainable development and to improve human well-being in rural areas in Thailand and the Mekong Region, and contribute to several international agreements and conventions such as UN SDGs 2030, the Bangkok's declaration on the BCG-Bio-Circular-Green Economy Model, which was adopted at the recent APEC meeting in Thailand, and the Paris Agreement. Furthermore, the project will significantly support Thailand's Nationally Determined Contribution (NDC) Roadmap and the National Forest Policy.

He concluded his remarks by thanking the Federal Ministry of Food and Agriculture, Germany (BMEL) for the financial support and ITTO for the technical support. On behalf of Kasetsart University, he ensures all delegates and faculty members assigned to the project will effectively facilitate and coordinate this project with all participating countries and collaborative partners in the Asia-Pacific and West Africa.

### **Opening Remarks: Mr. Bannarak Sermthong, Deputy Director-General of the Royal Forest Department and Chair of PSC**

The Director-General of the Royal Forest Department (RFD) of Thailand had the great pleasure to represent 5 countries in the Asia-Pacific and Togo in West Africa to deliver Opening remarks in the Regional Workshop of the ITTO-BMEL Teak Project Phase II, entitled "Promoting Quality Timber Production in Smallholders and Community-based Teak and Other Valuable Species Plantations in the Tropics (PP-A/54-331A)".

He noted that smallholder timber plantations in the tropics have the potential to provide sustainable supply chains of quality timber based on increasing forest landscape restoration initiatives as well as to provide a huge impact on environmental conditions such as carbon sequestration and soil conservation and other ecosystem services, which can benefit both the local community and the wider region.

The Project Phase II builds on the excellent achievements of the project phase I, and aims to significantly improve the production of high-quality timber from teak and other valuable species plantations established by smallholders and communities in 5 countries in the Asia-Pacific and Togo in West Africa. Key activities include promoting policies to secure high quality planting stock, adoption of best silviculture practices, access to financing schemes to promote longer rotations, value addition, and improved timber legality.

The Government of Thailand amended the Business Security Act of 2018 to allow use of perennial plants as assets for business transaction and initiated Tree Bank system in early 2010. However, tree collateral roll-out and uptake by small-scale producers is limited due to loan intricacies such as the requirement of private land ownership for most schemes. According to the Article 19 of the Forest Act of 2019, teak status was changed from a restricted species to an economic species. Thus, anyone can plant teak and can harvest it, but official permission for transportation of timber forward

processing still needed. This initiative attracted lot of interests among smallholders and business entities for establishing small- scale and large-scale plantations.

He noted that despite widespread plantations, the productivity of planted teak is generally low, particularly in the plantations established by smallholders and local communities. This is due to poor quality of planting stock, inadequate silvicultural practices, premature harvesting as a result of limited financial resources to retain the tree to produce quality timber in long rotations, and weak marketing and value chains. The objectives and activities under the ITTO-BMEL **Promoting Quality Timber Production in Smallholders and Community-based Teak and Other Valuable Species Plantations in the Tropics (PP-A/54-331A)** or **ITTO-BMEL Teak Project Phase II**, will minimize those challenges and enhance wood quality productions and contribute to nature, society and culture.

On behalf of the six participating countries, he expressed sincere thanks and appreciation to Kasetsart University to serve as the Executive Agency to collaborate the project implementation in the six participating countries in Asia-Pacific and West Africa. He hoped that the 1<sup>st</sup> PSC meeting is fruitful and gain valuable suggestions to improve effective implementation of the project in the next two and a half years.

The Welcome Remarks and Opening Remarks are attached in Annex 1.  
Provisional Agenda of the 1<sup>st</sup> PSC Meeting is attached in Annex 2; photos in Annex 3.

## **Item 2. Introduction of all delegates and group photo**

Mr. Montree Intasen invited onsite delegates, accompanies and project staff to take a group photo. There were 51 delegates (online 15; onsite 36) attended the meeting. The list of delegates and a group photo are provided in Annex 4.

After the group photo, Prof. Yongyut Trisurat invited delegates (Mr. Stephan Wagner, Dr. M. Nurudeen, Mr. Bannaruk Sermthong jointly presented funds of THB 300,000 from the Thailand component to Ms. Somporn Khumchompoo of the RFD to maintain 3 existing demonstration plots and to establish 2 new teak clonal trials in Kanchanburi, and Chiang Mai provinces.

**Mr. Bannaruk Sermthong, DDG of the RFD and Chair of PSC had prior commitments and had to arrange the 128<sup>th</sup> Anniversary of the RFD on 18 September 2024. He invited Dr. M. Nurudeen to chair the discussion for the remaining items.**

## **Item 3. Special Presentation: ITTO Sustainable Wood Use by Dr. Tetra Yanuariadi, ITTO Projects Manager (ppt in Annex 5)**

Dr. Tetra started his presentation by addressing the competitiveness of tropical hardwoods is in continuing loss compared to wood products from temperate forests. In the current situation, the availability and quality of large-diameter tropical hardwood logs of primary wood species are declining. Changes in the global trading environment for tropical timbers, including teak, are occurring at a rapid pace. This requires a longer-term plan to enable tropical timber industry policy decisions to be effective. Forest concession from natural forests is decreasing and banned in many countries. In contrast, demand for harvested timber and other products from tropical primary and secondary wood products are increasing and driven by residential, non-residential and public construction activity that depends on consumer wealth and spending. Global housing and

construction trends are therefore important indicators of tropical wood products demand. Commodities produced in tropical countries are not always viewed in a positive light as they are associated with deforestation, forest degradation, illegality, etc. Increasing degraded forests have reduced their capacity to supply local, national and global markets with essential forest products. The COVID-19 crisis has affected tropical timber and timber product trade and amplified the economic slowdown in both producer and consumer countries. Ensuring sustainable tropical timber trade requires optimizing the utilization and improving productivity of production forests, which will, in turn, benefit conservation and protected forests, in terms of reducing pressures and disturbances.

Under the framework of the LSSC, ITTO is promoting sustainable wood use in domestic markets through projects implementation, financially supported by Japan Governments in South East Asia economies, namely: Viet Nam, Thailand and Indonesia; under preparation for Malaysia and India. The scope of the projects covers the improvement of domestic strategy/policy, improvement of production capacity, improvement of CFE's skill capacity, enriching assortment of wood products, and educating consumers on advantages of using wood products vs substitute products. The Projects' outputs and outcomes will support the CPF's initiative: SW4SW which targeting to strengthen sustainable wood value and supply chains to enhance their social, economic and environmental benefits from production to consumption. In addition, ITTO is also planning to work on promoting wooden houses and buildings in the urban area. In the framework of sustainable wood use projects, important aspects of SFM are considered and practiced, and with these projects we are encouraging member economies to reach their decarbonized society target and fulfilling their NDC. Vietnam is developing the Concept Note to be submitted to ITTO and the Government of Japan.

*Prof. Yongyut Trisurat asked question whether Thailand has an opportunity to submit the concept note for the 2<sup>nd</sup> phase since the SWU phase I will be terminated in February 2025. Dr. Tetra Yanuariadi replied it is feasible if the implementing countries can show the tangible outputs and impacts of the project phase I to the donor (Japan Governments), in particular at the upcoming ITTC meeting in December 2024 held in Yakohama, Japan.*

*Due to the restriction of international markets and trade barrier such as EUDR, Dr. M. Nurudeen noted that the producer countries do not ignore the domestic markets, where demand is increasing due to the growing of mid- and high-income population. However, the wood product designs should meet the requirement of emerging markets, especially young generation.*

#### **Item 4. Review of the ITTO-BMEL Project structure and progress (including financial and inputs supplied) By Prof. Yongyut Trisurat, KUFF**

##### **4.1 ITTO-BMEL Teak Project Phase I (2019-2022)**

Prof. Yongyut Trisurat as the Regional Project Manager highlighted the origin of project phase I and key achievements.

After the dual signing Ceremony for Teak Project at ITTC 54 on 6 Nov 2018, Yokohama, Japan between Gerhard Dieterle, ex-Executive Director, ITTO, and Matthias Schwoerer, BMEL-Germany, the ITTO invited Kasetsart University Faculty of Forestry (KUFF) to serve as the Regional Project Manager.

The ITTO teak project entitled “**Enhancing Conservation and Sustainable Management of Teak Forests and Legal and Sustainable Wood Supply Chains in the Greater Mekong Sub-region (PP-A/54-331)**” aims to promote the sustainable management of natural and planted teak forests with establishment of demonstration plots for conservation of teak genetic resources and capacity building of key stakeholders in the Mekong sub-region to improve legal and sustainable supply chains for sustainable production and consumption.

The project was implemented in 5 countries of the Greater Mekong Sub-region. Key implementing agencies include **Cambodia's** Forestry Administration, **Lao PDR's** National Agriculture and Forestry Research Institute, **Myanmar's** Forestry Department, **Thailand's** Royal Forestry Department, and **Vietnamese** Academy of Forest Sciences, Key outputs and key achievements are shown below:

**Output 1: The conservation of teak genetic resources, sustainable management and use of natural teak forests and market accesses of teak from legal sources**

- Establish 16 demonstration plots related to teak clonal seed orchard, seed sources, clonal test and innovative afforestation in five participating countries.

**Output 2: Community-based and smallholders teak forest management and agroforestry systems have been strengthened with improved legal and sustainable supply chains**

Conducted 24 training courses related to (1) seed production/nursery techniques, (2) silvicultural practices/improved stand management, (3) minimizing harvesting loss, efficient transport and processing, and (4) supply chains and marketing. There were 673 participants. Trainees from Laos, Cambodia, Vietnam and Myanmar became trainers in their home countries. In addition, teak-based forest user groups were established in Thailand and Myanmar.

**Output 3: Regional and international collaboration, information sharing and knowledge management, networking, policy development and outreach on the sustainable management of teak forests strengthened**

- Two regional workshops were conducted in Myanmar and Thailand.
- Participated in the XV World Forestry Congress in Korea,
- 4<sup>th</sup> World Teak Conference in Ghana,
- and organized a Side Event on "Forest of Thailand: Sustainable Teak Management" at the 18<sup>th</sup> UN Forum on Forests, New York, USA.
- Published a book titled "Teak in Mekong for a Sustainable Future", research articles, newspapers and TVs.

There are opportunities and pending issues to promote community-based smallholders teak forest management and agroforestry systems and their long-term contribution to environment and society.

Example opportunities are listed as below:

- An increasing wood demands in international and national markets. Dr. Zhimin Wu, Director of Forestry Division, FAO reported that internal wood demands are expected to increase 50% by 2030 and over 49% of the total wood sources are from private and smallholder plantations.
- Domestic and internal wood trade will increase local income and livelihood since over 60% of the total population are involved in plantations (1.5 million hh in Indonesia, over 1 million hh in Vietnam).
- A tendency of national development towards decarbonized society and sustainable wood use and carbon storage in plantation ecosystems.

Pending challenges

- Poor quality planting materials from unknown sources
- How to balance and optimize wood productivity and wood quality (price)
- Certification and legal supply chains in particular the potential effect of EUDR on wood production from smallholder plantations from Asia (Rupert Oliver, ITTO Expert).
- Lack of knowledge sharing and capacity of smallholders in innovative technology



## 4.2 ITTO-BMEL Teak Project Phase II (2023-2026)

Project phase II is developed based upon the outcomes of the BMEL-ITTO Project phase I. The project supported the participating countries' policies and strategic goals of promoting sustainable management of teak resources and the afforestation efforts in public and private land; promote and assists in value chain process in wood industries and biodiversity based economic development; certification and legality of sustainably produced timber including small- and medium enterprises. The Project is also built on ITTO's comparative advantage in providing support to forestry issues that require strong interface with the public, private sectors and community and proven records of continued accomplishment in policy work and capacity building initiatives in its producer member countries.

### Target areas and collaborating agencies

The implementation of the field activities in five countries in the Asia-Pacific region, namely Cambodia's Forestry Administration, Thailand's RFD and Kasetsart University, Vietnam Vietnamese Academy of Forest Sciences, Indian Council of Forestry Research & Education, Dehra Dun, and the Indonesia's Ministry of Environment and Forestry, and the University of Lomé. Togo, West Africa. In addition, the Thünen Institute of Forestry, Germany and TEAKNET, Kerala, India will contribute on micro-financing scheme and information sharing and knowledge management, networking, respectively.

### Project objectives

The Project aims to contribute to increasing the economic and social contributions of smallholder teak and other valuable species plantations in the tropics to facilitate the achievement of the Sustainable Development Goals (SDGs) for a sustainable future.

#### *Specific objectives*

To improve the production of high-quality timber from teak and other valuable species plantations established by smallholders and communities in the Asia Pacific and West Africa;

To improve livelihoods and social and environmental outcomes through better silviculture practices, efficient wood transport and small-scale processing, financial schemes to invest in quality timber production from long rotations and access to voluntary carbon markets, as well as regional and international collaboration for sustainable smallholder plantations.

## Highlights of the project implementation (November 2023 – June 2024)

### 1. Appointment project staff and organization arrangement

Kasetsart University as the Executing Agency officially appointed the Project Steering Committee (PSC) chaired by the Director-General of the RFD and the Project Technical Committee (PTC). The PSC members consist of representatives of six participating countries, ITTO, donor country (Germany), partner (TEAKNET), senior experts, and the Regional Project Manager (as Member - Secretary). While, the PTC members consist of technical staff nominated by the six participating countries.

Kasetsart University, faculty of Forestry (KUFF) appoints Prof. Yongyut Trisurat as the Regional Project manager to coordinate the activity implementation with the six participating countries, ITTO, the Thunen Institute of Forestry, TEAKNET, other partners, and consultants.

As of 17 September 2024 (1<sup>st</sup> PSC meeting), the project and ITTO have recruited seven international and domestic consultants to assist the project activities. These include:

<b>Title</b>	<b>Scope</b>	<b>No of MM</b>
<b>Consultant 1</b> Quality Planting Material	Vietnam, Cambodia, and Togo (Indonesia - not started)	4 months
<b>Consultant 2</b> Field Training Silviculture	Vietnam, Cambodia, and Togo	3 months
<b>Consultant 3</b> Legality	Regional	4 months
<b>Consultant 4</b> Wood processing, design products and innovation	Thailand (India -not started)	2 months
<b>Consultant 5</b> Information Management	Regional (handled by ITTO)	Package
<b>Consultant 6</b> Teak value-chains	Thailand (India and Indonesia – not started)	3 months
<b>Consultant 7</b> Teak strategy development	Regional (handled by ITTO – not started)	6 months
Sub-contract with the Thünen Institute of Forestry to carry out feasibility studies for financing schemes for smallholder teak plantations	Regional (handled by ITTO - signed agreement)	Package

## **2. Organized the Launching Workshop of ITTO-BMEL project "Promoting Quality Timber Production in Smallholders and Community-based Teak and Other Valuable Species Plantations in the Tropics."**

Kasetsart University, the RFD and ITTO jointly organized a Hybrid Launching Workshop at Rama Garden Hotel in Bangkok, Thailand on 11-14 October 2023. During this event, in addition to Opening Remarks by Dr. Tetra Yanuariadi of ITTO and a keynote presentation on wood-based bio-economy by Dr. Suwan Tangmitcharoern, the Regional Project Manager (KUFF, Prof. Yongyut Trisurat) introduced the project's objectives, strategies, and expected outcomes to outline the collaborative efforts required to achieve our shared goals. Meanwhile, onsite and online delegates, forestry experts, and partners also shared experiences and are committed to fostering quality timber production practices. After the launching event, consultation meetings took place with key stakeholders including smallholders in Thongphaphum District, Kanchanaburi province. 36 delegates attended the workshop onsite, and 15 delegates attended online.

The activity of Launching Meeting and Field Visit was published in 3 local newspapers and RFD website. In addition, Dr. Thulasidas (former TEAKNET Coordinator and now serves as Consultant#5 Information Management) also summarized the events and disseminated them in the bi-monthly Teak Mekong Newsletter issue 5, 2023.



### **3. Disseminating project achievements at the 59th International Tropical Timber Council (ITTC 59)**

ITTO invited Prof. Yongyut Trisurat to participate and present the achievement of ITTO-BMEL Teak Project Phase I and the project context of ITTO-BMEL Teak Project Phase II in the 59th ITTC meeting in Pattaya, Thailand on 13-17 November 2023. Besides that, the project also arranged an exhibition to showcase the achievements and activities of both phases. Prof. Yongyut Trisurat also met and discussed the project context with Matthias Schwoerer of the Federal Ministry of Food and Agriculture, National Coordinators and high-ranking officers of Cambodia, India, Indonesia, Togo, Thailand, Vietnam.

