

ITTO YOKOHAMA ACTION PLAN 2002–2006

**INTERNATIONAL TROPICAL TIMBER ORGANIZATION
ORGANISATION INTERNATIONALE DES BOIS TROPICAUX
ORGANIZACION INTERNACIONAL DE LAS MADERAS TROPICALES**

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Foreword

From its base in Yokohama, Japan, ITTO brings together nations concerned about the trade of tropical timber and the management and conservation of tropical forests. Each is represented on the International Tropical Timber Council, which meets twice annually to plan and finance new initiatives. The Organization's task is daunting: to foster a tropical timber trade that simultaneously contributes to development in tropical countries and conserves the tropical forest resource on which it is based.

In 1989, ITTO published the report 'No timber without trees'. Its finding was that virtually none of the world's productive tropical forests was being managed sustainably. Urgent action was needed to save them from destruction.

The Organization responded with the Year 2000 Objective, a declaration that its members should strive to achieve an international trade of tropical timber from sustainably managed forests by the century's end. This was an ambitious undertaking, but it served to stimulate urgent action through policy initiatives, field projects and the development of partnerships at all levels.

A decade on, an independent review of the Organization's performance, Review of Progress Towards the Year 2000 Objective, noted signs of progress towards sustainable tropical forest management. But it warned that the journey was just beginning.

The Yokohama Action Plan presented here is designed to guide the Organization on that journey. It contains many similarities to the previous Libreville Action Plan, which spanned the critical period leading up to the year 2000. But it also contains some new elements, reflecting both the wide range of activities in which the Organization now plays a role, and the changing landscape of international forest-related dialogue and cooperation.

For a start, the nine goals laid in the Libreville Action Plan have been reduced to six, signalling a sharpening of focus. Moreover, some important new actions have been specified. One of these is to encourage and assist individual producing member countries to identify and address constraints in their implementation of sustainable forest management and the sustainable development of the forest industry. This action, which is already being taken through a recent Council decision, will help the Organization to target its assistance most effectively.

Another new and important action is to assess opportunities for, and promote development of, non-timber forest products and forest services which can improve the economic attractiveness of maintaining the forest resource base. And yet another is to encourage and assist members to establish areas dedicated to biodiversity conservation in accordance with ITTO guidelines, including transboundary conservation areas, in close collaboration with other relevant organizations and bodies.

In formulating this Action Plan, ITTO is signalling to the world that it has much more work to do and, moreover, that it is prepared to do it. The period covered by the Plan is five years; I expect that substantial progress towards the Organization's goals will be made over that time.

Manoel Sobral Filho

Executive Director
International Tropical Timber Organization

January 2002

ITTO Mission Statement

The ITTO facilitates discussion, consultation and international cooperation on issues relating to the international trade and utilization of tropical timber and the sustainable management of its resource base

Acronyms

C&I	Criteria and indicators
CBD	Convention on Biological Diversity
CDM	Clean Development Mechanism
CIFOR	Center for International Forest Research
CPF	Collaborative Partnership on Forests
ECOSOC	Economic and Social Council of the United Nations
FAO	Food and Agriculture Organization of the United Nations
GEF	Global Environment Facility
IFF	Intergovernmental Forum on Forests
IPCC	Intergovernmental Panel on Climate Change
IPF	Intergovernmental Panel on Forests
ITTA	International Tropical Timber Agreement
ITTC	International Tropical Timber Council
ITTO	International Tropical Timber Organization
LCA	Life cycle analysis
LULUCF	Land Use, Land Use Change and Forests
RIL	Reduced impact logging
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Program
UNFCCC	United Nations Framework Convention on Climate Change
UNFF	United Nations Forum on Forests

ITTO YOKOHAMA ACTION PLAN 2002–2006

1 Introduction

This Action Plan, which replaces the Libreville Action Plan of 1998–2001, has been prepared in accordance with the International Tropical Timber Agreement (ITTA), 1994. It builds upon and updates the main tenets of the Libreville Action Plan and elaborates a strategy for advancing ITTO's objectives. As such, it provides guidance on the overall direction of the Organization, in terms of both policy initiatives and project activities and is the basis for developing the Annual Work Programme.

The Action Plan comprises three sections. The first section provides background information on ITTO, how it operates and how it was established. Sub-sections 1.4 through 1.6 give details on the formulation of the Action Plan and how it is to be implemented. The second section outlines the cross-cutting actions of the Organization that will be useful in facilitating progress towards achieving ITTO's objectives and in its substantive areas of work. The third section is a set of goals and supporting actions that corresponds to the three principal fields in which ITTO works: *Economic Information and Market Intelligence*, *Reforestation and Forest Management*, and *Forest Industry*.

This Action Plan has been formulated on the basis of the terms of reference given in Decision 11(XXIX). Its preparation by an expert panel was facilitated by a comprehensive working paper prepared by consultants in accordance with that decision. It also draws upon the Review of Progress Towards Achievement of the Year 2000 Objective, and relevant Council decisions made since the Libreville Action Plan was adopted.

