

ITTO Action Plan

2008 - 2011



**ITTO
ACTION PLAN
2008–2011**



The **International Tropical Timber Organization** (ITTO) is an intergovernmental organization promoting the conservation and sustainable management, use and trade of tropical forest resources. Its 60 members represent about 80% of the world's tropical forests and 90% of the global tropical timber trade. ITTO develops internationally agreed policy documents to promote sustainable forest management and forest conservation and assists tropical member countries to adapt such policies to local circumstances and to implement them in the field through projects. In addition, ITTO collects, analyses and disseminates data on the production and trade of tropical timber and funds projects and other actions aimed at developing industries at both community and industrial scales. All projects are funded by voluntary contributions, mostly from consumer member countries. Since it became operational in 1987, ITTO has funded more than 750 projects, pre-projects and activities valued at more than US\$300 million. The major donors are the governments of Japan, Switzerland and the United States.

Cover photos: Front cover first photo on top: J. Leigh (ITTO); second: TTF; third: R. Guevara; fourth: Samling Corp.; fifth: I. Boedhiarto (IUCN)
Back cover: S.Baba (ISME)

© ITTO 2008

This work is copyright. Except for the ITTO logo, graphical and textual information in this publication may be reproduced in whole or in part provided that it is not sold or put to commercial use and its source is acknowledged.

ISBN 4-902045-46-X

Table of contents

Foreword	iv
ITTO mission statement.....	v
Acronyms	v
PART I: CONTEXT	1
Introduction.....	1
Objectives.....	1
Policy and project work.....	1
Governance structure	2
Trends and global developments related to tropical forests	3
Recent global developments.....	4
PART II: ACTIONS 2008–2011.....	5
Thematic programmes.....	5
Actions by committees.....	5
Forest industry.....	5
Economic information and market intelligence	7
Reforestation and forest management.....	9
Cross-cutting actions	11
PART III: STRATEGIES FOR IMPLEMENTATION.....	13
Effective implementation.....	13
Delivery, monitoring and evaluation	13
Delivery of the Action Plan.....	13
Monitoring and evaluation.....	14
Annex 1: Important developments in the international forestry framework	15
Annex 2: Highlights of ITTO policy work	17
Box 1: ITTO's objectives	2
Box 2: ITTO organizational structure and functions.....	3

Foreword

This Action Plan covers a period spanning the extension of the International Tropical Timber Agreement (ITTA), 1994 and the entry into force of the ITTA, 2006. It builds on and updates the main elements of ITTO's Libreville and Yokohama Action Plans and elaborates a strategy for advancing ITTO's objectives. As such, it provides guidance on the Organization's overall direction in terms of both policy initiatives and project activities and is the basis for the development of its biennial work programmes.

The document comprises three parts. Part I provides background information on ITTO, how it was established and how it operates. Part II is a set of expected outcomes and the actions to be undertaken to achieve them, organized according to the three principal substantive areas in which ITTO works – forest industry, economic information and market intelligence, and reforestation and forest management – and a set of cross-cutting actions. Part III describes the strategies for implementing the designated actions.

This Action Plan has been formulated by a working group composed of individuals nominated by producer and consumer member countries, supported by representatives of trade, industry and wider civil society. Its preparation was facilitated by a comprehensive working paper prepared by consultants. The document also draws on a review of the implementation of the Yokohama Action Plan and on relevant Council decisions made since the Yokohama Action Plan was adopted. Its main source of guidance, however, was the ITTA, 2006.

Emmanuel Ze Meka

Executive Director
International Tropical Timber Organization

December 2008

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

A/R	Afforestation/reforestation
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
CSAG	Civil Society Advisory Group
FAO	Food and Agriculture Organization of the United Nations
GEF	Global Environmental Facility
ICRAF	World Agroforestry Centre
ITTA	International Tropical Timber Agreement
ITTO	International Tropical Timber Organization
IUCN	International Union for the Conservation of Nature
IUFRO	International Union of Forest Research Organizations
NLBI	Non-legally Binding Instrument on Forests
PFE	Permanent forest estate
REDD	Reduced emissions from deforestation and forest degradation
RIL	Reduced impact logging
SFM	Sustainable forest management
TAG	Trade Advisory Group
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNFF	United Nations Forum on Forests

PART I: CONTEXT

Introduction

The International Tropical Timber Organization (ITTO) is the only intergovernmental 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 and the management of the tropical timber resource base – tropical forests. As of November 2008, ITTO had 60 members, including the European Community, which together represent 90% of world trade in tropical timber and 80% of the world's closed tropical forests.

This Action Plan is designed to guide ITTO's operations over the period 2008–2011, which covers the extension of the International Tropical Timber Agreement (ITTA), 1994 and the expected entry into force of the new agreement, the ITTA, 2006. It also communicates the Organization's priorities and work to governments, the international community, civil society, trade-related organizations and other stakeholders. It comprises three sections:

- An introduction describing ITTO and its mandate
- Action that will be undertaken in the period
- Strategies for the implementation of the plan.

Objectives

Under the ITTA, 2006, ITTO has two closely related overarching objectives:

- To promote the expansion and diversification of international trade in tropical timber from sustainably managed and legally harvested forests
- To promote the sustainable management of tropical timber-producing forests.

The ITTA, 2006 sets out the Organization's longstanding aims of enhancing the capacity of members to export tropical timber from sustainably managed forests and to improve market transparency, forest-based enterprises and sustainable forest management (SFM). It also expands the scope of previous agreements to include objectives related to poverty alleviation, forest law enforcement, non-timber forest products and environmental services, voluntary market mechanisms such as certification, and the role of forest-dependent communities. The box presents the complete set of the Organization's objectives under the ITTA, 2006.

Policy and project work

ITTO develops internationally agreed policy documents to promote SFM and forest conservation. It assists tropical member countries to adapt such policies to local circumstances and to implement them in the field through projects. In addition, ITTO collects, analyses and disseminates data on the production and trade of tropical timber and funds a range of projects and other actions aimed at developing industries at both community and industrial scales.

By November 2008 the Organization had provided more than US\$300 million to finance over 800 projects designed to encourage SFM, increase the efficiency of forest industries, and improve market intelligence and statistics. The vast majority of these projects were made possible through the voluntary financial contributions of consumer member countries. ITTO also supports capacity building through the development of manuals, workshops and a fellowship fund that supports young professionals. Annex 2 highlights some of ITTO policy work conducted under the Yokohama Action Plan.