### **4. Organized an Online Inception Workshop on 25 January 2024**

With the advice of Dr Hwan-ok Ma and Dr. Tetra Yanuariadi of ITTO, Professor Yongyut Trisurat as the Regional Project Manager organized an Online Inception Workshop of the ITTO- BMEL Smallholder Teak and other economic species plantation on 25 January 2024. There were 20 delegates from the 6 participating countries and ITTO representatives attending the online Launching Workshop.

The Inception Workshop was successfully conducted based on the provisional agenda (Annex 6). The Consolidated Inception Report and 1<sup>st</sup> YPO presented by Prof. Yongyut Trisurat was adopted by the delegates of 6 participating countries and ITTO.

After the presentations of the Inception Report by Prof. Yongyut Trisurat, there were 5 topics for discussion and decision by the delegates as follows:

#### 1) Arrangement of international and national consultants

To facilitate the project implementation, Prof. Yongyut Trisurat proposed each implementing country nominates and hosts consultants to carry out activities within the country with the allocated budget. However, the two/three consultants discuss among themselves to assign one consultant as the Coordinating Lead Consultant to consolidate the technical report. This proposal was accepted and agreed to discuss further at the 1<sup>st</sup> PTC meeting.

#### 2) Starting date and ending date for each participating country and the project

Only Thailand and Togo started the project in November 2023, while Cambodia, and Vietnam began in January 2024. Furthermore, India and Indonesia would start physical activities after signing the MoU with ITTO. Dr. Hwan-ok Ma, Officer-in-Charge of Forest Management Division mentioned that the duration of the project covers 3 years from 1 November 2023 to 31 October 2026. In addition, the bi-annual progress report submission will follow this schedule although late starting dates for some members. The extension of the project may be possible with the approval of PSC and BMEL in the future.

All delegates noted comments presented by Dr. Hwan-ok Ma.

#### 1) Facilitation and arrangement with the Thunen Institute of Forestry (TIF), Germany

DDG Chheang Dany, Cambodia and some delegates noticed that the six participating countries do not obtain a budget to facilitate data collection and field activities to support the Thunen Institute of Forestry, Germany. They request ITTO to provide further information about the TIF involvement and collaboration with the participating countries.

Dr. Hwan-ok Ma informed the meeting that ITTO already signed MoU with the TIF to carry out a micro-finance study in the six countries with a budget of USD 353,954. This budget covers desk research and field activities of TIF staff and the project staff of six countries (if needed). The signed MoU mentioned this concern. See details at output 2.

## 2) Bank Account for Cambodia

Cambodia component would like to use the existing Bank account for international project for the teak project phase II. This is due to the time-consuming and complicated procedures to open a new bank account for this project. In addition, the allocated budget for the Cambodia component is quite small.

ITTO approved the request proposed by the Cambodia component and will notify the finance staff of ITTO to act accordingly.

Dr. P.K. Thulasidas (Consultant#5 Information Management) also published the minutes of the online launching workshop in the ITTO-BMEL Teak Newsletter issue March 2024 – Volume 6(1).

## Inputs Applied

### 1 Cashflow and Expenditures

The Ministry of Food and Agriculture (BMEL) is pledged to provide financial support to implement the ITTO-BMEL Teak project Phase II through ITTO. The total budget is USD 1,413,449 for 3 years or 36 months. The allocation of the budget is shown in the below table. In addition, BMEL transferred the 1<sup>st</sup> installment of USD 142,293 to ITTO in September 2023 (Table 1).

**Table 1 Budget allocation for the participating countries**

Country/recipient	Amount (USD)	%
ITTO	714,849	50.57%
(Thunen Institute of Forestry, Germany)	(353,954) <sup>1/</sup>	(25.04%) <sup>1/</sup>
Cambodia	51,000	3.61%
India	71,000	Not transferred
Indonesia	110,500	Not transferred
Thailand	358,100	25.33%
Vietnam	54,000	3.82%
Togo	54,000	3.82%
<b>Total</b>	<b>1,413,449</b> <sup>2/</sup>	<b>(100.00%)</b> <sup>2/</sup>

*Note:* 1/ Allocated through ITTO; 2/ Include all partners.

Cambodia, Thailand, Vietnam and Togo components, as well as the Thunen Institute of Forestry already signed MoUs with ITTO and obtained the 1<sup>st</sup> disbursement from ITTO, while the MOUs for (India and Indonesia) are in the final process. Thus, ITTO transferred the 1<sup>st</sup> installment of USD 292,733 or 33.6% of the total fund to Cambodia, Thailand, Vietnam, Togo and Thunen. Therefore, ITTO account has deficit of USD 150,400.

The up-to-date ITTO-BMEL Project expenditures as of 30 June 2024 were USD 261,669 or 18.5% of the total project budget. The remaining available fund in the Bank Account of the 4 participating countries is USD 74,368, including interest earned of USD 160 (Thailand component) (Table 2).

**Table 2** The up-to-date Balance for the 1<sup>st</sup> disbursement received from ITTO

Recipient	Fund of 1 <sup>st</sup> installment (USD)*	Expenditure (Nov 2023 - Jun 2024)	Planned budget (Jul – Dec 2024)	Fund in project Bank Account (USD)	Remark
Cambodia	20,000 (39%)	2,541	17,459	17,459	
India <sup>1/</sup>			10,500	NA	Pending MOU signing
Indonesia <sup>1/</sup>			11,500	NA	Pending MOU signing
Thailand	100,000 (28%)	63,375 <sup>3/</sup>	123,989	36,628	Propose budget modification
Vietnam	20,000 (37%)	4,612	25,062	15,388	Propose budget modification
Togo	20,000 (37%)	15,017	3,398	4,893	Propose budget modification
Thunen	(132,733; (33%))		61,923	63,578	Already transferred to Thunen
<b>Total</b>	<b>292,733 (33.6%) <sup>2/</sup></b>	<b>69,155</b>	<b>253,831</b>	<b>74,368 <sup>5/</sup></b>	

Notes: \* 1/ India and Indonesia have not obtained funds from ITTO; 2/ total 1<sup>st</sup> installment (% of the total funds allocated to the 4 participating countries and Thunen); <sup>3/</sup> year 2023 USD 16,477; Jan-Jun 2023 USD 46,898);

The previous expenditure was less than as planned due to the delayed signing MoU with India and Indonesia. Thailand and Togo component started physical activities since November 2023, while Cambodia and Vietnam component started the activity implementation in January 2024.

## 2 Proposed budget modification and no cost extension until December 2026

Vietnam, Thailand and Togo proposed budget modification among the allocated budget items as follows:

### **Vietnam component**

Vietnam component submitted a request letter to ITTO to modify the allocated budget that appears in the inception report to support more efforts in the demonstration plot. Main budget modifications include:

- Increase funds for B01-operation costs from USD 3,000 to USD 7,971;
- Increase funds for C42-Demonstrations plots (Seedling, fertilizer, traveling, lodging, food) from USD 10,000 to USD 21,444;
- Reduce funds for C43-Training costs (4 training events per country) (venue, stationary, catering, lodging) of USD 17,141 (from USD 20,000 to USD 2,859);
- Slightly increase funds for C13-IUFRO World Congress 2024 from USD 3,000 to 3,726 to support Dr. Tran Lam Dong to participate in the IUFRO conference.

The reasons for the budget modification are as follows:

- Vietnam component wants to increase the operating costs (B01) for project offices of USD 4,971.
- VAFS would like to establish experiment and demonstration plots (C42) in different ecological regions cover 23 ha using high quality planting material imported from Thai Orchid Farm. An additional fund of USD 11,445 is proposed.
- VAFS would like to reduce the allocated budget for C43 of USD 16,444 to support the proposed demonstration plot activities and the operation costs. Reducing training costs will not affect the planned targets and overall objectives and project outputs.

### **Thailand component**

Thailand component would like to modify the budget presented in the project document as follows:

- Budget for the project staff previously was started from September 2023. Due to the starting date was postponed to 1 November 2023, therefore the staff salary for 2023 covers from November – December 2023 and the remaining funds are shifted to September-October 2026.
- The amount of budget allocation for C13-IUFRO Congress is USD 3,000 for each country, except ITTO (USD 5,000). ITTO requested Thailand component to advance money from C14-World Teak Conference 2025 to support Dr. Hwan-ok Ma (Resource Person for the Project) and Dr P.K. Thulasidas (Consultant# 5 Information Management) to participate in the IUFRO 2024. The total amount payment was USD 6,000 to support those participants. Thus, ITTO should allocate this amount to Thailand component, which will be from C-13 allocated for India and Indonesia (not attending IUFRO Congress).

### **Togo component**

- Togo would like to reduce cost from training to be used for demonstration plots and data collection (approx. USD 4,000) and for slight increase of fund for IUFRO 2024.

The participating countries (including India and Indonesia), Thunen and ITTO have planned activities during July – December 2024 along with budget modification proposal. The estimated amount to undertake these activities is USD 304,927. Based on this figure and budget balance, the total second call for the 2<sup>nd</sup> installment of USD 424,363 from BMEL to balance the deficit and disburse to the participating countries.

In addition to the delayed signing MOUs with India and Indonesia, ITTO and Kasetsart University as the Executing Agency requested no-cost extension until December 2026 to compensate the delayed activities in both these countries. ITTO received the proposed budget modification (BR-A) and the no-cost extension from BMEL on 6 September 2024. The approved budget modification and the revised workplan are attached in Annex 7.

### Reports on the previous 8-months of project implementation

Based on inputs from the six participating countries, Thunen Institute of Forestry and TEAKNET, the progress of activity implementation of 3 outputs and 11 activities is summarized as shown in Table 3.

Output/ Activity#	Details	Progress
<b>Output 1</b>	Supply chains of smallholders and community-based teak and other valuable species plantation and management systems have been strengthened with easy availability of high-quality planting stock and implementation of improved practices in silviculture, and timber processing and legality	
A 1.1	Conserve teak and other valuable species genetic variation	7
A 1.2	Demonstration plots and field training	8
A 1.3	Promote timber legal compliance in smallholder/community plantations	0 (not started)
<b>Output 2</b>	Financing schemes for quality timber production in smallholders and community-based teak and other species plantations have been analysed and improvements have been suggested to increase economic outcomes	
A 2.1	Feasibility study for direct contracts/out-grower schemes with sourcing companies	0 (not started)
A 2.2	Promote micro-lending schemes	0 (not started)
A 2.3	Reduce transaction costs and help improve access to micro-credits	0 (not started)
A 2.4	Study to access to voluntary carbon markets to increase revenues from longer rotation	0 (not started)
<b>Output 3</b>	Regional and international collaboration, information sharing and knowledge management, networking, policy development and outreach for sustainable smallholder teak and other species plantations have been strengthened	
A 3.1	Produce and disseminate outreach and training materials	16
A 3.2	Support and facilitate teak networking in ITTO's member countries	10
A 3.3	Organize two Regional Workshops	50
A 3.4	Support sharing lessons (IUFRO 2024 & 5 <sup>th</sup> WTC 2025)	50

**Output 1:** Supply chains of smallholders and community-based teak and other valuable species plantation and management systems have been strengthened with easy availability of high-quality planting stock and implementation of improved practices in silviculture, and timber processing and legality

**Activities 1.1:** Conserve teak and other valuable species genetic variation through improved management of existing seed production areas, seed orchards, and provenance/progeny trials/clonal plantations (India, Indonesia, Thailand).

The project document targets 2 demonstration plots for each participating country with the total of 12 plots. **Cambodia** component plans to establish 10 plots located in Kampong Cham and Kampong Speu provinces (progress 0%). During the project phase I, Thailand component established 5 demonstration plots, and 3 clonal plantations. For the 2<sup>nd</sup> phase, the **Thailand's**

**RFD** will maintain quality planting materials in the three clonal test plots and establish provenance test of these quality materials in Kanchanaburi and Chiang Mai Provinces (plot size 5 rai or 0.8 ha).

The **Vietnam** project team discussed with five forest enterprises and one research center in cooperation to establish 14 hectares of teak in five ecological regions in Vietnam. Teak seedlings will be imported from Thai Orchids Co., Ltd. Besides, VAFS has discussed with the Forest and Farm Facility Project (funded by FAO) to support households in Yen Bai and Son La provinces for establishing seven hectares of pure teak plantations and mixed teak with Cinnamon plantations for demonstration purpose; three hectares have been established in cooperation with Yen Bai Farmer Union in Tree Planting Festival event in Yen Bai province.

**Togo** component has previously introduced teak for the provenance trials at ZOGBÉPIMÉ. In this phase, Togo would like to conduct trials on WOTOU, TETETOU and BLITTA clones, including the selection of high-performance trees based on a certain number of criteria to be defined on three sites from different forest stands. We want to establish seed orchards based on selected trees. Clone tests could also be carried out. *Cedrela odorata* and *Pterocarpus erinaceus*. In addition, Togo component proposes 2 demonstration plots, including 1) Ativémé is a site of the Forest Research Laboratory. The activities undertaken at the site include monitoring and evaluating the effect of the association of *Tectona grandis* and *Khaya* spp, and 2) the Zogbépimé forest station established in 2014 by the Forest Research Laboratory of the University of Lomé, to experiment with the performance of different teak (*Tectona grandis*) provenances but also *Khaya* plantation and *Pterocarpus erinaceus* plantation.

**India and Indonesia** components have not started.

**Activities 1.2:** Support smallholders and local communities for improved management of existing and new demonstration plots (altogether 14 plots) for teak and other valuable species and field training on the following subjects: (1) seed production/nursery techniques; (2) silvicultural practices and improved stand management, including coppicing as a regeneration method; (3) minimizing harvesting loss, efficient transport and processing of teak roundwood and product designs and innovation; (4) teak and other valuable species and value-chains (5) timber legality and sustainability (all participating countries)

**Thailand** component organized the 1<sup>st</sup> training workshop on Teak Plantation and Silvicultural Practices for smallholders in Nan Province. 32 participants participated in the training workshop. After the lecture, all participants and resource persons had an opportunity to visit a commercial teak plantation at Pua District in Nan province planted by Sri Trang Rubber and Plantation Ltd. Company. The company applies modern technology, high-quality materials and intensive silvicultural practices. In addition, local people are allowed to grow cash crops (intercrop) for 1-3 years. This intercropping system is not only to promote co-benefits but also to save the budget for weeding and fire prevention.

The **Vietnam** Component has requested ITTO to recruit 2 consultants (Consultant#1 Quality planting material and Consultant#2 Field training silviculture) to facilitate capacity building for forest enterprises and smallholders. The 1<sup>st</sup> training session is planned in December 2024.

**Togo** component has nominated the Consultant#2 Field training silviculture to ITTO. In addition, target stakeholders for training were identified. Five technical committee meetings have since been held, focusing on various aspects of project implementation. To carry out these activities, three field missions were conducted: The first mission involved monitoring and evaluating the effect of the association between *Tectona grandis* and *Khaya* spp. The second mission was to



continue the monitoring program of provenance trials and to assess the growth, health, and wood quality of different teak provenances; The third mission consisted of an identification and selection of candidate trees (APC) with a mixed team comprising technicians from ODEF and the University of Lomé.

**India and Indonesia** components have not started.

**Activities 1.3:** Promote timber legal compliance in smallholder/community plantations, aligning with national and local laws governing forest plantations, management, timber harvesting and legality (global)

- Not started. The project has recruited Consultant#3 Legality with the honorarium payment of USD 24,000.00 (4 person-months) from ITTO. He will present draft workplan and approach on data collection at the PTC meeting.

**Output 2: Financing schemes for quality timber production in smallholders and community-based teak and other species plantations have been analyzed and improvements have been suggested to increase economic outcomes**

Output 2 consists of 4 activities as follows:

2.1 Carry out a feasibility study for direct contracts/out-grower schemes with sourcing companies to ensure that smallholders' products will be purchased at remunerative prices (all participating countries)

2.2 Carry out a study to promote micro-lending schemes to address the credit constraints of smallholders to explore different options to overcome the problem with collaterals that smallholders often face trees as guarantees, and group-lending to a number of forest growers who can ensure loan repayments from each other (all participating countries)

2.3 Carry out a study to promote the formation of effective forest grower associations to reduce transaction costs and help improve access to micro-credits (all participating countries)

2.4 Carry out a study to access to voluntary carbon markets to increase revenues from longer rotation of smallholder and community-based teak and other valuable species plantations to increase financial security of farmers, address the issue of cash flows, and support their access to micro-lending schemes (global scope)

All 4 activities have not started. However, ITTO already signed MoU with the Thunen Forestry Institute (TIF), Germany to conduct the above four activities. In addition, two online meetings among ITTO and Thunen Institute of Forestry, and KU were conducted on 22 April 2024 and on 18 June 2024 to discuss arrangement on field survey and data collection in the six participating countries. The meeting agreements are shown below:

- Thünen Institute of Forestry (Dr. Eliza) will draft ToRs outlining the tasks for the field data collection assistant recruited from early August 2024.
- Thünen Institute of Forestry will present approach on preliminary data collection design and has initial discussion with the National Coordinators at the Project Technical Committee meeting during the 1st PSC and the Regional Workshop in Thailand in September 2024. Dr Sven Hunter and Mr. Temesgen will make presentation on draft workplan and approach for data collect at the PTC meeting.