1.1 The International Tropical Timber Agreement

ITTO was established by the ITTA, 1983, which was negotiated under the auspices of the United Nations Conference on Trade and Development (UNCTAD) and came into force in 1985; the Organization became operational in 1987. Unlike some other commodity agreements, the ITTA has neither price regulation mechanisms nor market intervention provisions.

The successor agreement to the ITTA, 1983 was negotiated in 1994 and came into force on 1 January 1997. The new agreement continues to focus on the world tropical timber economy. In addition, it contains broader provisions for the sharing of information, including non-tropical timber trade data, and allows for the consideration of non-tropical timber issues as they relate to tropical timber. It explicitly states that the agreement should not form a basis for trade discrimination against tropical timber.

The ITTA, 1994 gives new emphasis to the policy work of ITTO. It enshrines the Year 2000 Objective, which was first formulated under Decision 3(X) to enhance the capacity of members to implement a strategy for achieving exports of tropical timber and timber products from sustainably managed sources by the year 2000. The agreement also provides for the establishment of the Bali Partnership Fund, which is designed to assist producing member countries in achieving that objective. And it notes the formal statement of commitment made at the conclusion of negotiations on the ITTA, 1994 by 25 consuming countries and the European Community to the goal of sustainably managing their own forests by 2000.

In 2000, The ITTA, 1994 was extended for a period of three years [Decision 4(XXVIII)] and will remain in force until 31 December 2003.

1.2 The International Tropical Timber Organization

ITTO is a commodity organization that brings together countries that produce and consume tropical timber to discuss and exchange information and develop policies on all aspects of the world tropical timber economy. ITTO is headquartered in Yokohama, Japan and as of 1 December 2001 had 57 members, including the European Community, which together represent around 95 percent of world trade in tropical timber and 75 percent of the world's tropical forests.

ITTO recognizes that a continuing supply of tropical timber on the world market depends on quality information about the trade and marketplace, efficient timber production and processing methods, and sustainable forest management practices. The ITTA, 1994 sets forth a number of objectives for the

Organization intended to promote the expansion and diversification of international trade in tropical timber from sustainable sources (*Box 1*).

The Organization works towards its objectives on a consensus basis through two types of activities: policy development, and related project activities. Both the policy and project work focus on, and are intended to improve understanding and awareness of, key and emerging issues in the three principal fields noted above. On the policy side, the Organization supports studies and consultancies, hosts seminars and panels of experts, gathers and disseminates statistics, and develops guidelines and manuals for use by policy makers and field practitioners. For example, ITTO is well known for its Year 2000 Objective (Section 1.4) and its pioneering work on criteria and indicators for the sustainable management of tropical forests, as well as for its guidelines series on the management of tropical forests and its quarterly newsletter (the *Tropical Forest Update*).

Projects are an important aspect of the Organization's work and a primary means of assisting member countries to implement policy initiatives. Members may submit project proposals to the Council for review and potential financing consistent with an agreed project cycle. Examples include pilot and demonstration projects, human resource development projects, and research and development projects. All projects are funded by voluntary contributions from member countries, institutions, corporations and trusts. Between the time it became operational in 1987 and January 2001, the ITTO funded over 500 projects at a total cost of more than US\$200 million, nearly all of which was met by member countries. The Organization also supports a fellowship programme.

ITTO's governing body, the International Tropical Timber Council (ITTC), generally meets twice a year. Meetings are held at the headquarters in Yokohama unless the Council decides otherwise. By convention, the first (May) meeting is held in a producing member country, the location rotating through the three regions: Latin America and the Caribbean, Africa, and Asia-Pacific. International organizations such as FAO, the United Nations Environment Programme (UNEP), the World Bank and the African Timber Organization are welcomed as observers, as are representatives of industry and trade associations, environmental organizations, indigenous groups and other interested non-government parties.

Box 1: ITTO's Objectives

(as expressed in Article 1 of the ITTA, 1994)

Recognizing the sovereignty of members over their natural resources, as defined in Principle 1 (a) of the Non-Legally Binding Authoritative Statement of Principles for a Global Consensus on the Management, Conservation and Sustainable Development of all Types of Forests, the objectives of the International Tropical Timber Agreement, 1994 are:

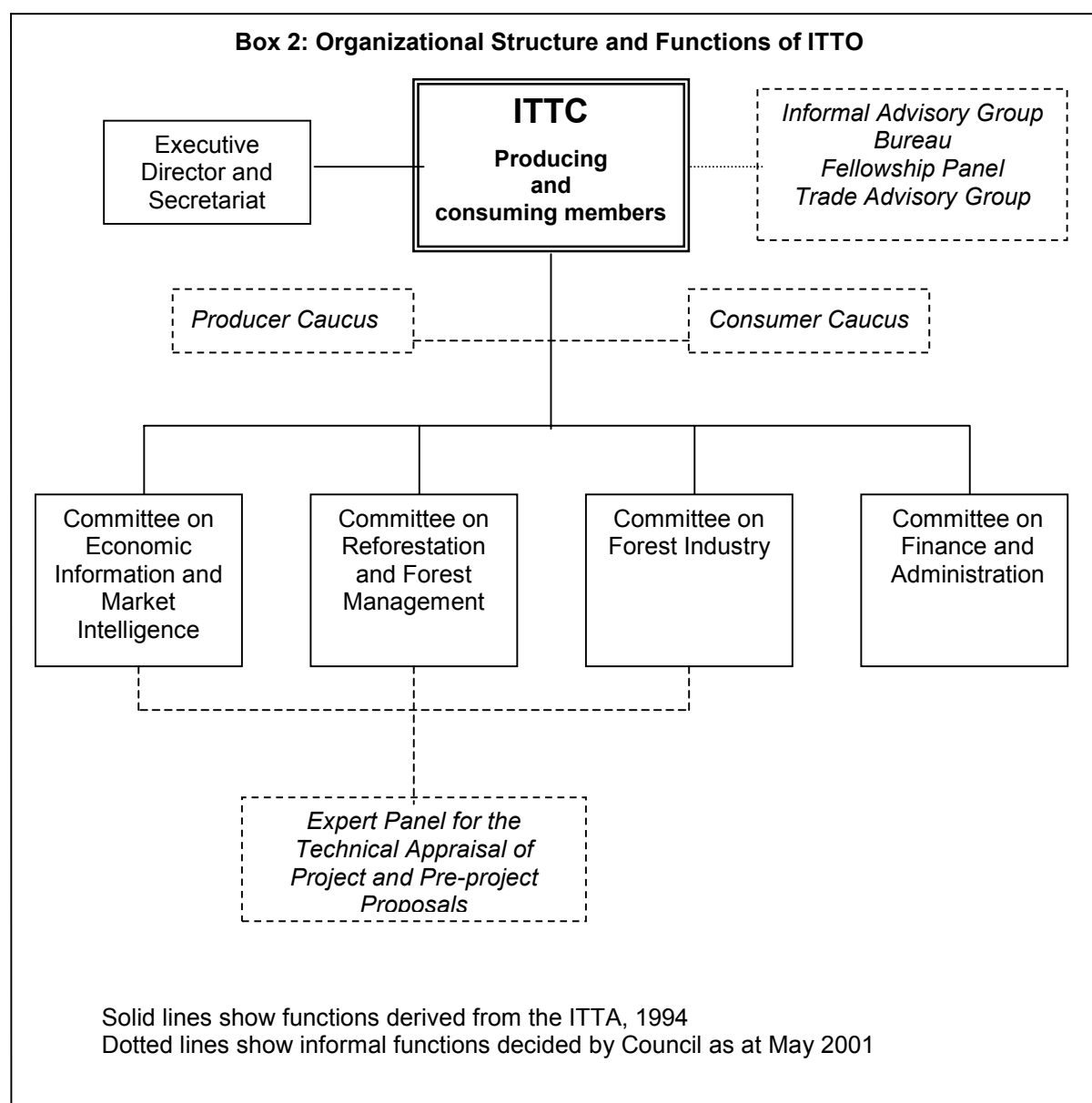
- a) To provide an effective framework for consultation, international cooperation and policy development among all members with regard to all relevant aspects of the world timber economy;
- b) To provide a forum for consultation to promote non-discriminatory timber trade practices;
- c) To contribute to the process of sustainable development;
- d) To enhance the capacity of members to implement a strategy for achieving exports of tropical timber and timber products from sustainably managed sources by the year 2000;
- e) To promote the expansion and diversification of international trade in tropical timber from sustainable sources by improving the structural conditions in international markets, by taking into account, on the one hand, a long-term increase in consumption and continuity of supplies, and, on the other, prices which reflect the costs of sustainable forest management and which are remunerative and equitable for members, and the improvement of market access;
- f) To promote and support research and development with a view to improving forest management and efficiency of wood utilization as well as increasing the capacity to conserve and enhance other forest values in timber producing tropical forests;
- g) To develop and contribute towards mechanisms for the provision of new and additional financial resources and expertise needed to enhance the capacity of producing members to attain the objectives of this Agreement;
- h) To improve market intelligence with a view to ensuring greater transparency in the international timber market, including the gathering, compilation, and dissemination of trade related data, including data related to species being traded;
- i) To promote increased and further processing of tropical timber from sustainable sources in producing member countries with a view to promoting their industrialization and thereby increasing their employment opportunities and export earnings;
- j) To encourage members to support and develop industrial tropical timber reforestation and forest management activities as well as rehabilitation of degraded forest land, with due regard for the interests of local communities dependent on forest resources;
- k) To improve marketing and distribution of tropical timber exports from sustainably managed sources;
- l) To encourage members to develop national policies aimed at sustainable utilization and conservation of timber producing forests and their genetic resources and at maintaining the ecological balance in the regions concerned, in the context of tropical timber trade;
- m) To promote the access to, and transfer of, technologies and technical cooperation to implement the objectives of this Agreement, including on concessional and preferential terms and conditions, as mutually agreed; and
- n) To encourage information sharing on the international timber market.

1.3 Organizational Structure and Functions

The ITTC comprises all the Organization's members. Like other UNCTAD-based commodity organizations, ITTO has two categories of membership: *producing* and *consuming* member countries (*Box 2*). Annual contributions and votes are distributed equally between the two groups, which are called 'caucuses'. Within each caucus, an individual member's dues and votes are calculated based on market share and, in the case of producers, the extent of tropical forests within the country.