ITTO cooperates closely with other international organizations with forest-related mandates. It is a founding member of the Collaborative Partnership on Forests¹ (CPF), which was established in 2000 to support the work of the United Nations Forum on Forests (UNFF) and to enhance coordination among the international conventions, organizations and institutions with forest-related mandates. ITTO also cooperates with a wide range of regional and national-level organizations and other civil-society and private-sector stakeholders.

¹ Members of the CPF are: The Center for International Forestry Research (CIFOR), the Food and Agriculture Organization of the United Nations (FAO), the Global Environmental Facility (GEF) Secretariat, the International Tropical Timber Organization (ITTO), the International Union for Conservation of Nature (IUCN), the International Union of Forest Research Organizations (IUFRO), the Convention on Biological Diversity (CBD) Secretariat, the United Nations Convention to Combat Desertification (UNCCD) Secretariat, the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the UNFF Secretariat, the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat, the World Agroforestry Centre (ICRAF), and the World Bank.

Box 1: ITTO's objectives

(as expressed in Article 1 of the ITTA, 2006)

The objectives of the International Tropical Timber Agreement, 2006 are to promote the expansion and diversification of international trade in tropical timber from sustainably managed and legally harvested forests and to promote the sustainable management of tropical timber producing forests by:

- a. Providing 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. Providing a forum for consultation to promote non-discriminatory timber trade practices;
- c. Contributing to sustainable development and to poverty alleviation;
- d. Enhancing the capacity of members to implement strategies for achieving exports of tropical timber and timber products from sustainably managed sources;
- e. Promoting improved understanding of the structural conditions in international markets, including long-term trends in consumption and production, factors affecting market access, consumer preferences and prices, and conditions leading to prices which reflect the costs of sustainable forest management;
- f. Promoting and supporting research and development with a view to improving forest management and efficiency of wood utilization and the competitiveness of wood products relative to other materials, as well as increasing the capacity to conserve and enhance other forest values in timber producing tropical forests;
- g. Developing and contributing towards mechanisms for the provision of new and additional financial resources with a view to promoting the adequacy and predictability of funding and expertise needed to enhance the capacity of producer members to attain the objectives of this Agreement;
- h. Improving market intelligence and encouraging information sharing on the international timber market with a view to ensuring greater transparency and better information on markets and market trends, including the gathering, compilation and dissemination of trade related data, including data related to species being traded;
- i. Promoting increased and further processing of tropical timber from sustainable sources in producer member countries, with a view to promoting their industrialization and thereby increasing their employment opportunities and export earnings;
- j. Encouraging members to support and develop tropical timber reforestation, as well as rehabilitation and restoration of degraded forest land, with due regard for the interests of local communities dependent on forest resources;
- k. Improving marketing and distribution of tropical timber and timber product exports from sustainably managed and legally harvested sources and which are legally traded, including promoting consumer awareness;
- l. Strengthening the capacity of members for the collection, processing and dissemination of statistics on their trade in timber and information on the sustainable management of their tropical forests;
- m. Encouraging members to develop national policies aimed at sustainable utilization and conservation of timber producing forests, and maintaining ecological balance, in the context of the tropical timber trade;
- n. Strengthening the capacity of members to improve forest law enforcement and governance, and address illegal logging and related trade in tropical timber;
- o. Encouraging information sharing for a better understanding of voluntary mechanisms such as, *inter alia*, certification, to promote sustainable management of tropical forests, and assisting members with their efforts in this area;
- p. Promoting 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;
- q. Promoting better understanding of the contribution of non-timber forest products and environmental services to the sustainable management of tropical forests with the aim of enhancing the capacity of members to develop strategies to strengthen such contributions in the context of sustainable forest management, and cooperating with relevant institutions and processes to this end;
- r. Encouraging members to recognize the role of forest-dependent indigenous and local communities in achieving sustainable forest management and develop strategies to enhance the capacity of these communities to sustainably manage tropical timber producing forests; and
- s. Identifying and addressing relevant new and emerging issues.

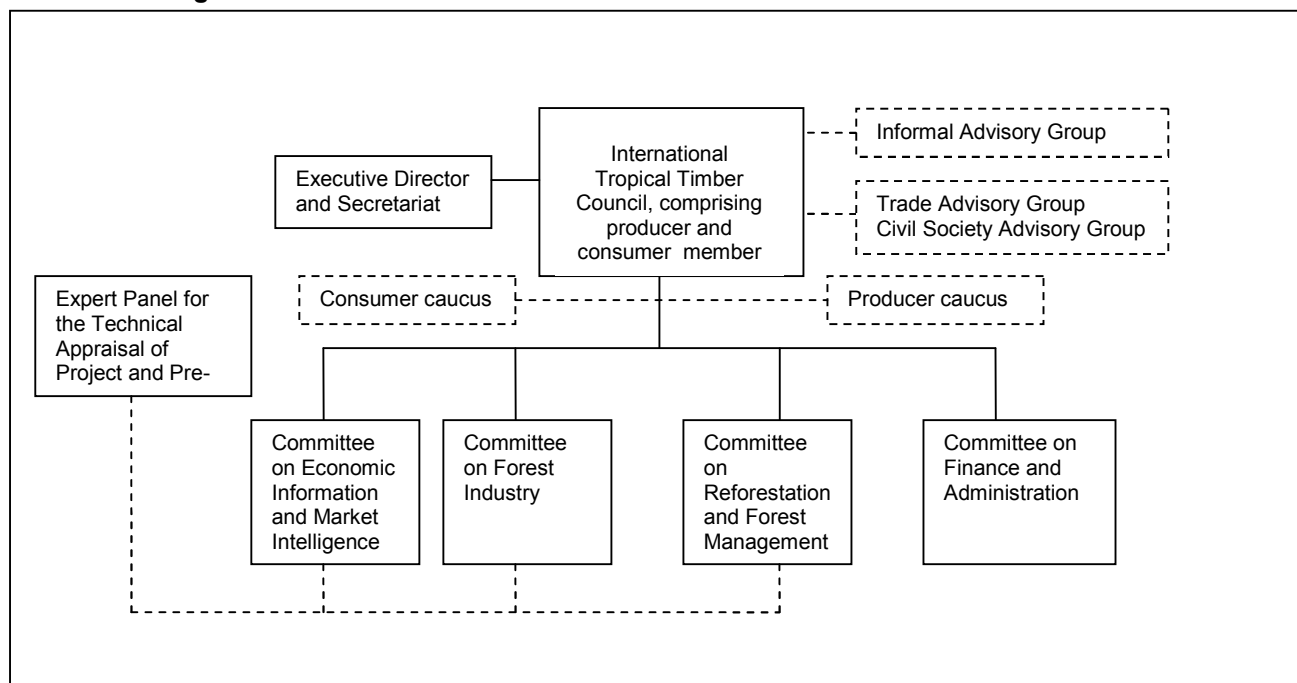
Governance structure

Like other commodity organizations, ITTO has two categories of membership: producers and consumers. The governing body of the ITTO is the International Tropical Timber Council, which is composed of all members of the Organization. The Council is supported by four committees, also open to all members, which