### **Output 3: Regional and international collaboration, information sharing and knowledge management, networking, policy development and outreach for sustainable smallholder teak and other species plantations have been strengthened**

**Activities 3.1:** Produce and disseminate outreach and training materials on the conservation and sustainable management of teak and other valuable species plantations and legal and sustainable supply chains in line with outcomes of Activities 1.2 and 2.1-2.4 to support forest policy development (regional scope).

Various activities have been conducted to promote the project and raise public awareness:

- National Newspapers reported the Launching Workshop of the ITTO-BMEL Teak and Other Economic Species Plantations.
- The project website was developed (<https://itto-bmel-project.com/>). Each participating country is encouraged to provide up-to-date information and recent activity implementation. The project website will be monthly updated.
- The project arranged an exhibition to celebrate the Anniversary World Forestry Day on 21 March 2024 at Thong Phaphum District, Kanchanaburi Province.
- Arranged an Exhibition for Bio-economy Launching Ceremony at the Faculty of Forestry, Kasetsart University on 21 June 2024.
- Vietnam arranged tree planting festival in Yen Bai Province

**Activities 3.2:** Support and facilitate teak networking in ITTO's member countries in Africa, Asia- Pacific and Latin America in collaboration with TEAKNET and other partners through the organization of a quarterly-based Webinar (4 every year) to promote the conservation and sustainable management of teak forest resources and legal and sustainable supply chains (global scope).

- Dr. P.K. Thulasidas Consultant#5) was recruited to take overall responsibility to promote knowledge sharing and outreach efforts for the three tropical regions.
- Four bi-monthly ITTO-BMEL teak newsletters were published since December 2023.
- 1<sup>st</sup> webinar was organized by Prof. Yongyut Trisurat

**Activities 3.3** Plan and organize two Regional Workshops in Thailand and in central Java, Indonesia with investors and financial institutions to discuss financing schemes promoting quality timber production in smallholder teak plantations (regional scope).

- The 1st Regional Workshop on Regional Workshop on “Enhancing Smallholder Plantations Towards Quality Timber Production of Teak and Other Economic Species and Carbon Neutrality in the Tropics” is planned on 18 September 2024. There are 4 keynote presentations and 10 technical presentations. Over 65 participants from over 10 countries will participate in the Regional Workshop.

**Activities 3.4:** Support sharing lessons in promoting the quality teak production and legal and sustainable supply chains at the IUFRO World Congress 2024 (Sweden) and in the 5th World Teak Conference 2025 (Kerala, India) for improved global teak collaboration (global scope).

- TEAKNET and ITTO jointly organize a Side Event on “**Strengthening Teak Forest Management for Sustainable Teakwood Supply Chains and Trade (T2:29)**” at the IUFRO World Congress 2024 in Stockholm, Sweden from 24 June to 31 June 2024.
- Project staff and delegates of Thailand, Vietnam, Togo, ITTO and TEAKNET participated in the IUFRO 2024 side event.

After the presentation by Prof. Yongyut Trisurat, National Coordinators were requested to provide additional information as follows:

***Dr. Tran Lam Dong, Deputy Director-General of VAFS***

Dr. Dong noted that Vietnam component focuses on activities under outputs 1 and 3. Project staff have discussion with Thai Orchid farm to import good quality teak seedling with special price for establishment of demonstration plots. However, there are legal restriction to import seedlings with soil. Therefore, they will import seedlings in liquid (earlier stage) to Vietnam soon. He also mentioned that more than 90% of smallholders in Vietnam own land less than 3 ha and are quite poor. They cannot prolong longer rotation (>7 years). There are several initiatives in micro-finance mechanism tried in Vietnam, but less successful in forest. There is a need for a better micro-finance mechanisms to support tree growing households in Vietnam for prolong rotation. Nevertheless, Vietnam is ready to cope with EUDR scheme. The Government of Vietnam has introduced a lot of program and train smallholders to cope with EUDR.

***Mr. Sinly Say, Forest Administration, Cambodia***

Cambodia component already recruited 2 consultants (#1 Quality planting material and #2 Field Training Silviculture) to conduct activities indicated in the TORs. The 1<sup>st</sup> training on silvicultural practice is planned in November 2024. FA works closely with TEAK Farm to enhance wood quality and productivity. Wood characteristics will be investigated by recognized institutions when it reach rotation period (8 years old). Besides, FA also coordinate with universities and architecture experts to produce innovative and modern design products.

***Mr. Montree Intase, Royal Forest Department, Thailand***

Dr. Preecha Ongprasert, Thailand National Coordinator, assigns Mr. Montree Intasen to support and work closely with KUFF. He reported that he was involved in all activities implemented in past 8 months, including launching workshop, a training session on teak plantation and silvicultural practices, establishment of 2 teak clonal trials. All proposed activities are on track.

***Dr. Tetra Yanuariadi, ITTO Projects Manger***

He reported the status of MOUs signing with ITTO as follows:

India: ITTO submitted the draft MOU to Indian Council of Forestry Research and Education since November 2023. The draft MOU was forwarded to the Ministry of Forestry, Environment and Climate Change for internal review and revision. Based on recent communication, it was forwarded to the Ministry of Economic Affairs because it deals with international support. The draft MOU was approved by both ministries in principle but minor revision is still needed before signing.

Indonesia: The draft MOU signing has been delayed due to the frequent rotation of staff. Dr. Tetra regularly communicated with the de-facto new coordinator. The draft MOU is still under review by the Foreign Affairs Bureau of the ministry.

## **Critical Analysis and Project Progress**

Due to the long process of internal review by the India's Ministry of Environment, Forestry and Climate Change (MoEFCC) and the Indonesia' Ministry of Environment and Forestry, the MoU between ITTO and these two institutions have not been finalized. However, a lot of progress has been made and key project staff has been identified. It is hoped that activities in India and Indonesia will be executed effectively in the second half of year 1 and later. In addition, they can catch up on the work plan and deliver project outputs by the project schedule.

## Conclusions

The ITTO-BMEL smallholder Teak and Other Economic Species Plantation Project has offered the six tropical countries in Asia-Pacific and West Africa a unique opportunity to cooperate in their effort for sustainable management of teak forests and to promote South-South Cooperation. During the reporting period (1 November 2023 – 30 June 2024), the Project has established cooperative institutional arrangements among the six participating countries, ITTO and BMEL through successful Launching and Inception Workshops in October 2023 and January 2024, respectively.

Project staff and consultants have been recruited for the Thailand, Cambodia, Vietnam component, and Togo component to support the planned activities, while Consultant#7 is being reviewed by ITTO. The four country components have established demonstration plots and conducted training sessions to increase the capacity of stallholders and disseminate knowledge. The progress of the Project toward the achievement of the Project's specific objectives for Cambodia, Thailand, Vietnam and Togo Components is on track. It is hoped that India and Indonesia Components will start the activities soon. In addition, the Thünen Institute has planned to carry out activities under output 2 with the support of national coordinators by the 3rd quarter of 2024. Nonetheless, all partners actively join the meetings and are committed to put more effort into completing all planned activities within the Project period.

### Item 4: Consideration of the 1<sup>st</sup> Yearly Plan of Operation (YPO)

(By Prof. Yongyut Trisurat)

According to the request of budget modifications by Thailand, Togo and Vietnam, including the delay signing MOUs with India and Indonesia, ITTO submitted an official request to BMEL to extend the project period to December 2026 without additional funds. BMEL (Mr. Stephan Wagner and Ms. Silke Hertrich) discussed this matter with ITTO (Dr. Tetra Yanuariadi) and Kasetsart University (Prof. Yongyut Trisurat) on its Pros and Cons. And logical reasons of the proposed no-cost extension. On 6 September 2024, Mr. Stephan Wagner sent email to Dr. Tetra Yanuariadi notifying that the proposed budget medication and the revised workplan were approved by BMEL. See the modified budget allocation (BR-A) and the revised workplan in Annex 8.

### Item 5: Q&A and Recommendations

Dr. M. Nurudeen (Acting Chair of PSC) invited online and onsite delegates to comment and provide suggestions to the project implementation. Their questions and response are shown below:

*Dr. Sven Gunter, The Thunen Institute of Forestry, Germany*

Q1. What are long-term mechanisms to promote the impact of the project to the implementing countries and others such as learning platform?

A1: Dr. Tetra noted that the teak project approach was relevant to the last week meeting in Macao (Global Legal and Sustainable Timber Forum 2024 - GLSTF). There is an opportunity to present the project achievements in the upcoming meeting next year. Prof. Yongyut added that an edited teak book that focuses on micro-finance is an promising option since 4 academic institutions are involved in this project, namely Kasetsart University, University of Lome, Thunen and Indian Council of Forestry Research and Education.

Q2. BMEL is not a financing institution to continue support the project implementation. What strategies or approaches have been discussed by ITTO?

A2: Dr. M. Nurudeen replied that there are two possible sources to support long-term implementation of the project: 1) Council of African Council (CFC) but it is high competition and eligible for African countries; 2) green climate fund – however the proposal should covers not only for direct benefit (wood products) but also nature's contribution to people (economic and culture).

*Dr. Suwan Tangmitcharoen, Chir of PTC and Director of Forestry Research and Development, RFD*

He is quite confused whether the project should promote wood productivity (high increment) or wood quality from longer rotation, since most smallholders cannot wait more than 10 years.

Dr. M. Nurudeen noted that we must do both (no one size fits all) because the demand for wood is driven by customer preference and markets. We should diversify the products to meet the markets. Based on his 40-years, he recommends to use mixed planting materials experience: tissue culture in Brazil for high productivity; Ghana – hybrid seedlings for longer rotation. In addition, carbon credit and indirect benefits (ecosystem services) should be taken into account. Furthermore, policy interventions such as low interest rates and CSR program from private sectors should be included in the policy reform and legality compliance.

*Dr. Dang Thinh Trieu, National Coordinator, VAFS*

Dr. Trieu reiterated the difficult to import high quality planting material from Thailand. He hopes that the problem will be solved soon. In addition, he invites all delegates to visit Vietnam and give advice to project staff.

His comments were well noted.

**Mr. Taiji FUJISAKI, IGES**

Mr. Taiji was recruited as **consultant#3 Legality**. He will take overall responsibility review legal framework, policy support, as well as challenges and opportunities for smallholder plantations in the six participating countries. He will employ both desk analysis and first-hand data collection through the support of national coordinators. Detailed workplan and approach will be discussed at the PTC meeting.

Well noted.

**Thunen Institute of Forestry, Germany**

Dr. Sven Gunter, Head of Working Group Forestry Worldwide noted that there are 3 staff of Thunen involved in this project: 1) Dr Sven; 2) Dr Eliza Zhunusova, Senior Scientist, and 3) Mr. Temesgen Zana Jaffoas, Research Assistant.

Mr. Temesegen noted that Thunen already reviewed literature about country profiles and micro-finance mechanisms implemented in the participating countries, and related information. He will present detailed workplan and approach will be discussed at the PTC meeting.

Dr. Sven Gunter requested corrections of the 1<sup>st</sup> bi-annual progress report section "*Annex 7 Minutes of the Online Inception Meeting, 25 January 2024*", sub-section: "Discussion topics and decisions" about the budget allocation for the research task outsourced to TIF (Output 2):

"... ITTO already signed agreement with the TIF to carry out micro-finance study in the six countries with the budget of USD 353,954. This budget covers desk research and filed activities of TIF staff and the project staff of six countries (if needed). The signed MoU clearly mentioned this concern."

This is not correct, because of the fact that both TIF and ITTO have their own separate allocated resources to cover different costs related to the studies planned under Output 2. And this is clearly indicated in the contract agreement signed between TIF and ITTO (Section 5/2 a-c).

*Response from Prof. Yongyut Trisurat*

Dr. Sven request corrections were noted. According to the project document, the budget allocation to Thunen is USD 353,954 (item A11), while budget for survey and data collection (C46) is USD 79,200 (6 packages/USD 13,200 for each country).

***Dr. Kobsak Wanthongchai, Dean of KUFF***

He recommends the project should encourage young generation and students to play more role and get involved in the project implementation for long-term sustainability. Dr. Dong agrees with this proposal and he noted that Vietnamese students now loose interests to study forestry. Prof. Yongyut is second to Dr. Dong and proposes to the PSC meeting that if national coordinators cannot find suitable staff to assist data collection on micro-financing and legality, they may recommend graduate students to assist and work with Taiji and Thunen. This approach will enhance student capacity and provide them opportunities to gain knowledge and great experiences. All PSC members support this proposal.

***Mr. Sucha Kalayawongsa, a PSC member***

Mr. Suchat suggested that the Government and relevant agencies may establish the planting aid fund to support the smallholders similar to rubber wood. Sources of funds may be collected from any person who exports teak or other valuable species in accordance with the rules, procedure, conditions, and the cess rate. , published by the Minister in the Government Gazette. The cess rate must be. He also agreed with Dr. Norudeen to promote short- and median term incomes from agro-forestry or intercropping system.

Dr. Nurudeen summarized the main recommendations made by delegates. The 1<sup>st</sup> bi-annual progress report was approved by all PSC members with the request corrections proposed by Thunen Institute of Forestry.

## **Item 6: Other Business**

*Mr. Stephan Wagner, BMEL*

Regarding the delayed signing MOUs with India and Indonesia, BMEL is open for discussion and proposal from ITTO.

Well noted.

*Dr. S. Sandeep, Coordinator of TEAKNET*, India provided up-to-date information about the 5<sup>th</sup> World Teak Conference as follows:

The 5<sup>th</sup> WTC will be held on 12-17 September 2025 in Kerala, India. The estimated registration fee will be definitely below USD 250 per person, while accommodation ranges from USD 50-80. A confirmation of registration fee will be announced soon after the SC meeting of Teaknet planned in October 2024 It is expected that more than 500 participants will attend the meeting. An anticipated more than 250 participants are from business sectors across the globe. The MoU between TEAKNET and ITTO to co-host the conference is under internal review by the Ministry of Environment and Forests & Climate Change, Govt. of India. Professor Yongyut Trisurat added information that each participating country has a budget of USD 4,000 to support delegates to attend the conference. With the anticipated costs, there will be 4-5 participants from each country.

Well noted.



### ***Prof. Yongyut Trisurat introduced the 1<sup>st</sup> Regional Workshop***

The first regional workshop on **Enhancing Smallholder Plantations Towards Quality Timber Production of Teak and Other Economic Species and Carbon Neutrality in the Tropics** is organized on 18 September 2024 at the same hotel (Best Western Hotel). The overall goal of this workshop focuses on the planning and implementation of research and development activities of good quality timber production along with enhanced value chain processes in the wood industry and promoting carbon-supported plantation development, while the specific objectives are to:

- I. Review status of smallholder and community-based teak and other valuable species plantations and management in the Asia-Pacific and West Africa regions
- II. Review policy and institutional arrangements for legal and sustainable supply chains and micro-finance mechanisms for longer restoration and carbon restoration.
- III. Review and share experiences on case studies, good practices and policy options to promote local communities and smallholders in planted teak and other valuable species, and agroforestry systems to support sustainable livelihoods

A post-workshop field excursion to teak wood industries and teak plantations in northern Thailand will be organized on 19-21 Sept, covering various topics: smallholder teak plantations, commercial teak plantation, teak concession and legality, and teak wood-based industries (SME, big manufacturers, and innovative design products).

There are four keynote presentations and 10 technical presentations. More than 65 participants from over 10 countries in Asia, Africa, and EU will attend the workshop online and onsite.

Well noted.

### ***Next PSC Meeting***

The 2<sup>nd</sup> PSC meeting will be held during August-September 2025. There are two options as follows:

- 1) Back-to-back meetings with the 5<sup>th</sup> WTC in Kerala, India
- 2) Organize PSC meeting in Bangkok prior the 5<sup>th</sup> WTC in India

Specific venue and date will be notified later.

Well noted.

### **Item 7: Closing of the 1<sup>st</sup> PSC Meeting**

The meeting adjourned at 12.00 with a vote of thanks to BMEL and Kasetsart University, ITTO and all online and onsite delegates for various productive discussions towards the effective implementation of the project. Dr. M. Nurudeen, Director of Trade and Industry Division, ITTO expressed their appreciations to the RFD, KU, DDG Bannaruk Sermthong, Dr. Preecha Ongprasert, Prof. Yongyut Trisurat and the project staff for organizing the 1<sup>st</sup> PSC meeting a great success.