The ITTC is supported by four committees, which are open to all members and provide advice and assistance to the Council on issues for consideration and decision. Three of the committees deal with the Organization's three major areas of policy and project work: *Economic Information and Market Intelligence*, *Reforestation and Forest Management*, and *Forest Industry*. These committees are supported by an Expert Panel for the Technical Appraisal of Project and Pre-project Proposals, which reviews project proposals for technical merit and relevance to ITTO objectives. The fourth committee, on *Finance and Administration*, advises the Council on matters related to the budget and other funding and administrative issues concerning the management of the Organization.

The Council and Committees are supported by a small Secretariat headed by an Executive Director who is responsible for the day-to-day running and administration of the Organization and for preparations for meetings.



1.4 Developments since the Libreville Action Plan

Policy

ITTO Objective 2000

A comprehensive review of the progress and actions taken towards achieving the Year 2000 Objective in both consuming and producing members was undertaken in 2000. It found that significant progress had been made, although such progress varied between countries, many of which had limited resources available for pursuing the objective. The review noted that both policy and project work had concentrated heavily on establishing frameworks for future actions, while less had been done on implementation.

In Decision 2 (XXIX), the Council reaffirmed its full commitment to moving as rapidly as possible towards achieving exports of tropical timber and timber products from sustainably managed sources. It labelled this commitment 'ITTO Objective 2000'.

Analysis of the implementation of the Libreville Action Plan showed the importance of a holistic approach to both policy work and project activities to accelerate progress towards the achievement of ITTO Objective 2000. The linkages in the supply chain from sustainably managed resource to consumer require an integrated approach to maximize synergy. Managing and harvesting the resource, processing and marketing are mutually interdependent: it is important that the developments and gains in one element are incorporated fully into the others.

Criteria and indicators

In 1998, by Decision 3 (XXIV), the Council approved a revised set of criteria and indicators (C&I) for the sustainable management of natural tropical forests. This set encompasses both national and forest management unit levels and is a major tool for assessing progress in achieving ITTO Objective 2000. ITTO has subsequently supported regional and national initiatives to develop refinements and conduct training in the use of its C&I. Individual members will report their progress towards sustainable forest management using an agreed format based on the C&I and thus will provide a regularly updated overview of achievements. The use of a common format should help to ensure that the data are presented in a form that improves the Organization's ability to assess the progress being made.

Monitoring and evaluation

The monitoring and evaluation of projects to ensure that objectives are achieved are important tasks for the Organization. The Council recognizes this by requiring that every project approved for funding has provisions for such monitoring and evaluation. In addition, Decision 2(X) makes provision for the ex-post evaluation of projects, and Decision 3(XXVIII) requires that the Committees consider the formal ex-post evaluation of projects and groups of projects meeting a set of agreed criteria.

Other developments

United Nations Forum on Forests

The United Nations Forum on Forests (UNFF) was established in October 2000 by the Economic and Social Council of the United Nations (ECOSOC) as a subsidiary body to promote the implementation of proposals for action for the management, conservation and sustainable development of all types of forests. These proposals for action had been formulated under the auspices of the earlier Intergovernmental Panel on Forests (IPF) and its successor, the Intergovernmental Forum on Forests (IFF).

ITTO is a founding member of the Collaborative Partnership on Forests (CPF)¹, which was established in April 2001 following the recommendations of ECOSOC to support the work of the UNFF. One of the major

¹Members of the CPF as of 1 November 2001 are: the Food and Agriculture Organization of the United Nations (FAO), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the World Bank, the Center for International Forest Research (CIFOR), the Secretariat of the Convention on Biological Diversity (CBD), the Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC), the Global Environment Facility (GEF) and ITTO. The Secretariat of the United Nations Forum on Forests (UNFF) supports the work of the CPF.

tasks of the CPF will be to contribute to the implementation of the UNFF Plan of Action and Multi-year Programme of Work. ITTO, through the implementation of this Action Plan, will take an active role in this, particularly in its role as focal agency for trade and for C&I. It will also assist the UNFF in monitoring, assessing and reporting on progress towards the achievement of the management, conservation and sustainable development of all types of forests.

United Nations Framework Convention on Climate Change (UNFCCC)

The international negotiations on climate change have intensified over recent years and decisions have been taken that affect the work of ITTO. Measures both to mitigate climate change and to adapt to the changing environment have been recognized as being equally important. The special report on Land Use, Land Use Change and Forests (LULUCF) of the Intergovernmental Panel on Climate Change (IPCC) has noted the relationship between forests, including tropical forests, and climate change. On the level of implementation, the Clean Development Mechanism (CDM) addresses carbon accounting, including trading between Annex 1 countries (mainly industrialized countries) and Non-Annex 1 countries (developing countries). As of November 2001, the CDM had recognized afforestation and reforestation as eligible activities but not the management of natural forests. Over coming years, ITTO will monitor further developments in the UNFCCC and emission trading and will report regularly to Council on these developments and their potential implications for tropical forests and the world tropical timber economy. ITTO is contributing to further methodological development through project work that relates to forests and climate change.