provide advice and assistance to the Council. Three of the committees deal with key areas of policy and project work: forest industry; economic information and market intelligence; and reforestation and forest management. These committees are supported by the Expert Panel for the Technical Appraisal of Projects and Pre-projects, which reviews project proposals for their technical merit and relevance to ITTO objectives in accordance with a six-month project cycle. 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 Informal Advisory Group, which comprises the chairs and vice-chairs of the Council and its four committees, the Executive Director, and the spokespersons of the producer and consumer caucuses, provides advice on the organization of work in advance of Council and committee sessions (see Box 2). Non-member stakeholders have established two advisory groups – the Trade Advisory Group (TAG) and the Civil Society Advisory Group (CSAG) – to facilitate their participation in the Council and to provide input to the Council's decision-making processes. ITTO's organizational structure is shown graphically in Box 2.

ITTO's Secretariat of about 35 staff is based in Yokohama, Japan. It is headed by an Executive Director, who is responsible to the Council for the administration and operation of the ITTA in accordance with decisions made by the Council. The Organization also has regional officers in Latin America and Africa to assist with project monitoring and other duties.

Box 2: ITTO organizational structure and functions



Trends and global development related to tropical forests

Some of the issues that have a bearing on ITTO's work and the implementation of this Action Plan are highlighted below.

- Poverty remains high in many countries, especially in forest-dependent communities; an aim of both SFM and the reduction of deforestation should be to reduce it.
- Tropical forests and the products and ecosystem services they provide continue to be lost through unsustainable and illegal logging and the conversion of forests to other land uses.
- Deforestation and other changes in forests are estimated to account for about 20% of global greenhouse gas emissions.
- In some markets, international demand for legally and sustainably produced timber and timber products, including certified products, is growing; public and private timber procurement policies are also affecting some markets for tropical timber.
- In many countries, responsibility for the management of forest resources is increasingly being transferred to the private sector through a range of contractual arrangements and to local and indigenous communities.

- The area of tropical forest land owned or administered by indigenous and local communities has doubled in the last 15 years.
- Community and other small-scale forest-based enterprises are playing a growing role in national and international markets.
- There is increasing interest in the use of wood, including that grown in the tropics, for the generation of bio-energy.
- Timber industries and further-processing facilities will continue to shift to countries that have tropical timber resources and/or comparative advantages in their operation. Many countries face considerable challenges securing adequate supplies of raw material from sustainable and legal sources.
- A lack of access to credit continues to hinder the development of sustainable forest-based industries in the tropics.

Recent global developments

This Action Plan has been devised in the context of wider concerns and interests that relate to and/or are likely to affect tropical timber and tropical timber-producing forests.

The many existing and potential roles of forests in climate change mitigation and adaptation, food security, biodiversity conservation, energy supply and the provision of ecosystem services have been receiving increasing recognition at the international level. Attention has focused on SFM, the use of timber and other forest products as renewable and sustainable products, the threat posed by deforestation, and the need to strengthen international forest policy towards conserving all forest values.

International forest-related institutions have responded to this increased attention in many ways. Annex I canvasses activities in the UNFF (including the adoption of the Non-legally Binding Instrument on All Types of Forests – NLBI), FAO, the UNFCCC, CITES, CIFOR, Global Forest Partnerships, and UN-REDD. It also looks at two new funding mechanisms with relevance to forests: the World Bank's Forest Investment Fund and Forest Carbon Partnership Facility.

PART II: ACTIONS 2008–2011

Thematic programmes

The following thematic areas have been defined by Council and will be piloted as thematic programmes over the duration of the Action Plan:

- Forest Law Enforcement, Governance and Trade
- Community Forest Management and Enterprises
- Trade and Market Transparency
- Industry Development and Efficiency
- Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests.

Thematic Programme Advisory Committees have been established to assist the Executive Director with the implementation of these thematic programmes.

Actions by committees

This section identifies priority actions for the three technical committees of ITTO. The left-hand column of the following tables lists actions for the Organization as a whole, and the right-hand column lists potential actions that members might implement according to their own circumstances. Actions in the same row relate to the same topic or aspect of work.

Those actions specifically required under the ITTA, 2006 are noted as obligations of the Organization and/or members; other actions reflect the overall priorities of the Organization and its members. The Council adopts a biennial work programme that prioritizes, and allocates resources for, specific activities to be undertaken by the Organization during a given biennium consistent with the Action Plan. The implementation of the biennial work programme is monitored, reviewed and evaluated as part of an iterative process for formulating the work programme for the following biennium.

There are significant political, developmental, economic, cultural and ecological differences between members and in the extent to which forests, timber and non-timber forest products and services are important in their economies. ITTO can assist members in making progress with the implementation of their actions through funding for projects and pre-projects and activities such as workshops, training events and multi-country and country-level studies.

Forest industry

Effective forest industries provide a crucial link between sustainably managed forests and international markets for forest products. ITTO aims to promote investment in the industrialization of producer member countries and thereby increase their technical capabilities and employment opportunities and the contribution of forests to social and economic development. There is a need to promote increased and further processing of tropical timber from sustainably managed and legally harvested forests and to improve the efficiency by which such timber is processed and utilized. Development work focusing on the promotion of increased and further processing and on the manufacturing and exports of higher added-value products is needed. Poverty alleviation and economic development can be enhanced through stronger support for small-scale and community-based forest enterprises.

Expected outcome 1: Increased production and further processing of tropical timber and other forest products from sustainably managed and legally harvested sources.