We the undersigned endorsed the minutes as a record of this PSC meeting.

Date: September 2024



Dr. Tetra YANUARIADI  
International Tropical Timber Organization



Prof. Dr. Yongyut Trisurat  
Regional Project Manager

## Annex 1 The Welcome Remarks and Opening Remarks

### Welcome remarks on the 1<sup>st</sup> PSC Meeting

Mr. Stephan Wagner, Mistry of Food and Agriculture (BMEL), Germany

### **“Promoting Quality Timber Production in Smallholders and Community-based Teak and Other Valuable Species Plantations in the Tropics” (PP-A/54-331A) or ITTO-BMEL Teak Project Phase II**

17 September 2023 at Best Western Hotel, Bangkok  
09.00-12.00 hrs

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Distinguished Guests joining the PSC meeting,

Mr. Bannaruk Sermthong, Deputy Director-General of the Royal Forest Department and Chair of the PSC

Prof. Kobsak Wanthonchai, Dean of the Faculty of Forestry, Kasetsart University

Managing Director of the Forestry Industry Organization

Dr. M. Nurudeen Iddrisu, Director of Trade and Industry Division, ITTO

Dr. Tetra YANUARIADI, ITTO Projects Manager

Representatives of implementing agencies in Cambodia, India, Indonesia, Vietnam, andTogo, and TEAKNET PSC members

On behalf of the Federal Ministry of Food and Agriculture of the Federal Republic of Germany (BMEL), which is providing financial support to the Phase II of the project entitled **“Promoting Quality Timber Production in Smallholders and Community-based Teak and Other Valuable Species Plantations in the Tropics”** - through ITTO, I would like to welcome delegates from the six participating countries, namely Cambodia, India, Indonesia, Thailand, Vietnam and Togo attending the 1<sup>st</sup> PSC Meeting in-person and virtually.

The Ministry is positively impressed in the Phase I project outputs implemented during 2019-2022, which significantly contribute to the conservation and sustainable management of teak forests and legal and sustainable wood supply chains in the Greater Mekong Sub-region. In addition, these excellent outputs were published in the Teak Book and shared in various national and international fora such as the 4<sup>th</sup> World Teak Conference in Ghana in 2022, at the FAO’s XV World Forestry Congress in S. Korea in 2022 and 18<sup>th</sup> UN Forum on Forests in New York in 2023.

The ITTO-BMEL Project Phase II was built on the outcome and achievement of the previous project phase I to mainstream the production of high-quality timber from teak and other valuable species plantations established by smallholders and communities in the Asia-Pacific and West Africa. Besides, the project address the pending issues facing smallholder tree plantations such as access to optimized financial mechanisms to promote longer rotations, value addition, and improved silviculture practices, timber processing and legality throughout supply chains of smallholders and community-based teak and other valuable species plantations.

The Federal Ministry of Food and Agriculture of the Federal Republic of Germany (BMEL) is pledged to provide grant of approximately USD 1.4 million through ITTO to support 5 countries in the Asia-Pacific and Togo in West Africa to implement the project during October 2023-September 2026, and to December 2026 with no cost extension. It is one of the South-South Cooperation funded by the BMEL.

I would like to extend my heartfelt thanks to Cambodia's Forest Administration, Thailand's Royal Forest Department, Vietnamese Academy of Forest Sciences, and Togo's University of Lomé for your participation in this project. I understand the MoU signing between ITTO and Indian Council of Forestry Research & Education (ICFRE), and the Indonesia's Ministry of Environment and Forestry are under internal review and will be finalized soon.

I also acknowledge Thünen Institute of Forestry, Germany to carry out feasibility studies for financing schemes for smallholder teak plantations; and TEAKNET to promote regional and international collaboration, information sharing and knowledge management, networking, and outreach activities.

Today, the delegates from all participating countries and the PSC members will have the opportunities to update the progress of activities undertaken by Cambodia, Thailand, Vietnam and Togo since the Launching Workshop last year on 11 October 2023.

Our specific thanks goes to ITTO and the Faculty of Forestry, Kasetsart University as the Executing Agency for coordinating and communicating with all participating countries and collaborative partners.

I wish great success with the PSC meeting.

Thank you all.

## WELCOME REMARKS

Assist. Prof. Dr. Kobsak Wanthongchai, Dean, Faculty of Forestry, Kasetsart University  
1<sup>st</sup> Project Steering Committee (PSC) Meeting

“Promoting Quality Timber Production in Smallholders and Community-based Teak and  
Other Valuable Species Plantations in the Tropics”  
(PP-A/54-331A) or ITTO-BMEL Teak Project Phase II

17 September 2024 at Best Western Nada Don Mueang Airport Hotel  
09:00-09:30 hrs

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### Distinguished Guests joining the workshop onsite and online,

Mr. Bannaruk Sermthong, Deputy Director-General of the Royal Forest Department  
Mr. Stephan Wagner, Representative of Federal Ministry of Food and Agriculture of the Federal  
Republic of Germany (BMEL)

Dr. M. Nurudeen Iddrisu, Director of Trade and Industry Division, ITTO  
Dr. Tetra YANUARIADI, ITTO Projects Manager

Managing-Director, Forestry Industry Organization (FIO)

Dr. Wanchai Arunpraparatt, President of Forestry Student Alumni Association

National Coordinators of implementing agencies in Cambodia, India, Indonesia, Vietnam, and  
Togo

PSC members, Ladies and Gentlemen,

Good morning!

I wish to extend a very warm welcome to all of you to the 1<sup>st</sup> PSC Meeting of the **ITTO-BMEL Teak Project Phase II, “Promoting Quality Timber Production in Smallholders and Community-based Teak and Other Valuable Species Plantations in the Tropics”**. Besides, I would like to express my sincere thanks to the ITTO and the five participating countries in the Asia-Pacific and Togo in West Africa, and collaborative partners, in particular the Royal Forest Department of Thailand to give an opportunity to the Kasetsart University’s Faculty of Forestry continue to serve as the **Executing Agency** of this important project and effective coordination of the implementation of regional and national activities.

### Distinguished PSC members, Ladies and Gentlemen,

The ITTO-BMEL Teak Project Phase II not only build on the previous achievements, but support the Government of Thailand’s policies to implement the National Forest Policy and the **BCG-Bio-Circular-Green Economy Model**, which was adopted at the recent APEC meeting in Thailand.

Kasetsart University as the Executing Agency organized the Hybrid Launching Workshop of Phase II on 11 October 2023 and the Online Inception Workshop on 25 January 2024. I have learned from Professor Yongyut Trisurat, the Regional Project Manager, that some project activities have been implemented in Cambodia, Thailand, Vietnam and Togo, while physical project implementation in India and Indonesia have been delayed and not stated yet due to the pending MOUs to get signed. I wish both participating countries will soon finalize signing the MOUs with ITTO and speed up the project activity implementation. All PSC members will have opportunities to review the progress report executed from November 2023 to June 2024 and provide recommendation to the project team and all implementing agencies.

**Distinguished PSC members, Ladies and Gentlemen,**

Besides the ITTO-BMEL Teak Project Phase II, the Faculty of Forestry also implements the Sustainable Wood Use Project funded by ITTO and the Knowledge Hub for Integrated Economic Trees: Plantation Establishment, Management, Utilization and Industry funded by the Thailand's National Research Council. All projects have coherent objectives aiming to increase production forests and to enhance livelihood of local communities in a sustainable manner.

I do hope that the ITTO-BMEL Teak Project Phase II will significantly enhance the production of high-quality timber from teak and other valuable species plantations established by smallholders and communities in the Asia-Pacific and West Africa, and improve livelihood of local people and they will benefit passive income from carbon credit and value-added products. The project objective is highly relevant to the KU's mission, regional and global frameworks.

I would like to conclude my talk, thanking again **the Federal Republic of Germany and ITTO for this great initiative**. On behalf of Kasetsart University, I assure you that our faculty members will effectively facilitate and coordinate this project with all 6 participating countries and collaborative partners in the Asia-Pacific and West Africa. Last but not least, please let me know if Kasetsart University as the Executing Agency can be of your assistance at any time.

**Thank you.**



**OPENING REMARKS**  
**Mr. Bannaruk Sermthong**  
**Deputy Director-General of the Royal Forest Department**

**1<sup>st</sup> Project Steering Committee Meeting**  
**“Promoting Quality Timber Production in Smallholders and Community-based Teak**  
**and Other Valuable Species Plantations in the Tropics”**  
**(PP-A/54-331A) or ITTO-BMEL Teak Project Phase II**

**17 September 2024 at Best Western Nada Don Mueang Airport Hotel**  
**09:00-09:30 hrs**

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Mr. Stephan Wagner, Representative of Ministry of Food and Agriculture (BMEL), Germany  
Dr. Kobsak Wanthongchai, Dean, Faculty of Forestry, Kasetsart University  
Managing-Director of Forestry Industry Organization (FIO)  
Dr. M. Nurudeen Iddrisu, Director of Trade and Industry Division, ITTO  
Dr. Tetra YANUARIADI, ITTO Projects Manager  
Dr. Tran Lam Dong, Dy. Director General, Vietnamese Academy of Forest Sciences  
Dr. Suwan Tangmitcharoen, Chair of Project Technical Committee  
Dr. Wanchai Arunpraparat, President of Forestry Student Alumini Association  
Prof. Yongyut Trisurat, Regional Project Coordinator  
Distinguished Guests, Ladies and Gentlemen,

Good morning, onsite delegates and online delegate from Togo Prof. Kouami KOKOU. It is my great pleasure to represent the Royal Forest Department as the Chair of Project Steering Committee to deliver Opening remarks today in the 1<sup>st</sup> PSC meeting of the **ITTO-BMEL Teak Project Phase II, entitled “Promoting Quality Timber Production in Smallholders and Community-based Teak and Other Valuable Species Plantations in the Tropics (PP-A/54-331A)”**.

Teak is recognized as one of the most important and valuable hardwoods in the world. It has been used for many centuries for the manufacture of a wide range of products. Teak was a main timber product to generate foreign exchange earnings and capital for national development of Thailand, Myanmar and India. Teak plantations have been widely established across 80 tropical countries over an estimated 4.85 million hectares, nearly 80% of which is in Asia followed by 13% in Africa and 7% in Latin America. At present, the IUFRO 2022 report indicated that the global area of planted teak forests has increased by 507,000 ha since the 2010 FAO study.

Despite widespread plantations, the productivity of planted teak is generally low, particularly in the plantations established by smallholders and local communities. This is due to poor quality of planting stock, inadequate silvicultural practices, premature harvesting as a result of limited financial resources available to produce quality timber in long rotations, and weak marketing and value chains. You will learn more details from various presentations at the tomorrow’s Regional Workshop.

**Distinguished Guests, Ladies and Gentlemen,**

The ITTO-BMEL Project is developed based upon the excellent achievements of the BMEL-ITTO Project Phase I “*Enhancing Conservation and Sustainable Management of Teak Forests and Legal and Sustainable Wood Supply Chains in the Greater Mekong Sub-region*” (PP-A/54-331), which demonstrated legal and sustainable teak supply chains with the engagement of local communities, smallholders and government actors in the Greater Mekong Sub-region.

Key activities include promoting financial schemes that invest in high-quality teak production with long rotations and provide access to voluntary carbon markets. Tapping into the carbon credit markets would provide additional incentives and support the global effort on climate change mitigation. Furthermore, it facilitates regional and international cooperation for establishing sustainable smallholder plantations. Through the effective implementation of policies and successive promotion of collaboration, this Project will contribute to improving the economic outcomes of smallholder and community plantations in the tropics.

**Distinguished Guests, Ladies and Gentlemen,**

The ITTO-BMEL Teak project Phase II is highly relevant to Thailand's forest policy that aims at contributing to happiness, prosperity and sustainability for Thai people in accordance with the 20-Year National Strategy (2018-2037) and the Bio-Circular-Green Economic Model or BCG. The Royal Thai government has promoted the BCG model as a new economic model to transform Thailand to a value-based and innovation-driven economy. The model also conforms with the UN Sustainable Development Goals (SDGs) that is adopted at the recent APEC meeting in Thailand.

On behalf of the six participating countries and as Chair of PSC, I would like to thank all delegates attending this PSC Meeting onsite and online, collaborating partners, especially **the Federal Republic of Germany and ITTO** to support us to improve the production of high-quality timber from teak and other valuable species plantations established by smallholders and communities in the Asia-Pacific and West Africa and its contributions to livelihoods of local people and enhancing environmental conditions. Your valuable comments and suggestions to effectively improve the planned activities implementation before the termination of the project in December 2026 are highly appreciated. I wish the ITTO-BMEL Teak Project Phase II a great success and achieve all desired outputs.

**Thank you.**

## Annex 2 Provisional Agenda of the First Meeting of Project Steering Committee (PSC)



### First Meeting of Project Steering Committee (PSC) Promoting Quality Timber Production in Smallholders and Community-based Teak and Other Valuable Species Plantations in the Tropics (PP-A/54-331A)

17 September 2024  
Best Western Hotel Bangkok, Thailand

#### Draft Provisional Agenda

#### 16 September 2024:

Arrival of international delegates at Suvarnabhumi Airport, Bangkok  
Stay overnight at Best Western Hotel, Don Mueang

#### 17 September 2024

As of 29 August 2024

Item	PSC Meeting: 09:30 – 12:00
Item 1	<b>Opening of the Meeting</b> <ul style="list-style-type: none"> <li>• Remarks by the donor representatives (Mr. Stephan Wagner, BMEL)</li> <li>• Remarks by the representative of ITTO (Dr. M. Nurudeen Iddrisu, Director of Trade and Industry Division)</li> <li>• Remarks by Kasetsart University (Prof. Kobsak Wanthongchai, Dean of KUFF)</li> <li>• Opening Remarks by the Chairperson of the PSC (Mr. Bannaruk Sermthong, Deputy Director-General of the RFD)</li> </ul>
Item 2	Group Photo
Item 3	Special presentation: ITTO Sustainable Wood Use Dr. Tetra Yanuariadi, ITTO Projects Manager)
Item 4	Review of the project structure and progress (including financial and inputs applied)

	<p>(i) The project's overall objectives, outputs, work plan, and financial matters (Prof. Yongyut, Project Coordinator)</p> <p>(ii) Report on the first-six months of project implementation (Prof. Yongyut Trisurat, Project Coordinator)</p>
<b>Coffee/Tea Break</b>	
<b>Item 4</b>	<b>Consideration of the First Yearly Plan of Operation (YPO)</b>
	Draft YPO (consisting of work plans and consolidated budgets) and proposed budget modification of project implementation will be presented by Prof. Yongyut and be discussed by the members of the PSC.
<b>Item 5</b>	<b>Recommendations</b>
	<p>Project Steering Committee will:</p> <ul style="list-style-type: none"> <li>• Review, evaluate, approve, and adopt reports presented at the PSC meeting</li> <li>• Discuss any issues arising from presentations, including possible modification/improvement to the project implementation and/or the budget</li> <li>• Provide recommendations to contribute to the effective implementation of the project</li> </ul> <p>The chairperson may summarize the main recommendations made during the meeting.</p>
<b>Item 6</b>	<b>Other Business</b>
	<p>Project Steering Committee will review:</p> <ul style="list-style-type: none"> <li>• Review the involvement of Teak Project in the 5<sup>th</sup> World Teak Conference in Kerala, including organizing a special side event</li> <li>• Other business matters</li> </ul>
<b>Item 7</b>	<b>Closing of the Meeting</b>
	Dr. M. Nurudeen Iddrisu, Director of Trade and Industry Division
	<b>Lunch 12:00-13:00</b>

**13:30-16:30 The First Project Technical Committee (PTC) Meeting**  
**Moderated by Chair of PTC (Dr. Suwan Thangmitcharoen, RFD)**

- Review the recommendations from the 1st PSC meeting and follow up actions  
By Prof. Yongyut Trisurat
- Review the TORs of the project's consultants and status of recruitment  
By Prof. Yongyut Trisurat and consultants
- Discuss the workplan and implementation schedule and proposed Lead Consultants  
By consultants
- Review of the work plans of the Thunen Forestry Institute and joint data collection  
By Thunen Forestry Institute, ITTO and National Coordinators
- Review of the work plans of the Consultant#3 Legality and data collection  
By Taiji, IGES, Japan and National Coordinators
  
- Expected contributions to the 5<sup>th</sup> World Teak Conference in Kerala
  - By All
- The chairperson may summarize the main recommendations made during the meeting

**Sponsorship:**

The Project will support the PSC members and PTC members.