Market downturn

A severe obstacle to the implementation of the ITTO Year 2000 Objective was the sharp downturn in tropical timber markets shortly after the adoption of the Libreville Action Plan in 1998. While implementation of measures to achieve sustainable forest management may contribute to improved market access, it may not be effective in increasing demand and/or prices for tropical timber. During the period of this Action Plan, the market will remain a major source of finance for funding sustainable forest management, and there is a need to maintain the competitiveness of tropical timber *vis-à-vis* competing products.

Project funding

The Organization does not have sufficient funds for all its approved projects and activities. In the period 1998 to 2001, three donors contributed over 95% of all project funding, and only about three-quarters of approved proposals were funded. This record suggests a need for a larger and more diversified funding base.

Administrative Issues

Given the limited financial and human resources available to the Organization, it is essential that they are used to maximum efficiency. In the 15 years since ITTO was created, information and communications systems have undergone revolutionary changes, and changes continue to occur at a rapid pace.

Meanwhile, the Secretariat has acquired substantial in-house capabilities, including the capacity to prepare strategic reviews and discussion papers to assist the Council, and is now active in a wide range of international fora. But while the Secretariat's policy implementation and project management workload has increased dramatically, staffing levels have not risen commensurately. There is scope for investigating ways in which the Organization could benefit more fully from the expertise of the Secretariat, including through a review of the efficiency of the administrative processes and the relationship between the Secretariat, the Committees and the Council.

1.5 Key Strategies for Implementation

One of the major focuses of ITTO and its members during the term of this Action Plan is accelerating progress towards the fulfillment of ITTO Objective 2000. This requires:

1. An integrated approach, balanced as appropriate, across all three areas of ITTO's work (*Economic Information and Market Intelligence, Reforestation and Forest Management, and Forest Industry*). Examples of such integration include: increasing efficiency and value-added throughout the production chain, and further development of markets for tropical timber and timber products from sustainable sources;
2. Shifting focus from the development of national forest policies and legislation toward implementation on

the ground, especially at the forest management unit level. This would include, for example: supporting efforts to strengthen forest law enforcement; more training and capacity building; wider application of reduced impact logging (RIL), and strengthening timber tracking to improve the accuracy and transparency of information on timber products and trade. This shift in focus from policy development to implementation is also applicable to forest industry and marketing;

3. Filling key knowledge gaps. These could include, for example, assessing: sustained yield capacity; consumer preferences; and the competitiveness of tropical timber products in relation to non-tropical timber products and timber substitutes. They could also include developing a better understanding of the social dimensions of sustainable forest management and of the supply chain; and
4. Diversifying incentives for maintaining and expanding the forest base to help ensure continued timber supplies. This would include factoring in the value of, and developing innovative markets for, ecosystem services derived from production forests.

1.6 Actions for Effective Implementation

These would include:

- Improve the efficiency of the Organization, for example through the reallocation of responsibilities among the Council, Committees and Secretariat, through potential organizational changes to Council sessions and improved preparatory processes for Council decisions;
- Give the Secretariat greater latitude for proactive actions;
- Tighten the links between the Annual Work Programme, the Action Plan and ITTO's emerging priorities;
- Encourage closer correlation between project submissions and the Organization's objectives, taking into account the Action Plan and its key strategies;
- Improve and expand the monitoring of projects, assessment of their impact and communication of lessons learned;
- Greater participation by members in, *inter alia*, diagnostic missions, ITTO-offered training, and statistical reporting;
- Develop tools to encourage projects formulated under the committees of Forest Industry and Economic Information and Market Intelligence;
- Better promotion of ITTO's work;
- Examine ways to broaden ITTO's funding base;
- Improve the quality of project proposals;
- Closer cooperation with other relevant organizations and fora, consistent with the Organization's evolving priorities; and
- Conduct a mid-term evaluation of the implementation of this Action Plan.

2 Cross Cutting Actions

There are a number of actions that ITTO will undertake to facilitate progress in an integrated manner in all three areas of its substantive work. These 'cross cutting actions' are an important component of the Action Plan. Specifically, ITTO will:

- a) Encourage and assist producing member countries to identify and address constraints in their implementation of sustainable forest management and the sustainable development of the forest industry to enhance the contribution of the forest sector to national objectives;
- b) Actively cooperate and coordinate with international organizations and other international fora that undertake activities relevant to ITTO's objectives, with a view to sharing expertise, reducing duplication, enhancing complementarity and harmonizing activities;
- c) Contribute to the CPF to further the shared objective of promoting sustainable forest management;
- d) Enhance public relations, education and outreach activities in order to better raise awareness of the purpose and activities of the Organization and of the fact that sustainable forest management can be an economically, socially and environmentally viable land use;
- e) Assist human resource development and institutional strengthening by conducting national, regional and international training activities and the provision of fellowships;
- f) Widely disseminate ITTO's work including projects, evaluations, ex-post evaluations, studies, results, and lessons learned from ITTO activities;
- g) Maintain and expand the tropical timber databases and facilitate access to them;
- h) Encourage and increase the involvement of non-government stakeholders, including industry and trade associations, environmental organizations and indigenous groups, in the activities of the Organization with a view to promoting transparency, dialogue and cooperation in furthering ITTO's objectives;
- i) Support the sharing of information, knowledge and technology to improve sustainable forest management, product processing, utilization and understanding of the marketplace as related to ITTO's priorities;
- j) Explore and encourage investment and private-sector joint ventures in the forestry sector, including the re-investment of forest-generated revenues;
- k) Support demonstration and pilot projects in all areas of its substantive work, especially on a regional basis;
- l) Support research and development studies and projects to improve understanding of the marketplace, efficient product processing, industrial utilization and better forest management;
- m) Formulate and test guidelines and C&I related to the Organization's work in the field of forest management and other areas as appropriate;
- n) Analyze reports received from members on their progress towards ITTO Objective 2000 and prepare periodic assessments of such progress where possible; and
- o) Undertake special studies on emerging issues of relevance to the world tropical timber economy.

3 Goals and Actions

This section of the Action Plan identifies specific goals and supporting actions for the three areas of ITTO's substantive work (*Box 3*). These goals and actions will guide the relevant ITTO committees in making policy and project recommendations to the Council and provide a frame of reference for the Council itself in considering issues and in taking decisions on policy initiatives and project activities.

Each year, the Council adopts an annual Work Programme, which prioritizes and allocates resources for specific activities in order to implement the Action Plan. The implementation of this Work Programme is monitored and reviewed as part of the iterative process of formulating the programme for the following year.

The suite of actions given below as directed to member countries is intended to provide an overall listing from which individual members may select those actions of particular relevance to them. There are significant differences among the members at the regional and national levels. These differences are political, developmental, economic, cultural and ecological as well as in the extent to which forestry and timber are important in the economy. ITTO can assist members in making progress through project and pre-project funding.

Box 3: Action Plan Goals

ECONOMIC INFORMATION AND MARKET INTELLIGENCE

GOAL 1: Improve transparency of the international timber market

GOAL 2: Promote tropical timber from sustainably managed sources

REFORESTATION AND FOREST MANAGEMENT

GOAL 1: Support activities to secure the tropical timber resource base

GOAL 2: Promote sustainable management of tropical forest resources

FOREST INDUSTRY

GOAL 1: Promote increased and further processing of tropical timber from sustainable sources

GOAL 2: Improve industry's efficiency of processing and utilization of tropical timber from sustainable sources

3.1 Economic Information and Market Intelligence

In the field of Economic Information and Market Intelligence, ITTO is concerned with improving the flow of tropical timber from producers to consumers, and the two goals and numerous supporting actions stated below all lead towards this. Better market transparency and improved market intelligence are vital for the expansion and diversification of international trade in timber from sustainably managed tropical forests. Policy development and planning require economic data to recognize changes in consumer demand, trade patterns, and the types of products traded. The analysis of market trends is needed to provide intelligence on new markets for tropical timber products and their competitiveness in the global market in relation to timber and non-timber substitutes. Trade expansion also depends on consumer attitudes towards tropical timber products and on reducing barriers to trade.

GOAL 1: Improve transparency of the international timber market

This goal relates to objectives (h) and (n) of Article 1 of the ITTA, 1994.

Actions

1. Undertake an Annual Review and Assessment of the World Timber Situation.
2. Promote the collection and dissemination of accurate and timely trade and economic data relevant to the global timber market, in cooperation with international organizations and other sources, with a view also to reducing duplication where possible.
3. Where feasible and in cooperation with relevant organizations, fill key data gaps through regular assessments and special studies, including the collection and analysis of information on forest law enforcement, sustainable timber harvesting, illegal trade, secondary products, substitution, plantation timber, and certified products.
4. Support the Annual Market Discussions organized by the Trade Advisory Group on the world tropical timber trade.
5. Undertake regular studies of the medium and long-term outlook for the tropical timber market.
6. Compile and disseminate information on the marketing of lesser-used species and the development of markets for them.
7. Encourage members and assist them, where appropriate, to:
 - Develop and improve national data gathering, reporting and disseminating mechanisms;
 - Develop manpower skills through appropriate approaches, including the ITTO Fellowship Programme;
 - Cooperate with relevant organizations, including the private sector, NGOs and others in gathering data;
 - Provide relevant data, in a timely and complete manner, to ITTO;
 - Participate in Annual Market Discussions, including encouraging the participation of the trade and industry; and
 - Provide inputs to ITTO market outlook studies.

GOAL 2: Promote tropical timber from sustainably managed sources

This goal relates to objectives (a), (b), (e) and (n) of Article 1 of the ITTA, 1994.