This outcome relates to objectives (c), (d), (g) and (i), of Article 1 of the ITTA, 2006.

Actions by ITTO	Possible actions by members
A Promote private investment by facilitating information exchange on investment opportunities	a Promote investments in timber-processing industries by taking steps to: <ul style="list-style-type: none"> • develop a sound balance between sustainable timber production and the processing capacity of the timber industry, based on timber-supply and demand studies and other relevant information • attract private capital • clarify the benefits of downstream processing for creating or producing high-value, internationally competitive products • facilitate joint ventures to make optimal use of both public and private financial resources
B Study and promote policies and other measures to increase forest industry competitiveness	b Develop forest industry sector planning
C Promote studies, illustrate best practice and build capacity to increase supplies of legally traded timber in international markets	c Develop policies and implementation capacities to increase supplies of legally traded timber
D 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, and disseminate the information generated through, <i>inter alia</i> , regional and national workshops	d1 Formulate research and development proposals that assist the piloting and commercialization of new products and new processing and manufacturing technologies Organize workshops/seminars on the use of new and/or improved techniques and technology, including increased further processing d2
E In various markets, monitor the impact of technical and environmental standards on the tropical forest industry, review the need for action on harmonization in concert with relevant national and international bodies, and work towards improved harmonization	e Develop and implement strategies to help industry adapt to and meet technical and environmental standards in various markets
F Undertake studies on and support the establishment of small-scale or community-based forest enterprises	f Initiate projects on small-scale or community-based enterprises, including analyses of the social, policy and legal frameworks, market opportunities and barriers, and developmental aspects Develop and implement comprehensive long-term strategies to support community-based forest enterprises
G Identify opportunities for the development of schemes for environmental services that complement tropical timber production	g Formulate and implement strategies and pilot projects that test potential schemes for services such as forest-based carbon, hydrological functions, biodiversity conservation, and ecotourism
H Identify the role for and develop generic guidelines on voluntary codes of conduct for forest industry enterprises	h1 Provide information to support the development of guidelines on voluntary codes of conduct h2 Test, adapt and consider the adoption, at an appropriate level, of voluntary codes of conduct

Actions by ITTO	Possible actions by members
I Develop, publish and disseminate techniques and technologies on product development for the efficient and sustainable utilization of non-timber forest products	i Undertake pilot and demonstration projects based on the use of non-timber forest products harvested in tropical timber-producing forests and support the widespread uptake of these in parallel with timber production

Expected outcome 2: Increased efficiency in harvesting, processing and utilization of tropical timber from sustainably managed and legally harvested sources

This outcome relates to objectives (c), (q) and (r) of Article 1 of the ITTA, 2006.

Actions by ITTO	Possible actions by members
A Assess and update the impact of previous work on increasing utilization efficiency, including the reduction of losses and waste throughout the production chain	a Encourage and support improved utilization efficiency, the increased use of wood residues, and recycling
B Promote the implementation of sustainable forest harvesting, including reduced impact logging (RIL)	b Implement appropriate forest harvesting, including RIL, as a component of SFM
C Conduct and publish analytical studies that identify new knowledge and information gaps as a precursor to research and development activities on improved processing efficiency	c1 Encourage and promote research and knowledge transfer on improved utilization efficiency c2 Undertake studies on the contribution of efficient forest industries to social and economic development
D Promote the development of marketing, production, commercial and community-level skills in forest industry	d Enhance skills and effectiveness through, for example, sector-wide training needs analyses and exchange visits
E Promote increased awareness about and utilization of existing scientific and commercial information and traditional knowledge on wood properties and end-use requirements	e 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

1.1 Economic information and market intelligence

ITTO is concerned with improving market conditions and transparency to support and promote the international flow of tropical timber from sustainably managed and legally harvested sources. Up-to-date, accurate and comprehensive timber trade statistics as well as market information and analysis are vital for the expansion and diversification of this trade.

Reliable and timely data on the global timber trade facilitates an understanding of changes in consumer demand, trade patterns and the types of traded forest products. Analyses of market trends provide intelligence on new markets for tropical timber and other forest products and their competitiveness in global markets. The expansion of trade in tropical timber and non-timber forest products depends on improving consumer attitudes towards such products and on reducing barriers to trade.

Expected outcome 3: Improved data and knowledge, projections and competitiveness on trade in timber and timber products in international markets.

This outcome relates to objectives (a), (b), (h), (l) and (n) of Article 1 of the ITTA, 2006.

Actions by ITTO	Possible actions by members
A Undertake a biennial review and assessment of the world timber situation, principally using statistics and information regularly provided by member countries	a Provide relevant data in a timely and complete manner to ITTO
B In collaboration with TAG, organize an annual market discussion on the world tropical timber trade	b Participate in ITTO's annual market discussions, including by encouraging the participation of the trade and industry
C In cooperation with relevant organizations, collate, analyse and publish information on the production of and trade in tropical and non-tropical timber, trends and data discrepancies and on the management of the permanent forest estate (PFE)	c Develop and improve national data gathering, reporting and disseminating mechanisms
D Enhance the capacity of member countries, in particular developing member countries, to meet the statistical and reporting requirements of the ITTA	d Identify skills gaps and capacity-building needs for meeting the reporting requirements of the ITTA
E Contribute to the standardization and harmonization of international reporting on forest-related matters	e Identify skills gaps and undertake appropriate skills enhancement to ensure accurate and timely reporting
F Undertake studies on the trends and short-term and long-term problems of international timber markets and on the status of sustainable management in timber-producing forests	f Provide inputs for ITTO market outlook studies and report on progress in SFM
G Fill key data gaps through regular assessments and special studies on, <i>inter alia</i> , land tenure, forest law enforcement, sustainable timber harvesting, illegal trade, secondary products, substitution, and certified products	g Supply accurate data and information
H Compile and disseminate information on the marketing prospects of lesser-used timber species, non-timber forest products and environmental services and the development of markets for them	h1 Undertake marketing trials, test marketing methods and evaluate opportunities for lesser used species and non-timber forest products h2 Compile and make available market information on lesser-used species and non-timber forest products

Expected outcome 4: Increased supplies of tropical timber from sustainably managed and legally harvested sources

This outcome relates to objectives (e), (k), (n), (o) and (q) of Article 1 of the ITTA, 2006.