**Meeting venues:**

- Best Western Hotel, Bangkok
- [https://www.guestreservations.com/rama-gardens-hotel-bangkok/booking?gclid=CjwKCAjwp8CkBhB\\_EiwAIQVyxZoiS7tdPozvMRNiRyjMcRthbhdYZehj3VE](https://www.guestreservations.com/rama-gardens-hotel-bangkok/booking?gclid=CjwKCAjwp8CkBhB_EiwAIQVyxZoiS7tdPozvMRNiRyjMcRthbhdYZehj3VE)

**Contact persons:**

**Royal Forest Department (Focal Point)**

**Dr. Preecha Ongprasert**

Director of Forestry International Affairs Office, Royal Forest Department

60 Phahonyothin Road, Chatuchak, Bangkok 10900

Tel : +662 561 4292-3 ext. 5035, Fax : +662 561 4292-3 ext. 5673

Mobile : +66 89 118 2351

E-mail : [ongprasertpreecha@gmail.com](mailto:ongprasertpreecha@gmail.com)

**Kasetsart University:**

**Professor Dr. Yongyut Trisurat**

Project Coordinator

Faculty of Forestry, Kasetsart University

Bangkok 10900, Thailand

Tel: +66 2579-0176

E-mail: [fforyyt@ku.ac.th](mailto:fforyyt@ku.ac.th)

**ITTO:**

**Dr. Tetra Yanuariadi**

Projects Manager of Trade and Industry

Division

ITTO, Yokohama, Japan

Tel. 81-45-223-1110

Email: [tetra@itto.int](mailto:tetra@itto.int)



**Note: Venue of the meetings .**

Best Western Nada Don Mueang Airport Hotel

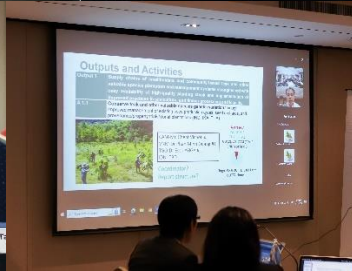
235/8 Phahonyothin Road, Anusawari, Bang Khen, Bangkok, Thailand

More detail from QR Code below or <https://www.bwnadadonmueang.com>





### Annex 3 The Photo of the 1<sup>st</sup> PSC Meeting



#### Annex 4 The list of delegates

No.	Name-Surname	Affiliation	E-mail/Tel.
1	Mr. Bannaruk Sermthong	RFD, Thailand(Chair of PSC)	Deputy Director General, RFD
2	Mr. Stephan Wagner	Representative of Ministry of Food and Agriculture (BMEL), Germany	<a href="mailto:Stephan.Wagner@bmel.bund.de">Stephan.Wagner@bmel.bund.de</a>
3	Dr. M. Nurudeen IDDRISU	ITTO	<a href="mailto:iddrisu@itto.int">iddrisu@itto.int</a>
4	Mr.Tetra Yanuariadi	ITTO	<a href="mailto:tetra@itto.int">tetra@itto.int</a>
5	Mr.Temesgen Zana Jaffoas	Thünen Institute of Forestry, Germany/Ethiopia	<a href="mailto:temesgen.jaffo@thuenen.de">temesgen.jaffo@thuenen.de</a>
6	Dr. Sven Gunter	Thünen Institute of Forestry	<a href="mailto:sven.quenter@thuenen.de">sven.quenter@thuenen.de</a>
7	Mr. Taiji FUJISAKI	IGES, Japan	<a href="mailto:fujisaki@iges.or.jp">fujisaki@iges.or.jp</a>
8	Dr. P.K. Thulasidas	TEAKNET, India	<a href="mailto:thulasidas.teak@gmail.com">thulasidas.teak@gmail.com</a>
9	Mrs. Sopheap Lim	FA, Cambodia	<a href="mailto:sopheap73@yahoo.com">sopheap73@yahoo.com</a>
10	Mrs. Sophea Phoung	FA, Cambodia	<a href="mailto:simsophea@gmail.com">simsophea@gmail.com</a>
11	Mr. Sinly Say	FA, Cambodia	<a href="mailto:saysinlyrua@gmail.com">saysinlyrua@gmail.com</a>
12	Dr. Tran Lam Dong	VAFS, Vietnam	<a href="mailto:tranlamdong@gmail.com">tranlamdong@gmail.com</a>
13	Dr. Dang Thinh Trieu	VAFS, Vietnam	<a href="mailto:thinhtrieu@hotmail.com">thinhtrieu@hotmail.com</a>
14	Dr. Vu Dinh Huong	VAFS, Vietnam	<a href="mailto:huong.fsis.vu@gmail.com">huong.fsis.vu@gmail.com</a>
15	Dr. Le Van Quang	VAFS, Vietnam	<a href="mailto:vanguanglamnghiep@gmail.com">vanguanglamnghiep@gmail.com</a>
16	Asst. Prof. Dr. Kobsak Wanthongchai	Dean of the Faculty of Forestry, Kasetsart University	<a href="mailto:fforksw@ku.ac.th">fforksw@ku.ac.th</a>
17	Prof. Dr. Yongyut Trisurat	Regional Project Manager	<a href="mailto:fforyyt@ku.ac.th">fforyyt@ku.ac.th</a>
18	Mr. Kitiphong Tangkit	KUFF	<a href="mailto:fforkpt@ku.ac.th">fforkpt@ku.ac.th</a>
19	Assoc. Prof. Dr. Nopparat Kaakkurivaara	KUFF	<a href="mailto:ffonrm@ku.ac.th">ffonrm@ku.ac.th</a>
20	Asst. Prof. Dr. Wirongrong Duangjai	KUFF	<a href="mailto:fforwod@ku.ac.th">fforwod@ku.ac.th</a>

No.	Name-Surname	Affiliation	E-mail/Tel.
21	Dr. Suwan Tangmitcharoen	RFD, Thailand	<a href="mailto:suwanrfd@gmail.com">suwanrfd@gmail.com</a>
22	Dr. Woraphun Himmapan	RFD, Thailand	<a href="mailto:woraphun0901@hotmail.com">woraphun0901@hotmail.com</a>
23	Ms. Somporn Khumchpoo	RFD, Thailand	<a href="mailto:forest.636383@gmail.com">forest.636383@gmail.com</a>
24	Ms. Nongnut Saejia	RFD, Thailand	<a href="mailto:nongnut.saejia@gmail.com">nongnut.saejia@gmail.com</a>
25	Dr. Preecha Ongprasert	RFD, Thailand	<a href="mailto:ongprasertpreecha@gmail.com">ongprasertpreecha@gmail.com</a>
26	Mr. Montri Intasen	RFD, Thailand	<a href="mailto:billandmilk@gmail.com">billandmilk@gmail.com</a>
27	Miss. Benjawan Manbua	RFD, Thailand	<a href="mailto:benjawann.mb@gmail.com">benjawann.mb@gmail.com</a>
28	Mr. Sukit Juntong	FIO, Thailand	<a href="mailto:sukitj50@gmail.com">sukitj50@gmail.com</a>
29	Ms. Piamporn Sripatai	FIO, Thailand	<a href="mailto:ninew_piams@hotmail.com">ninew_piams@hotmail.com</a>
30	Mr. Suchat Kalayawongsa	ex-Senior Expert of the RFD	<a href="mailto:suchat_forester@yahoo.com">suchat_forester@yahoo.com</a>
31	Ms. Saichon Mutarapat	ITTO-BMEL Teak II Project	<a href="mailto:m.chon565@gmail.com">m.chon565@gmail.com</a>
32	Ms. Ketsanee Tuaktatong	ITTO SWU Project	<a href="mailto:ketsanee.tu@ku.th">ketsanee.tu@ku.th</a>
33	Ms. Voratatta Sutthipak	ITTO SWU Project	<a href="mailto:Voratatta.su@ku.th">Voratatta.su@ku.th</a>
34	Ms. Jenjira FUNGJANTHUEK	ITTO Forest Monitoring Project	<a href="mailto:jane.megaderma@gmail.com">jane.megaderma@gmail.com</a>
35	Ms. Kanyanut Mahamat	RFD, Thailand (Trainee)	
36	Mr. Nawadon Naviphan	RFD, Thailand (Trainee)	

**Annex 5 Special Presentation: ITTO Sustainable Wood Use by Dr. Tetra Yanuariadi,  
ITTO Projects Manager**





## ITTO Promoting Sustainable Wood Use

1<sup>st</sup> PSC Meeting

ITTO-BMEL Teak Project Phase 2

Bangkok, 17 September 2024

**Tetra Yanuariadi**  
Projects Manager, ITTO

INTERNATIONAL TROPICAL TIMBER ORGANIZATION  
(ITTO)

1

## Increased capacity: ITTO Pilot Programme Lines



- **Legal & Sustainable Supply Chains (LSSC)**
  - Enhance tropical timber supply and value chains, from the forests to the market, to achieve legality and sustainability.
  - Capacities of legal and sustainable supply chain enhanced, business collaboration and networking facilitated:
- Conservation of Biodiversity and Ecosystem Services
- Forest Landscape Restoration and Resilient Livelihoods
- Emerging Issues and Innovation

2

## ITTO's Legal Sustainable Supply Chains Programme



- Enhance tropical timber supply and value chains, from the forests to the market, to achieve legality and sustainability.
- Capacities of legal and sustainable supply chain enhanced, business collaboration and networking facilitated

3

## Promoting Sustainable Wood Use



- ITTO promotes sustainable wood use in the producer member economies.
- Current stage: promoting domestic markets through projects implementation, financially supported by Japan Governments in South East Asia economies: Viet Nam, Thailand and Indonesia; under preparation: Malaysia and India
- Projects's scope: improve domestic strategy/policy, improve production capacity, improve CFE's skill capacity, enrich assortment of wood products, educate consumers on advantages of using wood products vs substitute products
- Projects' outputs and outcomes support SW4SW initiative → strengthen sustainable wood value and supply chains in order to enhance their social, economic and environmental benefits from production to consumption

4

## PD 922/21 Rev.1 (I) Promotion of Sustainable Domestic Wood Consumption in Viet Nam



5

## Promotion of Sustainable Domestic Wood Consumption in Viet Nam



- Project duration: 2 years, started from November, 2021
- Project inputs: US\$ 361,100, including:
  - ITTO: US\$ 339,500
  - VIFOREST: US\$ 21,600
- Implementing agency: VIFOREST

6

## Promotion of Sustainable Domestic Wood Consumption in Viet Nam



- Objective:

Enhanced and diversified domestic consumption and promoted local markets of wood & wood products

- Output:

Output 1: Improved policy framework to drive domestic consumption of wood and wood products

Output 2: Strengthened capacity to produce wood and wood products to meet local market demands & promote local consumption

7



8



## Promotion of sustainable domestic consumption of wood products in Thailand



### Development objective:

To contribute to sustainable and efficient use of domestic wood resources

### Specific Objective

To promote sustainable domestic consumption of wood and wood products in Thailand

9

## Promotion of sustainable domestic consumption of wood products in Thailand”



### Outputs

Output 1	Improved policies for promoting domestic uses of wood and wood products
Output 2	Stakeholder capacity built to produce innovative wood and wood products needed by domestic markets

Budget →

### Project duration

- 2 years
- March 2023 – Feb 2025

Source	Amount (USD)
ITTO	320,000
KU (in-kind support)	25,000
<b>TOTAL</b>	<b>345,000</b>

10



PD 928/22 Rev.1 (I)

# DEVELOPMENT OF SUSTAINABLE DOMESTIC MARKET FOR WOOD PRODUCTS IN INDONESIA



11

## Development of sustainable domestic market for wood products in Indonesia



### DURATION



18 months  
(2023-2024)

### BUDGET



- ITTO: \$261,811
- GOI: \$23,880 (inkind)

### Objectives



#### Development objective:

To increase contribution of the wood industry to domestic economy through strengthened growth of the industry

#### Specific objective:

To promote strong and resilient domestic consumption of wood products



### Outputs

#### Output 1:

Increased capacity of domestic market to satisfy consumer's need for wood products

#### Output 2:

Enhanced institutional arrangements for steadily rising domestic consumption of wood products

12

## Promoting sustainable wood use for domestic market in Malaysia (about to start)



### Project's focus:

Promote the development of domestic consumption for sustainable wood products, in anticipation of population and economic growth and reduced carbon footprint, through increased resilience of consumption, and enhance supply chains and improved government policies.

**ITTO Budget:** US\$ 212,088

**Status:** Project Agreement has been signed by MTCC and ITTO



13

## Promoting sustainable teakwood use for domestic market in India (In preparation)



### Project's focus:

The specific objective of the project is to enhance the resilience and sustainability of the teak wood sector and promote sustainable use of teak resources and wood products in India + 5<sup>th</sup> World Teak Conference

**ITTO Budget:** US\$ 296,000

**Status:** pending Project Agreement (Kerala Forestry Research Institute-ITTO)



**INDIA 2025**

Cochin  
17-20 September 2025

14

# Wooden Cities for a Sustainable Future

(Draft Outline)



Objective: Promote sustainable wood use through increasing wooden building/housing construction in urban areas in selected economies in the Asia-Pacific region.



**Output 1: “Development of wooden city strategy and policy”** to promote the domestic consumption of sustainable wood in urban areas through construction of wooden buildings/houses

**Output 2: “Sustainable production and consumption of wood”** to strengthen capacity to produce legally and sustainably produced wood to stimulate domestic market demands



**Output 3: “Public-Private Partnership for wooden city development”** to increase partnerships between selected city governments and leading wooden building companies in the region in particular Japan to advance skills and technology on wooden building/house design and construction

15

## SWU contributions to the future



### Scoping SWU promotion:

All SFM aspects of wood supply chains will be practiced → The emission can also be reduced by changes in how the extracted timber is converted into wood products. Harvested wood product is important carbon sink.

Support ITTO member economies achieving their decarbonized society (e.g. Japan)




Using wood in construction also reduces the carbon footprint of buildings/houses in comparison to other materials, meaning that wood offers great potential to revolutionize the greenhouse gas emissions of the construction industry, and in turn will help economies to fulfil their NDC.

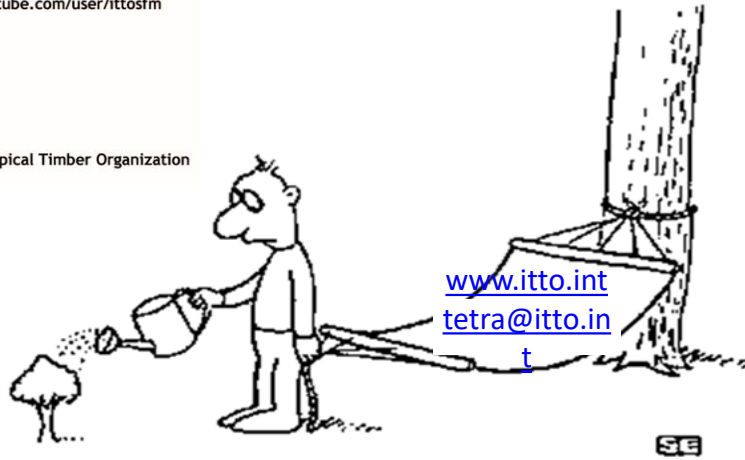
→ the future made from wood!

16

# *Happiness grows from a tree!*



-  <http://www.youtube.com/user/ittosfm>
-  [@itto\\_sfm](https://twitter.com/itto_sfm)
-  [itto\\_sfm](https://www.instagram.com/itto_sfm)
-  International Tropical Timber Organization





## Annex 6 Minutes of the Online Inception Meeting Virtual Meeting, 25 January 2024



### Minutes of the Online Inception Meeting

ITTO-BMEL project "Promoting Quality Timber Production in Smallholders and Community-based Teak and Other Valuable Species Plantations in the Tropics" (PP-A/54-331A).

Virtual Meeting  
25 January 2024

Prof. Dr. Yongyut Trisurat, Regional Project Manager, moderated the Online Inception according to the Provisional Agenda as follows:

#### Item 1. Welcome and Opening Remarks by ITTO

Dr. Hwan-ok Ma, Officer-in-Charge of Forest Management Division of ITTO, conveyed the regards of Mrs. Sheam Sattaru, Executive Director of ITTO, and thanked all honorable delegates, distinguished members attending the online Inception Meeting of the ITTO-BMEL project entitled "Promoting Quality Timber Production in Smallholders and Community-based Teak and other valuable Species Plantations in the Tropics". Dr. Ma also congratulated the success of the presentation on the achievement of the 1<sup>st</sup> Phase and the 2<sup>nd</sup> phase of the project at the 59<sup>th</sup> ITTC meeting held in Pattaya, Thailand in November 2023. Dr. Ma noted that he would officially retire from ITTO on 31 January 2024. His service with ITTO is almost 28 years. From 1 February 2024, Dr. Tetra, ITTO Projects Manager, will handle this project.