Actions

1. Promote public awareness of progress made in implementing sustainable forest management and in the increased availability of tropical timber from sustainably managed sources.
2. Provide a forum for discussion on non-discriminatory trade, subsidies for competing products, shortcomings in enforcement of forest law and regulation, and other factors that may affect the marketability and access of tropical timber products.
3. Monitor progress being made regarding the comparability and equivalence of certification systems.
4. Examine the role of life cycle analysis (LCA) as a potential tool for assisting the competitiveness of tropical timber in the marketplace.
5. Examine the market and product requirements that may have to be met in order to develop exports of added-value products.
6. Undertake regular studies of the competitiveness of tropical timber and tropical timber products compared with non-tropical timber and non-timber substitutes.
7. Encourage members and assist them, where appropriate, to:
 - Develop awareness of progress made in implementing sustainable forest management and in the increased availability of tropical timber from sustainably managed sources;
 - Identify trade barriers, shortcomings in forest law enforcement, and other factors that may affect the access and marketability of tropical timber, and propose measures to overcome them;
 - Use LCA information and similar studies as tools to improve the competitiveness of tropical timber;
 - Develop awareness of market and end-use requirements for tropical timber;
 - Prepare and implement research and development projects covering marketing trials, marketing methods and opportunities, particularly for lesser-used species;
 - Develop and promote wider use of their tropical timber, both primary and added-value products; and
 - Establish and maintain economic and fiscal policies that are conducive to the competitiveness of the industry and trade in tropical timber from sustainably managed sources.

3.2 Reforestation and Forest Management

In the field of Reforestation and Forest Management, ITTO is concerned with the management and conservation of the resource base for tropical timber. Currently, much tropical timber originates from natural, primary forests and urgent attention should be given to securing their extent and productive potential and to their sound management. The rehabilitation of secondary forests and the creation of ecologically and socially sound timber plantations will be increasingly important. It should be noted, however, that the balance amongst the types of resource base varies between countries, and action programmes at the national level need to be country-specific.

GOAL 1: Support activities to secure the tropical timber resource base

This goal relates to objectives (c), (d) and (l) of Article 1 of the ITTA, 1994.

Actions

1. Support the effective enforcement of forest laws and regulations that ensure sustainable forest management and secure the production base.
2. Support networking and the exchange of information with relevant international organizations to maintain the integrity of the resource base, including protected area networks.
3. In cooperation with relevant organizations, monitor the potential implications for the resource base of climate change and related policy developments, and the contribution of the resource base to the mitigation of the effects of climate change.
4. Promote the conservation, rehabilitation and sustainable management of threatened forest ecosystems, *inter alia* mangroves², in collaboration with relevant organizations.
5. Assess opportunities for, and promote development of, non-timber forest products and forest services which can improve the economic attractiveness of maintaining the forest resource base.
6. Review the current situation regarding any undocumented forestry activities relating to the objectives of the Organization.
7. Encourage members and assist them, where appropriate, to:
 - Assess the current and potential productivity of major tropical forest types, taking into account the need to promote future growth and effective regeneration;
 - Develop innovative mechanisms and relevant legislative frameworks, including incentives and market-based instruments, to secure and expand, where appropriate, the forest resource base;
 - Secure the forest resource base through the implementation of forest policy, legislation and associated strategies, revised and updated where appropriate, which address:
 - Land use planning which defines forests appropriate for production and provides sufficient representation through protected, reserved and conservation areas to ensure biodiversity conservation and watershed protection;
 - Tenure rights, taking into account traditional ownership and/or use; and
 - National guidelines and regulations for forest utilization which ensure local stakeholder rights and secure conservation and environmental services.

²In addition to their ecological and socio-economic importance, mangrove forests provide timber and timber-related products that are internationally traded. ITTO has been actively involved with international initiatives relating to mangroves and may support projects which enhance the sustainable management of mangrove forests within the scope of the ITTA.

- Identify and prevent irregular forestry activities;
- Identify shortcomings in enforcement of forest laws and regulations, and overcome them; and
- Incorporate operational knowledge of forest ecosystem behaviour in planning and management prescriptions.

GOAL 2: Promote sustainable management of tropical forest resources

This goal relates to objectives (c), (d), (f), (g) and (j) of Article 1 of the ITTA, 1994.

Actions

1. Promote the implementation of ITTO guidelines and C&I and review and improve these as necessary.
2. Promote the implementation of sustainable forest harvesting, including RIL.
3. Develop and promote the implementation of guidelines for the management of secondary tropical forests, the restoration of degraded tropical forests and the rehabilitation of degraded forest land.
4. Establish and promote the implementation of an auditing system for ITTO's Criteria and Indicators for Sustainable Management of Natural Tropical Forests.
5. Monitor and assess the environmental, social and economic costs and benefits of forest plantation development and utilize that information to promote, where appropriate, new plantations within the ITTO Guidelines for the Establishment and Sustainable Management of Planted Tropical Forests.
6. Monitor and assess the social, economic and environmental costs and benefits of sustainable management of natural forests.
7. Contribute appropriately to national and international efforts in the area of prevention and management of fire in relation to tropical timber-producing forests.
8. Monitor the impact of conservation, protection and transboundary areas and their relationship to achieving sustainable forest management and the Organization's objectives.
9. Assist members, as appropriate, to build capacity to engage in voluntary certification to enhance market acceptance of tropical timber and tropical timber products.
10. Encourage members and assist them, where appropriate, to:
 - Implement forest inventories and determine the sustainable yield capacity of each forest management unit through the application of appropriate resource assessment methods and incorporate these into forest management plans;
 - Improve the formulation and implementation of plans for sustainable forest management, with particular emphasis on harvesting limits;
 - Implement appropriate forest harvesting, including RIL, as a component of sustainable forest management;
 - Improve the productive capacity of natural forests, where appropriate, through intensified silvicultural practices, better utilization of lesser-used species, the promotion of non-timber forest products, guided natural regeneration, enrichment planting and reforestation;
 - Implement research and development activities in the management of secondary tropical forests, restoration of degraded tropical forests and rehabilitation of degraded forest land, taking into consideration ITTO guidelines;
 - Test and enhance examples of collaborative forest management for tropical production forests;