Actions by ITTO	Possible actions by members
A Support the effective enforcement of forest laws and regulations and the development and application of good forest-sector governance, and facilitate the exchange of experiences among members	a1 Improve forest law enforcement and governance and address illegal activities in the forest sector a2 Develop, test, apply and disseminate functional timber-tracking systems
B Promote public awareness of progress made in implementing SFM and of the increased availability of tropical timber from sustainably managed and legally harvested sources	b Develop awareness of progress made in implementing SFM and of the increased availability of tropical timber from sustainably managed and legally harvested sources

C Provide a forum for discussion on non-discriminatory trade, competing products, shortcomings in the enforcement of forest laws and regulations, and other factors that might affect the access and marketability of tropical timber products	c Identify trade barriers, shortcomings in forest law enforcement, and other factors that might affect the access and marketability of tropical timber, and propose measures to overcome them
D Review and analyse economic and fiscal policies and their impacts on the competitiveness of tropical timber from sustainably managed sources	d Establish and maintain economic and fiscal policies that are conducive to the competitiveness of the tropical timber industry and the trade in tropical timber from sustainably managed sources
E Update and share information on certification systems and the use of phased approaches to certification	e Provide and share information on country-level experiences with certification
F Assist members, as appropriate, to build capacity to engage in voluntary certification to enhance the market acceptance of tropical timber and tropical timber products	f Provide targeted support to assist community and small-scale producers and industries to achieve certified status
G Regularly analyse the market and product requirements and specifications that have to be met in order to develop exports of added-value forest products	g Develop awareness of market and end-use requirements for tropical timber
H Undertake regular studies of the competitiveness of tropical timber and non-timber products compared with non-tropical timber and non-timber substitutes	h1 Improve the competitiveness of tropical timber h2 Develop and promote the wider use of tropical timber in both primary and added-value products
I Regularly assess and report on markets for forest environmental services, including carbon markets, as they relate to tropical timber-producing forests	i Provide up-to-date information on markets for environmental services, including carbon markets

Reforestation and forest management

In the field of reforestation and forest management, ITTO is concerned primarily with the sustainable management of the natural forest resource base for tropical timber. Currently, much tropical timber originates from natural forests and urgent attention should be given to securing their extent and productive potential and to their sustainable management. Secondary forests and industrial timber plantations are, however, increasingly important components of the PFE, which comprises three categories of forest: protection forests on fragile lands, forests set aside for plant and animal and ecosystem conservation, and production forests.

To increase the economic attractiveness of maintaining the forest resource base, non-timber forest products and forest-related environmental services should be promoted and developed. The role of forest-dependent indigenous and local communities in securing the tropical forest base needs to be acknowledged and strengthened, and the contribution of forests to poverty alleviation should be enhanced. Actions taken at the national level will need to be country-specific due to the varying conditions of the resource base.

Expected outcome 5: Tropical forest resource better secured

This outcome relates to objectives (c), (m), (n) and (r) of Article 1 of the ITTA, 2006.

Actions by ITTO	Possible actions by members
A Support studies and the exchange of lessons learned on the impacts on and implications for the PFE of forest law enforcement and improved forest governance	a Develop and implement effective mechanisms and relevant policy and legislative frameworks to secure and/or expand the PFE through, for example, land-use planning, tenure reform and market instruments

B In cooperation with other organizations, monitor the potential implications for the resource base of climate change and the relevance and appropriateness of policy developments	b Undertake studies and analyses of the latest climate change predictions and report on the implications of these for the resource base at the national level using formats and systems that facilitate synthesis
C Contribute to national and international efforts in the prevention and management of forest fire	c Undertake measures for the prevention and management of forest fire
D In cooperation with relevant organizations, support studies and activities related to reducing deforestation and degradation and enhancing carbon sinks	d Develop pilot and full-scale activities that test carbon sink and carbon sequestration measures and capture new and additional financial resources to support this
E Assess opportunities for, and promote the development of, non-timber forest products and forest environmental services that can improve the economic attractiveness of maintaining the tropical timber resource base under SFM	e Identify opportunities for and implement activities to capitalise on non-timber forest products and environmental services that further the security of the tropical timber resource base, taking into account the needs of forest-dwelling indigenous and local communities
F Support studies and other activities for the effective role of forest-dependent indigenous and local communities in securing the PFE as the tropical timber resource base and contributing to poverty alleviation	f Identify and implement innovative and socially sound interventions that contribute to poverty alleviation and improved livelihoods for forest-dependent people while securing the tropical timber resource base
G Support an understanding of the impact of emerging issues such as carbon sequestration and reduced emissions from deforestation and forest degradation (REDD) on tropical forest development	g Conduct analytical work, piloting activities and capacity building on deforestation, forest degradation and the enhancement of carbon sinks

Expected outcome 6: Tropical forest resource sustainably managed

This outcome relates to objectives (c), (j), (f), (q) and (r) of Article 1 of the ITTA, 2006.

Actions by ITTO	Possible actions by members
A Promote and strengthen the implementation of the ITTO <i>Criteria and Indicators for the Sustainable Management of Tropical Forests</i> (C&I) and related guidelines ² and the auditing system based on the C&I as a management and evaluation tool for SFM	a1 Apply the ITTO C&I, and, where necessary, adapt them for national and regional use a2 Adapt the SFM auditing system derived from the ITTO C&I and undertake appropriate training and capacity building to facilitate application
B Review, revise and promote the use of the ITTO guidelines	b Test and apply the ITTO guidelines

² Including, *inter alia*, the ITTO Guidelines for the Sustainable Management of Natural Tropical Forests, the ITTO Guidelines for the Conservation of Biological Diversity in Tropical Production Forests (2nd Edition), the ITTO Guidelines for the Sustainable Management of Planted Tropical Forests, the ITTO Guidelines on Fire Management in Tropical Forests, and the ITTO Guidelines for the Restoration, Management and Rehabilitation of Degraded and Secondary Tropical Forests