Dr. Tetra YANUARIADI, ITTO Projects Manager, appreciated Dr. Ma for his contribution to ITTO. The success of the 1<sup>st</sup> Phase and the 2<sup>nd</sup> Phase of the project is largely due to his great effort. Dr. Tetra hoped that Dr. Ma will continue to support the project as the project's consultant/advisor.

#### Item 2. Introduction of all delegates and group photo

Prof. Yongyut Trisurat invited online delegates, accompanies and project staff to introduce themselves by the country alphabet order starting from Cambodia, followed by India, Indonesia, Thailand, Togo and Vietnam. There were 20 delegates attended the meeting. The list of delegates and a group photo are provided in Annex 1.

1

Prof. Yongyut Trisurat is pleased to notify the meeting that KU President officially appointed the Notifications on Project Steering Committee (PSC) and the Project Technical Committee (PTC) appointment.

The Director-General of the RFD is the Chair of PSC, while Dr. Suwan Tangmitharoen, Director of Forestry Research and Development of RFD, is the chair of PTC. Copies of appointment were shown in Annexes 2 and 3.

#### Item 5: Consolidated Inception Report and 1<sup>st</sup> YPO

Prof. Yongyut Trisurat as the Regional Project Manager presented the consolidated inception report and the 1<sup>st</sup> YPO. He thanked DDG Dany Chheang of the Cambodia component for the first submission. The Cambodian report was shared and used as example among the participating countries.

The consolidated Inception was prepared based on the submission from Cambodia, Indonesia, Thailand, Vietnam and Togo. India has not submitted the report due to the delayed MoU.

The Project phase II is developed based upon the outcomes of the BMEL-ITTO Project "Enhancing Conservation and Sustainable Management of Teak Forests and Legal and Sustainable Wood Supply Chains in the Greater Mekong Sub-region" (PP-A/54-331). The project supported the participating countries' policies and strategic goals of promoting sustainable management of teak resources and the afforestation efforts in public and private land; promote and assists in value chain process in wood industries and biodiversity based economic development; certification and legality of sustainably produced timber including small- and medium enterprises.

#### Target areas and collaborating agencies

The implementation of the field activities in the selected countries in the Asia-Pacific and West Africa are as follows:

##### Asia-Pacific

- Cambodia Forestry Administration,
- Thailand Royal Forestry Department and Kasetsart University,
- Vietnam Administration of Forestry/Vietnamese Academy of Forest Sciences,
- Indian Council of Forestry Research & Education, Dehra Dun
- Indonesian Ministry of Environment and Forestry.

##### West Africa

- University of Lomé, Togo.

##### Partners

- Thünen Institute of Forestry, Germany
- Research Centre for Plant Conservation Botanic Garden and / National Research and Innovation Agency (BRIN) in Indonesia
- TEAKNET, Kerala, India

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#### Item 3. Adoption of draft agenda

Prof. Yongyut Trisurat as the moderator of the meeting presented the draft provisional agenda for all delegates to review as follows:

- Welcome remarks (ITTO) - completed
- Introduction-completed
- Adoption of draft agenda
- Progress of signing MOU and KU Notification
- Consolidated Inception Report and 1<sup>st</sup> YPO (Yongyut)
- Country Inception Report (by alphabetical order)
- Comments and engagements (e.g., Thünen Inst, Consultants)
- Other businesses (e.g., audit, IUFRO 2024, 1<sup>st</sup> PSC)

Prof. Yongyut Trisurat also noted that if any delegates had other items to be raised and discussed, it can be included in the other businesses item.

All delegates did not have any objection and adopted the proposed provisional agenda.

#### Item 4. Progress of signing MOU and KU Notification

Prof. Yongyut Trisurat invited Dr. Hwan-ok Ma and Dr. Tetra Yanuariadi to notify the delegates on the progress of signing MOU, while the official notification of PSC and PTC appointments was reported by Prof. Yongyut Trisurat.

Dr. Ma reported that ITTO already signed MoU with Cambodia, Thailand, Togo, Vietnam and Thünen Institute of Forestry, Germany. In addition, the first instalment was transferred to Kasetsart University.

ITTO works closely with Indian Council of Forestry Research and Education (ICFRE) to finalize the MoU. In fact, Dr. Ma visited the ICFRE once in September 2023 and discussed with the Director-general of ICFRE. However, the former DG was retired last year. So that it would take sometime to finalize the internal processes.

Director (International Cooperation), ICFRE ([dir\\_ico@icfre.org](mailto:dir_ico@icfre.org)), and Director, ICFRE-IFGTB, Coimbatore ([dir\\_folk@icfre.org](mailto:dir_folk@icfre.org)) attended the meeting notified the meeting that the MoU with ITTO will be finalized by 2 weeks (mid-February 2024). Dr. Ma appreciated Indian delegates to engage the MoU signed. Prof. Yongyut Trisurat also informed the meeting that KU and ICFRI already have MoU, thus this project will physically enhance cooperation between the two institutions.

Dr. Tetra notified the meeting that he visited Indonesia after the 59<sup>th</sup> ITTC meeting and discussed with high ranking officials. Indonesia government assigns the Ministry of Environment and Forestry to handle this project and collaborate with Research Centre for Plant Conservation Botanic Garden and Forestry/National Research and Innovation Agency (BRIN – Prof. Anto RIMBAWANTO). Dr. Tetra understands that Dr. Secunda S. Santoso, Senior Policy Analyst, will be assigned as the National Coordinator of Indonesia Component. In this connection, Dr. Secunda S. Santoso noted that a meeting to finalize the MoU will be conducted on 20 March 2024. Dr. Hwan-ok Ma and Dr. Tetra would greatly appreciate if Indonesia can speed up the process.

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#### Project duration

The project officially started on 1 November 2023 when Kasetsart University signed MoU with ITTO and will be officially ended on 31 October 2026. In addition, the bi-annual progress report submission is subject to this date although other participating countries sign MoU after 1 November 2023.

#### Project objectives

The Project aims to contribute to increasing the economic and social contributions of smallholder teak and other valuable species plantations in the tropics to facilitate the achievement of the Sustainable Development Goals (SDGs) for a sustainable future.

#### Specific objectives

To improve the production of high-quality timber from teak and other valuable species plantations established by smallholders and communities in the Asia Pacific and West Africa;

To improve livelihoods and social and environmental outcomes through better silviculture practices, efficient wood transport and small-scale processing, financial schemes to invest in quality timber production from long rotations and access to voluntary carbon markets, as well as regional and international collaboration for sustainable smallholder plantations

#### Outputs and activities

The project has 3 outputs and 11 main activities as follows:

**Output 1: Supply chains of smallholders and community-based teak and other valuable species plantation and management systems have been strengthened with easy availability of high-quality planting stock and implementation of improved practices in silviculture, and timber processing and legality.**

#### Activities:

1.1 Conserve teak and other valuable species genetic variation through improved management of existing seed production areas, seed orchards, and provenance/progeny trials/clonal plantations (India, Indonesia, Thailand).

1.2 Support smallholders and local communities for improved management of existing and new demonstration plots (altogether 14 plots) for teak and other valuable species and field training on the following subjects: (1) seed production/nursery techniques; (2) silvicultural practices and improved stand management, including coppicing as a regeneration method; (3) minimizing harvesting loss, efficient transport and processing of teak roundwood and product designs and innovation; (4) teak and other valuable species and value-chains (5) timber legality and sustainability (all participating countries)

1.3 Promote timber legal compliance in smallholder/community plantations, aligning with national and local laws governing forest plantations, management, timber harvesting and legality (global)

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**Output 2: Financing schemes for quality timber production in smallholders and community-based teak and other species plantations have been analyzed and improvements have been suggested to increase economic outcomes**

**Activities:**

- 2.1 Carry out a feasibility study for direct contracts/out-grower schemes with sourcing companies to ensure that smallholders' products will be purchased at remunerative prices (all participating countries)
- 2.2 Carry out a study to promote micro-lending schemes to address the credit constraints of smallholders to explore different options to overcome the problem with collaterals that smallholders often face trees as guarantees, and group-lending to a number of forest growers who can ensure loan repayments from each other (all participating countries)
- 2.3 Carry out a study to promote the formation of effective forest grower associations to reduce transaction costs and help improve access to micro-credits (all participating countries)
- 2.4 Carry out a study to access to voluntary carbon markets to increase revenues from longer rotation of smallholder and community-based teak and other valuable species plantations to increase financial security of farmers, address the issue of cash flows, and support their access to micro-lending schemes (global scope)

**Output 3: Regional and international collaboration, information sharing and knowledge management, networking, policy development and outreach for sustainable smallholder teak and other species plantations have been strengthened**

**Activities:**

- 3.1 Produce and disseminate outreach and training materials on the conservation and sustainable management of teak and other valuable species plantations and legal and sustainable supply chains in line with outcomes of Activities 1.2 and 2.1-2.4 to support forest policy development (regional scope)
- 3.2 Support and facilitate teak networking in ITTO's member countries in Africa, Asia-Pacific and Latin America in collaboration with TEAKNET and other partners through the organization of a quarterly-based Webinar (4 every year) to promote the conservation and sustainable management of teak forest resources and legal and sustainable supply chains (global scope)
- 3.3 Plan and organize two Regional Workshops in Thailand and in central Java, Indonesia with investors and financial institutions to discuss financing schemes promoting quality timber production in smallholder teak plantations (regional scope)
- 3.4 Support sharing lessons in promoting the quality teak production and legal and sustainable supply chains at the IUFRO World Congress 2024 (Sweden) and in the 5th World Teak Conference 2025 (Kerala, India) for improved global teak collaboration (global scope)

Title	Scope	No of MM
Consultant 5 Information Management	Regional (handled by RPM)	12 months
Consultant 6 Teak value-chains	Thailand, India and Indonesia	3 months
Consultant 7 Teak strategy development	Regional (handled by ITTO)	6 months
Sub-contract with the Thünen Institute of Forestry to carry out feasibility studies for financing schemes for smallholder teak plantations	Regional (handled by ITTO)	18 months

**Budget**

The Ministry of Food and Agriculture (BMEL) provides financial support to implement the ITTO-BMEL Teak project Phase II with the total budget of USD 1,413,449 for 3 years or 36 months (starting on 1 November 2023 to 31 October 2026). The allocation of the budget is as shown below:

ITTO	714,849	50.57%
Thailand	358,100	25.33%
Vietnam	54,000	3.82%
Cambodia	51,000	3.61%
India	71,000	5.02%
Indonesia	110,500	7.82%
Togo	54,000	3.82%

**Inception phase activities**

After signing the MoU, Kasetsart University together with the participating countries have conducted various activities before the Online Inception meeting as follows:

**1.Organized Hybrid Launching Workshop on 11-13 October 2023, Bangkok**

The project organized the Hybrid Launching workshops at Rama Garden Hotel in Bangkok and field Excursion at FIO Reforestation Station and Smallholder Plantation, Thong Phaphum District, Kanchanaburi Province. There were 15 participants attending onsite and 36 attending online (Annex 1).

**Implementation Arrangement**

Kasetsart University Faculty of Forestry (KUFF) as the Regional Project Manager of the project in collaboration with the ITTO jointly implement the project with 5 participating countries in the Asia-Pacific and West Togo in West Africa.

Kasetsart University officially appoint the Project Steering Committee (PSC) chaired by the Director-General of the RFD (Annex 2) and the Project Technical Committee (PTC) chaired by Dr. Suwan Tangmitthachoen of the RFD (Annex 3).

Kasetsart University nominated the Regional Project manager (prof. Yongyut Trisurat) and project staff (Secretary and Finance) and obtained No Objection Letters to officially recruit those staff. In addition, each participating country also nominates the National Coordinator and project staff. Key staff are show below:

<b>Cambodia:</b>	Cambodia Forestry Administration, DOG Chheang Dany, Say Sinly, Lim Sopheap
<b>Thailand:</b>	Royal Forestry Department and Kasetsart University Dr. Preecha Ongprasert and Mr. Montree Intasen, Dr. Kobsak Wanthonghai
<b>Vietnam:</b>	Vietnam Administration of Forestry/Vietnamese Academy of Forest Sciences DDG Tran Lam Dong and Dr. Dang Thinh Trieu
<b>India:</b>	Indian Council of Forestry Research & Education, Dehra Dun Name (TBD)
<b>Indonesia:</b>	Ministry of Environment and Forestry Dr. Secunda S. Santoso and Prof. Anto Rimbawanto
<b>Togo:</b>	University of Lome Prof. Kokou Kouami and Prof. Kokuste A. Dzifa
<b>ITTO:</b>	Dr. Hwan-ok Ma (retire on 31 January 2023) Dr. Tetra Yanuariadi

The project will recruit seven international and domestic consultants to assist the project activities. These include

Title	Scope	No of MM
Consultant 1 Quality Planting Material	Vietnam, Cambodia, Indonesia and Togo	4 months
Consultant 2 Field Training Silviculture	Vietnam, Cambodia, and Togo	3 months
Consultant 3 Legality	Regional	4 months
Consultant 4 Wood processing, design products and innovation	Thailand and India	2 months

During field visit, the participants had opportunity to visit FIO's **Teak Plantation** (Kroeng Krawia Reforestation St.) located at Thongphaphum District, Kanchanaburi Province. Delegates discussed with Head of Kroeng Krawia Reforestation Station on silvicultural practices, yield & thinning and cutting rotation. In addition, delegates monitored the Clonal test and its growth performance implemented during the 1<sup>st</sup> ITTO Teak Project. Furthermore, the delegates also visited smallholder plantation at Thongphaphum District (**Uncle San**) and discussed the opportunity of Micro-finance mechanism (tree bank), passive income from carbon credit, other economic incentives, and obstructions/Needs: market, capacity, etc.

The activity of launching meeting and field visit was published in 2 local newspapers (Tharat and Khaosod). In addition, Dr. Thulasidas (former TEAKNET Coordinator) also nicely summarized the events and disseminated in bi-monthly Teak Mekong Newsletter issue 5, 2023.

**2.The 59th ITTO Council Meeting**

ITTO invited Prof. Yongyut Trisurat to participate in the 59<sup>th</sup> ITTC meeting in Pattaya, Thailand on 13-17 November 2023. Prof. Yongyut Trisurat had opportunities to present the achievement of ITTO-BMEL Teak Project Phase I and ITTO-BMEL Teak Project Phase II on 14 November 2023. Besides that, the project also arranged exhibition to show achievements and planned activities of both phases. Prof. Yongyut Trisurat also met and discussed the project context with Matthias Schwoerer of Ministry of Food and Agriculture, and National Coordinators and high ranking officers of Cambodia, India, Indonesia, Togo, Thailand, Vietnam (Annex 4).

**3.Contribution to IUFRO 2024 Meeting**

The IUFRO will organize international conference in Sweden in June 2023. In this connection, ITTO work with TEAKNET (Dr. Thulasidas and Dr. Sandeep) to arrange side event on Strengthening Teak Forest Management for Sustainable Teakwood Supply Chains and Trade. According to the project document, a budget of USD 3,000 is allocated for each of the participating countries and USD 5,000 to ITTO to participate in the IUFRO 2024. Dr. Hwan-ok Ma, Dr. Tetra Yanuariadi, Dr. Tran Lam Dong and Prof. Yongyut Trisurat submitted abstracts for oral presentations and all abstracts were accepted by IUFRO.

The above presenters and Prof. Kokou Kouami have registered and paid early registration fees. Dr. Tetra Yanuariadi noted that besides the allocated budget item (C13), ITTO received confirmation from the Government of Japan to support the 5<sup>th</sup> World Teak Conference in India in 2025. Thus, the some parts of the previously allocated budget for this activity (C14) can be used to cover additional participants (Dr. Hwan-ok Ma and Dr. Thulasidas) to participate in the IUFRO 2024. Prof. Yongyut Trisurat and ITTO will request budget modification of item C14 from the BMEL during the 1<sup>st</sup> PSC meeting.



**Item 6: Country Inception Report (by alphabet order)**

**Cambodia Component (DDG Chheang Dany)**

Forest Administration (FA) is a responsible agency for the Cambodia component. The Project areas are located in Kampong Speu province Aural district, where a 350-ha teak plantation by M/s. TEAKFARM, an Israeli private holding company established teak plantations in 2016 with superior quality planting stock obtained from Sabah, Malaysia. Another area is Phnom Souche and Aoral district in the same Kampong Speu with 48 ha teak plantation raised by M/s Grandis Timber in 2014. These plantations were established under the economic land concession (ELC).