- Establish and manage forests for multiple uses in close cooperation with local forest owners and communities living in forest areas;
- Establish areas dedicated to biodiversity conservation in accordance with ITTO guidelines, including transboundary conservation areas, in close collaboration with other relevant organizations and bodies;
- Promote and support research in forest dynamics (growth and yield studies) in different forest types and under various management schemes;
- Apply the ITTO C&I, and, if necessary, adapt them for national and regional use;
- Undertake measures for the prevention and management of fire relating to tropical timber-producing forests; and
- Strengthen training institutions and intensify training of forestry personnel and other stakeholders in silviculture, RIL and resource assessment, and in the management of both natural forests and timber plantations.

3.3 Forest Industry

In the field of Forest Industry, ITTO aims to promote the industrialization of producing member countries and thereby increase their employment opportunities and export earnings. This is reflected in the goals stated below together with the actions necessary for their achievement. Currently, tropical timber is mostly exported in the form of logs, sawnwood or plywood; hence, development work focusing on the promotion of increased and further processing and on the manufacturing and exports of higher added-value products is needed.

GOAL 1: Promote increased and further processing of tropical timber from sustainable sources

This goal relates to objectives (c), (d), (f), (i), (k) and (m) of Article 1 of the ITTA, 1994.

Actions

1. Promote private investment through facilitating information exchange on investment opportunities.
2. Study and promote policies and other measures to increase timber industry competitiveness.
3. Commission and publish analytical studies in the field of tropical timber processing to identify and quantify the final use of processed wood products and to identify critical knowledge and information gaps.
4. Monitor the impact of technical and environmental standards on the efficiency of industrial operations and review the need for action on harmonization in concert with relevant national and international bodies.
5. Encourage members and assist them, where appropriate, to;
 - Promote investments in timber-processing industry by taking steps to:
 - Develop a sound balance between sustainable timber production and the processing capacity of the connected industry, based on timber supply studies and other relevant information;
 - Attract private capital;
 - Clarify the benefits of downstream processing for creating or producing high-value, internationally competitive products; and
 - Facilitate joint ventures to make optimal use of both public and private financial resources.
 - Formulate research and development proposals which assist with the piloting and commercialization of new processing and manufacturing technologies;
 - Organize workshops/seminars on the use of new and/or improved techniques and technology, including increased further processing;
 - Undertake sector-wide training needs analyses; development of training strategies, training facilities and course curricula; preparation of training manuals; and delivery of training courses;
 - Develop forest industry sector planning; and
 - Improve institutional efficiency and effectiveness through sector-wide training needs analyses; develop training strategies, training facilities and course curricula; prepare training materials; and deliver training courses.

GOAL 2: Improve industry's efficiency of processing and utilization of tropical timber from sustainable sources

This goal relates to objectives (d), (f), (i) and (m) of Article 1 of the ITTA, 1994.

Actions

1. Develop, publish and disseminate information on increasing utilization efficiency and the reduction of losses and waste throughout the production chain.
2. Facilitate and encourage industrial demonstration projects addressing increased production and utilization efficiency, and the competitiveness of the tropical timber industry.
3. Commission and publish analytical studies that identify critical knowledge and information gaps as a precursor to research and development activities on improved efficiency in processing.
4. Develop, publish and disseminate recommendations for increasing efficiency throughout the production chain through the utilization of residues and through recycling.
5. To the extent possible given the Organization's primary focus on timber, develop, publish and disseminate techniques and technologies on product development for and the utilization efficiency of non-timber forest products.
6. Promote development of marketing, production and commercial skills in forest industry.
7. Promote increased awareness and utilization of existing information on wood properties and end-use requirements.
8. Encourage members and assist them, where appropriate, to:
 - Develop, publish and disseminate guidelines on increasing efficiency and reducing waste throughout the production chain while at the same time increasing the utilization of wood residues and recycling;
 - Create and publicize industrial demonstration projects on, for example: fully integrated and competitive industries based on sustainable forest management; efficient and socially sound community-based forest industries; and efficient low impact logging which is consistent with sustainable forest management while ensuring continuity of log supplies;
 - Formulate research and development of proposals that assist with the piloting and commercialization of improved and/or innovative utilization methodologies, including the reduction of losses and increased use of residues and recycling;
 - Participate in international standards activities related to forest products; and
 - Undertake research into wood properties and end-use requirements, paying particular attention to the properties and availability of lesser-used species and timber plantation species and the potential markets for them.

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