Actions by ITTO	Possible actions by members
C Review progress on and new opportunities (e.g. REDD) for the management of secondary tropical forests, the restoration of degraded tropical forests and the rehabilitation of degraded tropical forest land	<p>c1 Implement research, capacity building and development activities for the management of secondary tropical forests, the restoration of degraded tropical forests and the rehabilitation of degraded tropical forest land, taking into consideration the ITTO guidelines</p> <p>c2 Secure adequate supplies of high-quality genetic material for use in forest rehabilitation and restoration efforts</p>
D Monitor and assess the social, economic and environmental costs and benefits of the sustainable management of natural and planted forests	d Study the costs and benefits of SFM and share the results of such studies
E Monitor the impacts of conservation, protection and transboundary areas and their relationships to achieving SFM	e In close collaboration with other relevant organizations and bodies, establish areas dedicated to biodiversity conservation in accordance with the ITTO guidelines, including transboundary conservation areas ³
F Provide guidance on improving the sustainable yield of timber and non-timber products and services by intensifying the silvicultural management of natural tropical production forests and by restoring degraded forests	<p>f1 Improve the productive capacity of natural forests through intensified silvicultural practices, including guided natural regeneration, enrichment planting and reforestation</p> <p>f2 Promote and support research into forest dynamics (growth and yield studies) in different forest types and under various management schemes</p>
G Promote the development of silvicultural, forest management planning and related skills in public institutions, commercial companies and communities by, <i>inter alia</i> , regional training needs analysis and the provision of support to regional centres of expertise	g Strengthen training institutions and intensify the training of forestry personnel and other stakeholders in ecosystem behaviour, silviculture, RIL and resource assessment, and in the management of both natural forests and timber plantations

Cross-cutting actions

ITTO will undertake a number of measures to facilitate progress in an integrated manner in all three areas of its substantive work. The following cross-cutting actions are to be applied, where relevant, to all of ITTO's work and should help shape its biennial work programmes.

Research and development, and technology transfer

- a. Support research and development studies and projects to improve understanding of the marketplace, efficient product processing, industrial and community utilization, the valuation and trade of forest goods and services, and better forest management in general
- b. Formulate and test technical guidelines, C&I and forest auditing related to the Organization's work in all three substantive areas of work
- c. Undertake special studies on emerging issues of relevance to the world tropical timber economy and SFM.

Communication and outreach

- d. Enhance public relations, awareness raising and outreach activities on the purpose and activities of ITTO
- e. In all areas of substantive work, support demonstration and pilot projects and exchange visits, especially on a thematic and/or regional basis

³ Transboundary proposals must be developed and presented jointly by the member countries involved

- f. Disseminate information on the outputs, outcomes, impacts and lessons learned from ITTO's policy and project work and its contribution to SFM and sustainable development
- g. Analyse reports received from members on their progress towards ITTO's Objective 2000 (see Annex 2) and, where possible, prepare periodic assessments of such progress (eg *Status of Tropical Forest Management Report*)

Strengthen databases and information systems

- h. Maintain and expand the ITTO knowledge base on tropical timber trade and SFM, information systems and general databases, and facilitate access to these
- i. To strengthen ITTO's databases support appropriate technologies in remote sensing, geographic information systems, and related applications
- j. Support the sharing of information, knowledge and technology with a view to improving SFM, product processing and utilization, and understanding of the marketplace as related to ITTO's priorities.

Capacity building

- k. Assist human resource development by conducting national, regional and international training activities, the provision of fellowships, and by supporting institutional/legal strengthening
- l. Strengthen cross-sectoral approaches linking government, industry, trade and civil society
- m. Enhance the capacity of forest-dependent indigenous and local communities to sustainably manage tropical timber-producing forests and engage in viable forest enterprises, including by improving linkages with commercial trade and government sectors

International cooperation

- n. Actively cooperate and coordinate with other international organizations and with international forums and regional initiatives that undertake activities relevant to ITTO's objectives, with a view to sharing expertise, reducing duplication, enhancing complementarity and harmonizing activities
- o. Contribute to the work of the CPF, UNFF and the global environmental conventions to further the shared objective of promoting SFM
- p. Encourage and increase the involvement of non-government stakeholders, including industry and trade associations, environmental organizations and forest-dependent indigenous groups, in the activities of the Organization with a view to promoting transparency, dialogue and cooperation in furthering ITTO's objectives

PART III: STRATEGIES FOR IMPLEMENTATION

Effective implementation

The implementation of the above actions will be based on the following principles according to the strategies listed below.

Principles

- *Inform*: research, collation, etc
- *Communicate*: promotion, engagement, etc
- *Engage*: consult ITTO members at regular intervals to establish their financial and other needs
- *Assess*: evaluate the success of each strategy on a regular basis to inform further research, communication and engagement to achieve the success of the objectives)

Strategy 1

On a regular basis, gather data, views and informed opinion on the international timber market and associated trade and on the status of SFM in producer member countries.

ITTO does this by engaging and collaborating closely with other international organizations to avoid duplication and overlap.

Strategy 2

Collect, analyse and disseminate data provided by ITTO members using standardized formats supported by tools such as C&I.

Strategy 3

Undertake studies, engage in capacity building and institutional strengthening, develop technical guidelines and provide access to information and the experiences of others.

Strategy 4

Engage TAG, CSAG and the TAG/CSAG partnership to inform and support ITTO's work on key issues facing tropical forests and trade.

Strategy 5

Address SFM in a holistic manner, including by the consideration of non-timber forest products and forest environmental services as well as by engaging the public and private sectors and forest-dependent peoples as key stakeholders.

Strategy 6

Work with a much wider range of stakeholders than in the past and include restored, rehabilitated and planted forest in the sustainably managed resource base, take non-timber forest products and environmental services into account as part of SFM, and consider the impacts and opportunities that will accrue from climate change.

Strategy 7

Identify and address relevant new and emerging issues that affect the sustainable management of the resource base of tropical timber and the international trade of timber and other forest products and services.

Delivery, monitoring and evaluation

Delivery of the Action Plan

This Action Plan provides guidance for delivering work on policy, projects and thematic areas to achieve the objectives of the ITTA, 2006. This will be done by the International Tropical Timber Council and its committees, the ITTO Secretariat, and member countries themselves. The aim is that all such activities should be complementary and coherent.

The Action Plan provides a reference framework for the ITTO Secretariat in its preparation of biennial work programmes, which specify the activities to be undertaken over a two-year period taking into account the amount of funds available. The Secretariat will schedule appropriate planning work for the preparation, review and approval of the biennial work programme by the Council. The Action Plan will guide the Secretariat in the formulation of policies, manuals, guidelines, handbooks, etc, that are intended to provide

the enabling environment for the Organization's project work. Clear and direct linkages are required between policy and project work to implement this Action Plan effectively and thereby to attain the objectives of the ITTA.