FA assigns the project staff as follows:

Title/Position	Name	Tel/E-mail
Project Coordinator	Dr. Chheang Dany	Email: <a href="mailto:woo@online.com.kh">woo@online.com.kh</a> Phone: (855-12) 867-477
Deputy Project Coordinator	Mr. Say Sinly	Email: <a href="mailto:saysinlyna@gmail.com">saysinlyna@gmail.com</a> Phone: (855-17) 909 768
Project Finance	Ms. Lim Sopheap	Email: <a href="mailto:sopheap73@yahoo.com">sopheap73@yahoo.com</a> Phone: (855-81) 939-929
Project Secretary	Mr. Pang Phanit	Phone: (855-17) 913-127
Field Assistant	Mr. As Brosden	Phone: (855-71) 544-2013
Field Assistant	Mr. Kong Kongkea	Phone: (855-17) 944-468
Field Assistant	Mr. Phoung Sophea	Phone: (855-17) 222-745

Planned activities were presented by Prof. Yongyut Trisurat (Regional Project manager), however Cambodia component started physical activities from 1 January 2024 due to the delayed MoU but will speed up the process.

The total budget allocated for Cambodia component is USD 51,000 for 3 years, and the planned budget for year 2024 is USD 20,000. For the practicality, Cambodia component would like to use the existing Bank account for international project. This is due to it is time consuming and complicated procedures to open a new bank account for this project.

**Indonesia Component (Prof. Anto Rimbawanto)**

Naturally, Indonesia does not have natural teak forests, but teak was introduced by Dutch to Indonesia in Muna Sulawesi in 16<sup>th</sup> century and Java in the 17<sup>th</sup> century. Nowadays, small-scale teak plantation is a common practice in Indonesia. These small-scale teak plantations are typically owned and managed by local farmers, contributing to the socio-economic enhancement of rural communities.

The cultivation of teak on a smaller scale allows for decentralized ownership and utilization of the valuable hardwood resource. However, this practice also presents challenges such as limited access to technical expertise, financing, and market opportunities for smallholders. Despite these hurdles, smallholder teak plantations play a crucial role in supporting the national timber industry, providing livelihoods for local communities, and contributing to sustainable forestry practices.

Although teak wood is highly demanded for international markets, especially India, legality permission and international certification are complicated processes and the transaction cost is very high.

Thailand (Royal Forest Department and Kasetsart University) is one of the six participating countries of the ITTO-BMEL Teak Project Phase II. Thailand component preliminarily selects target areas as follows: The Maejor Silvicultural Research Station in Payao Province for clonal plantation; Dong Lan SRS, Khon Kaen Province, Kanchanasarun Province under RFD for clonal testing sites; FIO plantations sites at Lampang province for wood processing. In addition, FIO operates a teak furniture factory in Bang Phò (west of Bangkok) with chain-of-custody certification. The KU department of Forestry in Bangkok for wood products design and innovation.

As the main executing agency (RFD), the DG of the RFD is the Chair of the PSC, and Dr. Suwan Tangmicharoen, the Director of Forestry Research and Development Office of the RFD is the Chair of PTC. Besides, the RFD and KU assign the project staff to handle day-by-day activities as follows:

Title	Name	Position/Tel/E-mail
<b>Central Level</b>		
National Project Coordinator	Dr. Preecha Ongprasert	Director of Forestry Foreign Affairs Office, RFD
Deputy Project Coordinator	Mr. Montree Intasen	Director of International Cooperation and Organization Division, RFD
Regional Project Manager	Prof. Yongyut Trisurat	Faculty of Forestry, Kasetsart University Email: <a href="mailto:fornt@ku.ac.th">fornt@ku.ac.th</a>
Project Secretary	Miss. Saichon Mutarapat	Forestry Foreign Affairs Office, RFD Email: <a href="mailto:chon-aa44@hotmail.com">chon-aa44@hotmail.com</a>
Project Finance	Miss Suchanart Suyarat	Email: <a href="mailto:plantz.sucha@gmail.com">plantz.sucha@gmail.com</a>

Thailand component signed MoU with ITTO in mid-October 2023 and officially started physical activities from 1 November 2023 as the first country among the six participating countries. Previous activities done by Thailand component includes as below:

- Organized the Launching Workshop on 11 October 2023 and field excursion on 12-13 October 2023.
- Present the achievements of project phase I and project phase II, as well as arrange exhibition at the 59<sup>th</sup> ITTO Council Meeting on 13-17 November 2023 at Pattaya, Thailand;
- Kasetsart University organized onsite and online seminar on networks of economic plantations and management on 18 January 2024

The Ministry of Environment and Forest is the implementing agency in Indonesia. It will collaborate with Research Centre for Plant Conservation Botanic Garden of National Research and Innovation Agency (BRIN).

Indonesia selects the District of Gunung Kidul in the Special Region of Yogyakarta as the target region. The project areas were selected based on the number of small-scale teak plantations in the district that benefited from the initiative.

The Ministry of Environment and Forest has not signed MoU with ITTO. It is under consultation process with relevant agencies. The Ministry will arrange the meeting to finalize the MoU in mid-March, and hopefully will officially implement the planned activities in April 2024. Currently, the Ministry assigns Dr. Secunda S. Santoso, Senior Policy Analyst, as the National Coordinator to coordinate with ITTO, while Prof. Anto Rimbawanto will provide technical and scientific supports.

The total budget allocated for Indonesia component is USD 110,500 for 3 years, and the planned budget for year 2024 is USD 24,000 or 22% of the total budget. Note that Indonesia component will host 2 consultants (Const#1: quality plantation material and Const#6: teak value chains). Bank account, names of consultants and contracts will be established after signing MoU.

**India component (TBD)**

**Thailand Component (Prof. Yongyut Trisurat)**

In the absence of Dr. Preecha Ongprasert and Mr. Montree Intasen, Prof. Yongyut Trisurat presented on their behalf the Thailand inception report

Thailand has the third largest natural teak forests after Myanmar and India. Most the remaining forests are located inside protected areas such as national parks and wildlife sanctuaries. The government of Thailand established teak plantations more than 100 years, but teak seedlings are from unknown sources or poor quality. Based on the recent data gathered from GIS/DA (remote sensing data) and Land Development Department (remote sensing data), the remaining teak plantations cover approximately 1.2 – 1.3 million rai (192-208 thousand ha) largely in northern Thailand.

Previous activities cover the entire teak supply chains from upstream (Genetic conservation, clonal test & tree improvement, good quality material), middle stream (Silvicultural practices, Minimizing harvesting loss, Smallholder plantation, Efficient transportation and wood processing, Forest certification), and down stream (Value-added products, Marketing (domestic & international), Value-chain, Trade permission & transaction cost) through ordinary activities and the project funded activities.

The results of ITTO-BMEL Teak Project Phase I revealed that teak production planted in Thailand is very low (4-8 m<sup>3</sup>/ha/year) compared to plantations in Africa and Latin America (18-20 m<sup>3</sup>/ha/year). In addition, the traditional plantation period is also very long (30-40 years) and longer in Myanmar and India (40-60 years), while the average plantation period in Africa and Latin America is 15-20 years. Thus, Thailand, Myanmar and India cannot compete with those countries for economy markets.

The total budget allocated for Thailand component is USD 358,100 for 3 years (1 Nov 2023-31 Oct 2026), and the planned budget for year 2023-2024 is USD 150,913 or 42% of the total budget. Thailand component hosts 2 consultants (Const#4: Efficiency teak wood transportation, Const#6: teak value chain, and Const#5: Information Management). Thailand component already opened the project Bank account and obtained the first installment of USD 100,000 on 18 October 2023. Dr. Preecha Ongprasert and Prof. Yongyut Trisurat authorize to handle the project account.

**Togo component (Prof. Kouami Kokou)**

Togo does not have natural teak forests, but teak was introduced in 1910 from Burma by the Germans and have become well adapted to the country's climate. The planting rate of teak is 300 hectares per year, mainly on agricultural land using the Taungya system. This planting rate is considered inadequate to meet the domestic timber needs of the country. Smallholder farmers in Togo grow teak on their farms to increase household income, even though it competes with the production of staple crops such as maize and cassava.

Currently, Togo is ranked as the 5<sup>th</sup> in West Africa for teak plantations after Benin, Nigeria, Ghana, and Côte d'Ivoire. The existing plantation areas cover about 50,000 ha with 30,000 ha from Private sector and 20,000 ha from the Government.

University of Lome is the implementing agency in Togo. It will collaborate with Forest Department in which the Dr. Alaba, Director of ODEF/Ministry of Forest Resources and Environment, Focal Point of ITTO attended the 59<sup>th</sup> ITTC meeting in Pattaya and met several colleagues of the project phase II. With the approval of ODEF/Ministry of Forest Resources and Environment, the MoU between University of Lome and ITTO was signed on 3 October 2023.

The total budget allocated for Indonesia component is USD 54,000 for 3 years, and the planned budget for year 2024 is USD 24,000 or 45% of the total budget. Note that Togo component already opened Bank account and obtained the first installment to implement the planned activities of year 1 (2024). In addition, Togo component will host 2 consultants (Const#1: quality plantation material and Const#2: field training silviculture). Names of consultants and contracts will be established soon.

**Vietnam component (DDG Tran Lam Dong and Dr. Dang Thinh Trieu)**

Vietnam Academy of Forest Sciences (VAFS) the implementing agency for Vietnam component. Dr. Tran Lam Dong notified the meeting that he has been promoted as the Deputy Director-General/Vice President of VAFS, thus he will serve as a PSC member and National Coordinator of ITTO and assigns Dr. Dang Thinh Trieu to be the Project Coordinator of the project Phase II.

Dr. Dang Thinh Trieu made presentation on the inception report and the 1<sup>st</sup> YPO of Vietnam Component as follows:

Vietnam has existing forest cover of 14.789 million ha or 42.02% of the county land area. Natural forests cover 10.134 million ha, while forest plantations cover 4.655 million ha. The Popular species in plantations include *Acacia*, *Eucalyptus*, *Pine*, *Cinnamon*, and other valuable species are *Teak*, *Cinnamomum balansae*, *Michelia tonkin*.



Teak was introduced in Vietnam in late 19th century. The existing plantations cover 6,665 ha, mostly in Son La province. Main challenges to mainstream teak plantation and other valuable species are lack of capital resource of the growers for long rotation species and lack of improvement of teak resource.

Vietnam component proposes the project staff as follows:

Title	Name	Position/Tel/E-mail
Project Steering Committee	Dr. Tran Lam Dong	Email: tranlamdong@gmail.com; Phone: (84) 986506018
Project Coordinator	Dr. Dang Thinh Trieu	Email: thinhtrieu@hotmail.com; Phone: (84) 983174696
Project Finance/ Secretary	Dr. Dang Nhu Quynh	Email: quynhns.v@gmail.com; Phone: (84) 980727259
Field Assistant	Ms. Nguyen Thuy Duong	Phone: (84) 981344735
Field Assistant	Mr. Duong Quang Trung	Phone: (84) 975848729
Field Assistant	Mr. Le Van Quang	Phone: (84) 974217901

The total budget allocated for Indonesia component is USD 54,000 for 3 years, and the planned budget for year 2024 is USD 31,003 or 54% of the total budget. VAFS already signed MoU with ITTO and obtained the first instalment to implement the planned activities of year 1 (2024). In addition, Vietnam component will host 2 consultants (Const#1: quality plantation material and Const#2: field training silviculture) similar as Cambodia and Togo. Names of consultants and contracts will be established soon.

#### Discussion topics and decisions

After the presentations, there were 5 topics for discussion and decision by the delegates as follows:

##### 1) Arrangement of international and national consultants

Prof. Yongyut Trisurat (Regional Project Manager) noted that the project document stated that Consultants#1, #2, #4, and #6 are responsible in many countries (regional scope), but the budget was allocated to each country. For example, Consultant#1 (quality planting material) will receive payment of 3 man-months. He or she is responsible for Vietnam, Cambodia and Togo. However, the budget is allocated to each country (1 man-month each).

To facilitate the project implementation, Prof. Yongyut Trisurat (Regional Project Manager) proposes each country nominate and host the Consultant to carry out activity within the country with the allocated budget. However, the three consultants will nominate one consultant as the Editor-in-Chief to consolidate the report.

**Decision:** The delegates of the meeting have consensus to endorse this proposal.

##### 2) Starting date and ending date for each participating countries and the project

Only Thailand officially started the project on 1 November 2023, while Cambodia, Togo and Vietnam started on 1 January 2024. Furthermore, India and Indonesia would officially start physical activities after signing MoU in mid-February and late April 2024, respectively. Dr. Hwan-ok Ma, Officer-in-Charge of Forest Management Division mentioned that the official

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#### 7.2 1<sup>st</sup> PSC meeting

Due to the delayed signing MoU, Dr Tetra Yanuariadi notified the meeting that the 1<sup>st</sup> PSC is most likely to organized in the mid-second half of 2024 (late July or August). He will discuss with Prof. Yongyut Trisurat about suitable time and venue and inform all delegates later.

#### 7.3 Recommendations/Suggestions

- Thematic works (national and international consultants): to increase the efficiency of those efforts and facilitate the completion of comprehensive assessments, each participating country prepare a document for the use of each of the thematic consultants that would outline current conditions associated with the project's principal themes. Those themes include the conservation of teak genetic resources; the production of good-quality planting material; the development of improved management systems for natural teak forests; considerations of legality, certification, sustainable supply chains, and log tracking; the minimization of harvesting losses; the efficient transport and processing of teak roundwood; analyses of value chains; field training in silvicultural practices, as well as in wood harvesting, transport and processing, forest policies, and information management outreach.
- National Project Secretary: those assigned to this position in each participating country should be paid by ITTO to prepare required progress reports, as well as other project-related reports.

#### Item 8: Closing of the Online Inception Workshop

Prof. Yongyut Trisurat invited Kr. Suchat Kalayawongsa, a PSC member and ex-Thailand National Focal Point of ITTO and Dr Tetra Yanuariadi to thank you Dr. Hwan-ok Ma on behalf of the participating countries and ITTO, respectively for his professional work and tireless contributions over the last 28 years. We hope that he will continue and engage with the teak project as appropriate.

The meeting adjourned at 17:30 with a vote of thanks to ITTO, BMEL and Kasetsart University and all online and onsite delegates for various productive discussions towards the effective online inception meeting. Dr. Hwan-ok Ma expressed his appreciation to KU, and Prof. Yongyut Trisurat for organizing the Online Inception Meeting.

We the undersigned endorsed the minutes as a record of this Online Inception Meeting.

Date: 25 October 2023



Dr. Tetra Yanuariadi  
International Tropical Timber Organization



Prof. Dr. Yongyut Trisurat  
Regional Project Manager

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duration of the project cover 3 years from 1 November 2023 to 31 October 2026. In addition, the bi-annual progress report submission will follow this schedule although late starting dates of some members. The extension of project may be possible with the approval of PSC and BMEL in the future.

**Decision:** The delegates of the meeting acknowledge the regulation of ITTO and follow Dr. Ma's comment.

#### 3) Facilitation and arrangement with Thünen Institute of Forestry (TIF), Germany

DDG Chheang Dany and some delegates mentions during the presentation that the six participating countries do not obtain budget to facilitate data collection and field activities to support the Thünen Institute of Forestry, Germany. They request ITTO to provide further information about the TIF involvement and the responsibility of the participating countries.

Dr. Hwan-ok Ma, Officer-in-Charge of Forest Management Division informed the meeting that ITTO already signed agreement with the TIF to carry out micro-finance study in the six countries with the budget of USD 353,954. This budget covers desk research and field activities of TIF staff and the project staff of six countries (if needed). The signed MoU clearly mentioned this concern.

**Decision:** The delegates of the meeting acknowledge the MoU signed between ITTO and TIF, and will provide in-kind support.

#### 4) Bank Account for Cambodia

Cambodia component would like to use the existing Bank account for international project for the teak project phase II. This is due to it is time consuming and complicated procedures to open a new bank account for this project. In addition, the allocated budget for Cambodia component is quite small.

**Decision:** ITTO understood the complicated bureaucratic system in Cambodia. Thus, ITTO approves this request and notify the finance staff of ITTO to act accordingly.

#### Item 7. Other businesses (e.g., IUFRO 2024, 1<sup>st</sup> PSC meeting)

##### 7.1 IUFRO 2024

TEAKNET and ITTO jointly organized a side event on Sustainable Teak Management for Sustainable Teakwood Supply Chains and Trade at the IUFRO Conference during 24-29 June 2024 in Sweden. According to the project document, a budget of USD 3,000 is allocated to Thailand, Vietnam, India, Indonesia and Togo and USD 5,000 for ITTO to participate in the IUFRO 2024. Dr. Hwan-ok Ma, Dr. Tetra Yanuariadi, Dr. Tran Lam Dong, Prof. Kouami Kokou and Prof. Yongyut Trisurat successfully registered for early registration rate. Dr. Ma urged Indonesia and India to consider whether they are interested in participating in this event, otherwise the project will request budget modification to use this amount for other purposes in the future.