The expected outcomes and actions presented here will help the Council's committees in making policy and project recommendations to the Council and will provide a useful basis for the Council itself when it considers issues and takes decisions on policy initiatives and project activities. The Action Plan also provides a basis for the identification of thematic programmes.

The expected outcomes and actions in each substantive area of work provide member countries with clear direction on the focus that project proposals should have if they are to be considered relevant to ITTO. Given that member countries differ in their needs and priorities, this Action Plan is sufficiently broad to cater to the needs of all members in their pursuit of the objectives set out in the ITTA while also meeting their own national forest development priorities.

Monitoring and evaluation

A monitoring and evaluation system will be set in place to monitor and assess progress in the implementation of the Action Plan, to identify follow-up actions, and to contribute to the consideration of the next Action Plan. Monitoring and evaluation will be adopted at two levels: goals and actions. Monitoring exercises will be concerned with cross-cutting and specific actions identified in the plan, while evaluation will focus on the expected outcomes elaborated in the three areas of ITTO's work.

The Secretariat will monitor the implementation of this Action Plan biennially through its assessment of the implementation of the biennial work programme, annual reports, and other ITTO work.

Annex 1: Important developments in the international forestry framework

United Nations Forum on Forests (UNFF)

At its 6th session in 2006, the UNFF decided on four Global Objectives on Forests:

1. Reverse the loss of forest cover worldwide through SFM, including protection, restoration, afforestation and reforestation, and increase efforts to prevent forest degradation.
2. Enhance forest-based economic, social and environmental benefits, including by improving the livelihoods of forest-dependent people.
3. Increase significantly the area of protected forests worldwide and other areas of sustainably managed forests, as well as the proportion of forest products from sustainably managed forests.
4. Reverse the decline in official development assistance for SFM and mobilize significantly increased new and additional financial resources from all sources for the implementation of SFM.

At its 7th session, the UNFF agreed on a Non-Legally Binding Instrument on All Types of Forests (NLBI), which was subsequently adopted by the UN General Assembly in December 2007. Among other things, the NLBI reiterates the importance of curbing deforestation and enhancing SFM, as described in Global Objective 1.

All four of the NLBI's objectives are fully compatible with the ITTA, 2006. The objectives of the ITTA, 2006 pertain particularly on Global Objective 3 but also relate substantially to objectives 1, 2 and 4. ITTO, with its proven track record and its mandate to promote the expansion and diversification of international trade in tropical timber from sustainably managed and legally harvested forests and the sustainable management of tropical timber producing forests, can play a valuable and significant role in international efforts to assist countries to achieve the UNFF's global objectives on forests.

ITTO is a founding member of the CPF, which was established in April 2001 to support the work of the UNFF. A major task of the CPF is to contribute to the implementation of the NLBI and the associated Multi-year Programme of Work. Through the implementation of this Action Plan, ITTO will 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. ITTO is also the CPF's focal agency for trade and for C&I.

UNFCCC

There are two linked aspects of climate change that significantly affect the work of ITTO and are of great importance to its members. The first is the impact of climate change on the forest resource base and the second is the role of the forest resource base in the mitigation of climate change. Currently, however, forest-related mitigation measures in developing countries are confined, under the Kyoto Protocol's Clean Development Mechanism, to afforestation and reforestation (A/R CDM).

Following the decision at its Conference of the Parties in Montreal in November 2005, the UNFCCC is paying increased attention to forests; REDD has become a key topic in the negotiation of post-Kyoto arrangements on climate change. Impetus has been added to the role of forests in climate change mitigation by the release in 2007 of the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, which has an entire volume dedicated to forests, and the decision of the UNFCCC's 13th Conference of the Parties in December 2007 to launch the Bali Action Plan, which contains an element on reducing emissions from deforestation and forest degradation in developing countries. The forest sectors in many developing countries are expected to benefit from carbon sequestration and REDD initiatives, which offer a potential new source of funding for SFM. The outcomes of the current negotiations in the UNFCCC on forest carbon are also likely to have significant implications for the trade in and consumption of tropical timber. It is therefore clear that there are strong linkages between the international climate change agenda and the ITTA, 2006.

FAO

Since the FAO Forestry Department and ITTO share the common goal of promoting SFM, the work of both is highly complementary and there are strong potential synergies. Already the two organizations cooperate on the reporting of forest management and timber production, consumption and trade, the development of guidelines for SFM, the promotion of phased approaches to forest certification, the harmonization of C&I processes, the strengthening of forest governance, improving the transparency of timber markets and trade, and capacity building in general.

In recent years ITTO has engaged more fully in FAO's Committee on Forestry and its Regional Forestry Commissions. These bodies are highly relevant to the development of national forest programmes and also an important part of the preparatory process for FAO's five-yearly forest resources assessments and biennial 'state of the world's forests' publications.

UN-REDD

UN-REDD is a collaborative programme launched jointly in mid 2008 by FAO, UNDP and UNEP. It has two components: (i) assisting developing countries to prepare and implement national REDD strategies and mechanisms; and (ii) supporting the development of normative solutions and standardized approaches based on sound science for REDD instruments linked with the UNFCCC. The program will help empower countries to manage their REDD processes and facilitate access to financial and technical assistance tailored to their specific needs.

CIFOR

CIFOR has recently prepared a five-year strategy intended to position it as the 'go-to' place for information and analysis related to: (i) forests and climate change; (ii) forests and poverty; (iii) scenarios on the impacts of globalized trade and investment on forests; and (iv) forest governance issues from the perspective of developing countries and forest-dependent communities.

CIFOR's research has six main themes: (i) maintain and expand forest-based carbon sinks (climate mitigation with a focus on REDD); (ii) achieve livelihood improvements and forest conservation in response to climate change (adaptation); (iii) ensure sustainable income generation from small-scale and community forestry; (iv) achieve conservation and development in integrated landscape management; (v) trade and investment; and (vi) the sustainable management of tropical production forests. There is considerable potential for ITTO and CIFOR to collaborate in all these proposed research themes. CIFOR could, for example, provide analytical work in jointly prepared and funded research, while ITTO could take the lead in capacity building and knowledge transfer.