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#### Annex 1 List of Delegates

1	Dr. Hwan-ok Ma	Officer-in-Charge, Forest Management Division, ITTO	ma@itto.int
2	Dr. Tetra Yanuariadi	ITTO Projects Manager	tetra@itto.int
3	Prof. Yongyut Trisurat	Regional Project Manager, KUFF	foryyt@ku.ac.th
4	Prof. Kouami Kokou	University of Lome, Togo	kokoukouami@hotmail.com
5	Mr. Secunda S Santoso	Indonesia Ministry of Environment and Forestry	Secunda.e28@gmail.com
6	Prof. Anto Rimbawanto	Research Centre for Plant Conservation Botanic Garden and Forestry National Research and Innovation Agency, Indonesia	rimba@indo.net.id
7	Dr. Dany Chheang	Forest Administration, Cambodia	wpo@online.com.kh
8	Ms. Sopheap Lim	Forest Administration, Cambodia	sopheap73@yahoo.com
9	Dr. Tran Lam Dong	DDG, Vietnamese Academy of Forest Sciences	tranlamdong@gmail.com
10	Dr. Dang Thinh Trieu	Vietnamese Academy of Forest Sciences (VAFS)	thinhtrieu@hotmail.com
11	Mr. Thuy Duong	Vietnamese Academy of Forest Sciences (VAFS)	
12	Mr. Duong Quang Trung	DDG, Vietnamese Academy of Forest Sciences	
13	Mr. Le Van Quang	DDG, Vietnamese Academy of Forest Sciences	
14	Director (International Cooperation), ICFRE	ICFRE	dir_pic@icfre.org
15	Director, ICFRE-IFGTB, Combarone	ICFRE	dir_ifgtb@icfre.org
16	Dr. Suwan Tangmitcharoen	Director of Forest Research and Development Office	suwanrd@gmail.com
17	Mr. Suchat Kalayawongsa	ex-Senior Expert of the RFD	suchat_forester@yahoo.com
	Mr. Sapol Boonsermsuk	ex-Senior Expert of the RFD	sapolboonsermsuk@gmail.com
18	Mr. Montri Intasen	Royal Forest Department	b.willam@hotmail.com
19	Miss Suchanat Suvarat	ITTO Project	plantz.sucha@gmail.com
20	Ms. Saichon Mutarapat	ITTO Project	m.saichon565@hotmail.com

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## Annex 7 The approved budget modification

Financial Report																
Project No: PP-A/54-331A						Approved budget: Project document September 2023										
Project Title: Promoting Quality Timber Production in Smallholders and Community-Implementing Agency: Countries						Proposed Budget Revision (BR-A): July 2024										
Budget line/item	Approved budget (USD)				Budget total	Proposed budget (USD)				Budget total	Balance	Expenditure			Budget next period	
	2,023	2024	2025	2026		2023	2024	2025	2026			Nov-Dec 2023	Jan-Jun	Total		Jul-Dec 2024
	(Sep-Dec)	(Jan-Dec)	(Jan-Dec)	(Jan-Aug)		(H)	(Sep-Dec) (I)	(Jan-Dec) (J)	(Jan-Dec)			(Jan-Dec)	(M)	(M-H)		(O)
<b>A. Personnel and Consultants</b>																
A01	Regional Project Manager (RPM THA) 1, 2/	12,000	36,000	36,000	24,000	108,000	6,000	36,000	36,000	30,000	108,000	-	6,000	18,000	24,000	18,000
A02	Project Secretary 1, 2/	3,000	9,000	9,000	6,000	27,000	1,500	9,000	9,000	7,500	27,000	-	1,500	4,500	6,000	4,500
A03	Finance Staff 1, 2/	2,400	7,200	7,200	4,800	21,600	1,200	7,200	7,200	6,000	21,600	-	1,200	3,600	4,800	3,600
A04	Cons # 1 Quality Planting Material 2/	3,000	12,000	6,000	3,000	24,000	-	9,000	6,000	9,000	24,000	-	-	2,700	2,700	6,300
A05	Cons # 2 Field Training, Silviculture 2/	5,000	5,000	5,000	-	15,000	-	7,000	5,000	3,000	15,000	-	-	2,700	2,700	4,300
A06	Cons # 3 Legality 2/	6,000	12,000	6,000	-	24,000	-	12,000	6,000	6,000	24,000	-	-	-	-	12,000
A07	Cons # 4 Efficient teak wood transportation and processing 2/	-	6,000	6,000	-	12,000	-	4,500	6,000	1,500	12,000	-	-	2,000	2,000	2,500
A08	Cons # 5 Information Management 1, 2/	2,833	8,500	8,500	5,667	25,500	5,000	5,000	8,500	7,000	25,500	-	5,000	5,000	10,000	-
A09	Cons # 6 Teak value chains 2/	-	12,000	6,000	-	18,000	-	7,500	6,000	4,500	18,000	-	-	2,000	2,000	5,500
A10	Cons # 7 Teak strategy development 2/	-	18,000	12,000	6,000	36,000	-	6,000	12,000	18,000	36,000	-	-	6,000	6,000	-
A11	Sub-contract Thünen Institute of Forestry, Germany* (*No ITTO programme support on this amount)	-	132,733	132,733	88,488	353,954	-	132,733	132,733	88,488	353,954	-	-	132,733	132,733	-
<b>A</b>	<b>Sub-Total Personnel &amp; Consultants</b>	<b>34,233</b>	<b>258,433</b>	<b>234,433</b>	<b>137,955</b>	<b>665,054</b>	<b>13,700</b>	<b>235,933</b>	<b>234,433</b>	<b>180,988</b>	<b>665,054</b>	<b>-</b>	<b>13,700</b>	<b>179,233</b>	<b>192,933</b>	<b>56,700</b>
<b>B. Lump sum items</b>																
B01	Operation cost for project offices (electr., commun., consumables) 3/	2,000	6,000	6,000	4,000	18,000	101	9,479	6,000	7,391	22,971	4,971	101	1,800	1,901	7,675
B02	Technical reports, and completion report editing	2,000	6,000	6,000	4,000	18,000	-	8,000	6,000	4,000	18,000	-	-	-	-	8,000
<b>B</b>	<b>Sub-total Lump sum items</b>	<b>4,000</b>	<b>12,000</b>	<b>12,000</b>	<b>8,000</b>	<b>36,000</b>	<b>101</b>	<b>17,479</b>	<b>12,000</b>	<b>11,391</b>	<b>40,971</b>	<b>4,971</b>	<b>101</b>	<b>1,800</b>	<b>1,901</b>	<b>15,675</b>
<b>C. Reusable items</b>																
C10	Conferences, meetings, workshops	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C11	PSC meetings (venue, trav., accom)	-	12,000	12,000	12,000	36,000	5,661	12,000	12,000	6,339	36,000	-	5,661	342	6,003	11,658
C12	Regional teak workshop (venue, trav., accom) 4/	45,500	-	45,500	-	91,000	-	45,500	45,500	-	91,000	-	-	-	-	45,500
C13	IUFRO World Congress 2024 (Regn, trav, accom.) 5/	-	20,000	-	-	20,000	1,911	20,281	-	-	22,192	2,192	1,911	20,281	22,192	-
C14	World Teak Conference 2025 (Regn, trav, accom.)	-	-	40,000	-	40,000	-	-	40,000	-	40,000	-	-	-	-	-

C12	HUPRO World Congress 2024 (Regn. trav, accom.) 5/	20,000				20,000	1,911	20,281	-	22,192	2,192	1,911	20,281	22,192		
C14	World Teak Conference 2025 (Regn. trav, accom.)		40,000			40,000	-	-	40,000	-	-	-	-	-	-	
C20	Staff Travel (flights, transp. Lodging, food)															
C21	International travel of RAM & staff 6/	2,000	8,000	8,000	6,000	24,000	1,825	6,784	5,925	8,000	22,534		1,825	470	2,295	6,314
C30	Consult. Travel (flights, transp., lodging, food)															
C31	International travel consultants#3,#6 and#7 7/	3,000	6,000	6,000	3,000	18,000	-	9,000	6,000	3,000	18,000	-	-	-	-	9,000
C40	Others items															
C41	Publication 6/	2,000	2,000	2,000	4,000	10,000	104	3,896	2,000	4,000	10,000	-	104	-	104	3,896
C42	Demonstrations plots, nurseries 8/ Training costs (4 training events per country) (venue, stationary, catering, lodging 9/	10,000	30,000	10,000	10,000	60,000	-	38,489	10,000	22,956	71,445	11,445	-	2,886	2,886	35,603
C43	Financial auditing	18,000	66,000	42,000	18,000	144,000	-	34,429	36,429	56,000	126,858	17,142	-	9,912	9,912	24,517
C44	Literature, publications, webpage	2,000	2,000	2,000	1,000	7,000	-	4,000	2,000	1,000	7,000	-	-	2,912	2,912	1,088
C46	Survey and data collection for teak plantations		39,600	39,600		79,200	-	39,600	39,600	-	79,200	-	-	-	-	39,600
c	Sub-total reimbursable items	82,500	190,600	212,100	59,000	544,200	9,501	218,979	204,454	106,295	539,229	4,971	9,501	36,803	46,304	182,176
<b>D. ITTO Monitoring and Review</b>																
D01	Monitoring and Review	3,000	10,000	10,000	7,000	30,000	3,078	10,000	10,000	6,922	30,000	-	3,078	1,078	4,156	8,922
<b>Component Total:</b>		<b>3,000</b>	<b>10,000</b>	<b>10,000</b>	<b>7,000</b>	<b>30,000</b>	<b>3,078</b>	<b>10,000</b>	<b>10,000</b>	<b>6,922</b>	<b>30,000</b>	<b>-</b>	<b>3,078</b>	<b>1,078</b>	<b>4,156</b>	<b>8,922</b>
<b>Sub-total direct project cost (A+B+C+D)</b>		<b>123,733</b>	<b>471,033</b>	<b>468,533</b>	<b>211,955</b>	<b>1,275,254</b>	<b>26,380</b>	<b>482,391</b>	<b>460,887</b>	<b>305,596</b>	<b>1,275,254</b>	<b>-</b>	<b>26,380</b>	<b>218,914</b>	<b>245,294</b>	<b>263,477</b>
<b>E. ITTO Project Administration</b>																
E01	ITTO Program support (@ITTO standard rate)** (** No PS charged on TI Subcontract)	18,560	50,745	50,370	18,520	138,195	3,672	54,373	50,370	29,780	138,195	-	3,672	12,923	16,595	41,450
E	Sub total ITTO Project administration	18,560	50,745	50,370	18,520	138,195	3,672	54,373	50,370	29,780	138,195	-	3,672	12,923	16,595	41,450
<b>Grand Total (A+B+C+D+E)</b>		<b>142,293</b>	<b>521,778</b>	<b>518,903</b>	<b>230,475</b>	<b>1,413,449</b>	<b>30,052</b>	<b>536,764</b>	<b>511,257</b>	<b>335,376</b>	<b>1,413,449</b>	<b>-</b>	<b>30,052</b>	<b>231,837</b>	<b>261,889</b>	<b>304,927</b>

Installments	Amount (USD)	
#1 The 1st installment that ITTO received from BMEL in December 2023 after signing the agreement	142,293.00	1. 1st installment from BMEL 2. Expenditures (Nov 2023-Jun 2024) by the participating countries, Thunen and ITTO Secretariat
#2		3. Balance
#3		4. Bank interest earn 1/
Total		5. Balance + Bank interest
		6. Total planned budget Jul-Dec 2024 2/
		7. 2nd call for funds (from BMEL) 3/

1/ Bank interest US\$ 160 (Thai component Nov 2023-Jun 2024)  
2/ 2nd installment for participating countries and Thunen  
3/ planned expenditures during Jul-Dec 2024 (i71) + (Balance + Bank Interest) <d70> )

**Annex 8 Revised Workplan** (expanded to December 2026 with no cost extension)

Outputs and Activities	Responsible party	Calendar year 1	Calendar year 2 ('24)				Calendar year 3 (25)				Calendar year 4 ('26)				Note
		Nov	Quarter				Quarter				Quarter				
		Dec	1	2	3	4	1	2	3	4	1	2	3	4	
<b>Output 1: Supply chains of smallholders and community-based teak and other valuable species plantation and management systems have been strengthened with easy availability of high-quality planting stock and implementation of improved practices in silviculture, timber processing and legality</b>															
1.1 Conserve teak and other valuable species genetic variation through improved management of existing seed production areas, seed orchards, and provenance/progeny trials/clonal plantations (India, Indonesia, Thailand)	Reg. Proj. Manager Nat. coordinators Consultant # 1 &2														
1.2 Support smallholders and local communities for improved management of existing demonstration plots for teak and other valuable species and field training on the following subjects: (1) seed production/nursery techniques; (2) silvicultural practices and improved stand management, including coppicing as a regeneration method; (3) minimizing harvesting loss, efficient transport and processing of teak roundwood and product designs and innovation; (4) teak value chains and other valuable species and NTFP (5) timber legality and sustainability ( <b>all participating countries</b> )	Reg. Proj. Manager Nat. coordinators Consultants # 1,2,3,4 &6														
1.3 Promote timber legal compliance in smallholder/ community plantations, aligning with national and local laws governing forest plantations, management, timber harvesting and legality ( <b>global</b> )	ITTO, Reg. Proj. Manager Consultant #3.														Hosted by ITTO
<b>Output 2: Financing schemes for quality timber production in smallholders and community-based teak and other species plantations have been analyzed and improvements have been suggested to increase economic outcomes.</b>															

Outputs and Activities	Responsible party	Calendar year 1	Calendar year 2 ('24)				Calendar year 3 (25)				Calendar year 4 ('26)				Note
		Nov	Quarter				Quarter				Quarter				
		Dec	1	2	3	4	1	2	3	4	1	2	3	4	
2.1 Carry out a feasibility study for direct contracts/out-grower schemes with sourcing companies to ensure that smallholders' products will be purchased at remunerative prices ( <b>all participating countries</b> )	ITTO, Reg. Proj. Manager Nat. coordinators TIF- Germany Consultant #7														Hosted by TTO
2.2 Carry out a study to promote micro-lending schemes to address the credit constraints of smallholders to explore different options to overcome the problem with collaterals that smallholders often face trees as guarantees, and group-lending to a number of forest growers who can ensure loan repayments from each other ( <b>all participating countries</b> )	ITTO, Reg. Proj. Manager Nat. coordinators TIF- Germany Consultant #7														Hosted by TTO
2.3 Carry out a study to promote the formation of effective forest grower associations to reduce transaction costs and help improve access to micro-credits ( <b>all participating countries</b> )	ITTO, Reg. Proj. Manager Nat. coordinator TIF- Germany Consultant #7														Hosted by TTO
2.4. Carry out a study to access to voluntary carbon markets to increase revenues from longer rotation of smallholder and community-based teak and other valuable species plantations to increase financial security of farmers, address the issue of cash flows, and support their access to micro-lending schemes ( <b>global scope</b> )	ITTO Reg. Proj. Manager Nat. coordinators TIF-Germany Consultant #7														Hosted by TTO
Sub-contract with the Thünen Institute of Forestry to carry out feasibility studies for financing schemes for smallholder teak plantations	TIF-Germany/ITTO														Jan 2024
<b>Output 3: Regional and international collaboration, information sharing and knowledge management, networking, policy development and outreach for sustainable smallholder teak and other species plantations have been strengthened</b>															
3.1 Produce and disseminate outreach and training materials on the conservation and sustainable management of teak and other valuable species plantations and legal and sustainable supply chains in line with outcomes of Activities 1.2 and 2.1-2.4 to support forest policy development ( <b>regional scope</b> ).	Reg. Proj. Manager Nat. coordinators Consultant #5														Jointly managed





Submission of Yearly Plan of Operation for the second and third year (before start of Project for the second year and third year)	Reg. Act. Manager Nat. Coordinators ITTO		Incept.		1st PSC					2 <sup>nd</sup> PSC				1 <sup>st</sup> PSC – Aug-Oct 2024
Submission of financial report (bi-annual) and audited financial report (every twelve months)	Reg. Act. Manager Nat. Coordinators ITTO													Apr 2024
Submission of Project Completion Report	Reg. Act. Manager Nat. Coordinators ITTO													Nov 2026
Technical and Steering Committee Meetings (back-to-back) and monitoring	Reg. Act. Manager Nat. Coordinators ITTO													1 <sup>st</sup> PSC – Aug-Oct 2024