Global Forest Partnership (GFP), Forest Investment Fund, Forest Carbon Partnership Facility

The GFP idea was initiated in 2006 and promoted by a number of international institutions including the World Bank, IUCN and the International Institute for Environment and Development. The objectives, activities, main funding partners and governance of the GFP are not yet fully developed. Nonetheless, the proposed vision of the partnership is to 'promote people's forestry, empowering stakeholders to improve livelihoods and ecosystem services through collaborative local, national and international initiatives and supportive investments'. The GFP takes a multi-stakeholder approach, with key roles for governments, civil society organizations, environmental non-governmental organizations, private-sector associations, donors and foundations, and the CPF and other international organizations.

The GFP is intended to leverage funding to help reverse forest loss in developing countries, contribute to poverty reduction, mitigate climate change through reduced emissions and enhanced carbon sinks, and secure the provision of other forest environmental services. Parallel to this initiative, the World Bank is also promoting the establishment of a Forest Investment Fund under the Strategic Climate Fund. The intention is to use substantial financial resources (up to US\$3 billion per year) through the GFP arrangement. Nevertheless, as of mid-2008 these initiatives were still in an early stage of preparation and it was unclear when they would be fully established. A broad consultation process was conducted on the GFP in 2007 and its results summarized in a comprehensive report in July 2008.

The World Bank's Forest Carbon Partnership Facility, which was launched in July 2008, is designed to provide funds to developing countries for the development of national REDD approaches, including long-term REDD-based incentives schemes. As of August 2008, 14 countries had been selected for such funding and another ten were in the pipeline. The Programme has nearly US\$200 million at its disposal to help developing countries to prepare their REDD strategies and to simulate a payment system for REDD.

Annex 2: Highlights of ITTO policy work

ITTO Objective 2000

Objective 2000 reaffirms the Council's "full commitment to moving as rapidly as possible towards achieving exports of tropical timber and timber products from sustainably managed sources". The International Tropical Timber Council's Decision 2(XXIX) requested the Organization's Executive Director to render assistance, on request, to producer member countries to identify, in each country, those factors which most severely limit progress towards achieving the ITTO Objective 2000 and SFM and to formulate an action plan to overcome these constraints. To date, 20 member countries have benefited from these ITTO diagnostic missions.

Criteria and indicators

Under the Yokohama Action Plan, 20 national training workshops were held to introduce the ITTO C&I to key stakeholders, with each workshop engaging 30–50 participants each. A revised and simplified ITTO C&I, including national and forest management unit-level formats for reporting, was adopted and published in 2005. This is now used by producer member countries in reporting, assessing and monitoring progress towards SFM. A manual for forest auditing using C&I has been drafted and pilot-tested at the forest management unit level in Africa, Latin America and Asia/Pacific.

ITTO is continuing to support producer member countries in the preparation of baseline and updated national reports on progress towards SFM based on the C&I.

Phased approaches to certification

While certification is generally seen as a positive step for securing better market access for timber, the difficulties that it imposes on members warrants careful attention. Phased approaches facilitate entry to certification and ITTO has been prominent in clarifying the issues and potential of this approach.

Forest law enforcement

Council Decision 6(XXXI) authorized the Executive Director to respond to requests from producer member countries to conduct studies and assist them in devising ways to enhance forest law enforcement, taking into account the impacts of illegal timber trade. Studies were completed and presented to the Council for Brazil, Ecuador, Guyana, Honduras, Malaysia and Peru. The presentations and discussions confirmed the scale of potential losses – in both physical and fiscal terms – from poor law enforcement. The publication *Best Practices for Improving Law Compliance in the Forest Sector* was launched as a joint initiative between ITTO and FAO. Council approved and financed the convening of four regional workshops in coordination with regional forest law enforcement and governance processes to disseminate and promote the use of the ITTO/FAO publication and to provide feedback from the workshops. All four workshops have now been held and a synthesis of outcomes and recommendations is being prepared.

Restoration, management and rehabilitation of degraded and secondary tropical forests

National-level training workshops to promote the understanding and use of the ITTO *Guidelines for the Restoration, Management and Rehabilitation of Degraded and Secondary Tropical Forests* have been conducted in Brazil, Ghana, Mexico, Guyana, Guatemala, Cameroon, the Philippines, Côte d'Ivoire, India and Myanmar. A handbook on the guidelines, launched during the 39th Session of the Council, was published by Earthscan in 2007. Several countries have also developed ITTO project proposals for national-level forest landscape restoration activities. National working groups have been set up in some countries to advance a landscape-scale approach to restoration.

Other policy guidelines

In 2006, ITTO published *Status of Tropical Forest Management 2005*. This report concluded that, despite difficulties and some notable deficiencies, there has been significant progress towards SFM in the tropics since an initial survey by ITTO in 1988. Countries have established and are starting to implement revised forest policies that contain the basic elements conducive to SFM. More forests have been given some security by commitment as PFE (or a similar concept), and more are actually being managed sustainably. Moreover, some of the PFE is certified – a new development since 1988.

While all this is encouraging, the proportion of natural production forest under SFM is still very low, and SFM is distributed unevenly across the tropics and within countries. Despite the progress made since 1988, significant areas of tropical forest are still lost each year, and the unsustainable (and often illegal) extraction of tropical forest resources remains widespread. With most countries now committed to the concept and implementation of SFM, however, the pace of progress should increase in coming years.

A report on ITTO's first 20 years was published in mid 2007 entitled *Making SFM Work: ITTO's First Twenty Years*. This publication highlights the Organization's achievements since it began operation in early 1987. It

also reflects on the challenges faced by ITTO and its partners as they strive to accelerate the application of SFM in the tropics within the framework of the ITTA, 2006.

The ITTO Mangrove Workplan for 2002–2006 was adopted and published to provide guidance on the sustainable management of tropical mangrove forests. Country-level projects have been implemented using these guidelines and work is continuing, in collaboration with a number of other organizations, on the production of a global mangrove atlas. Additionally, a revised version of the ITTO Guidelines for the Conservation of Biodiversity in Tropical Timber Production Forests will be published in early 2009.



www.itto.or.jp

International Tropical Timber Organization (ITTO)

International Organizations Center, 5th Floor
Pacifico-Yokohama, 1-1-1, Minato Mirai
Nishi-Ku, Yokohama, 220-0012, JAPAN

Tel: 81-45-223-1110 Fax: 81-45-223-1111
E-mail: itto@itto.or.jp © ITTO, 2008