



INTERNATIONAL TROPICAL TIMBER ORGANIZATION

Final Report

Effectiveness of Pilot Operation of ITTO Thematic Programmes

January 2013

**Prepared for the International Tropical Timber Organization (ITTO) by
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TABLE OF CONTENTS

LIST OF ACRONYMS.....	iii
EXECUTIVE SUMMARY	iv
I. INTRODUCTION	1
A. Scope	1
B. Methodology	1
II. BACKGROUND	3
A. Relevant provisions of the ITTA, 2006	3
B. Actions by Council	3
C. Decision 9(XLIV) - TP pilot procedures and guidelines	4
D. TP project cycle during the pilot phase	6
D.1. Calls for proposals	6
D.2. Project formulation and submission	6
D.3. Proposal appraisal process.....	6
D.4. Project selection and funding	7
E. Project/programme management, monitoring and evaluation	7
E.1. OLMS	7
E.2. TP Monitoring Protocols (MPs).....	8
F. TP Advisory Committees (TPACs) during the pilot phase	8
G. Communication and outreach.....	8
H. Secretariat workload	9
III. TP ACHIEVEMENTS TO DATE AND OUTLOOK.....	10
A. Donor response to TP opportunities.....	10
A.1. TFLET	10
A.2. REDDES	10
A.3. CFME and TMT	11
A.4. IDE	11
A.5. TP and regular project funding	11
B. Producer response to TP opportunities.....	12
B.1. TFLET	13
B.2. REDDES	13
B.3. CFME	13
B.4. TMT	14
C. Achievements and impacts of TP projects and activities.....	14
C.1. TFLET	14
C.2. TFLET pre-cursor initiatives	15
C.3. REDDES	17
C.4. CFME	19
C.5. TMT.....	20
IV. SYNTHESIS OF SURVEY RESPONSES ON THE EVALUATION OF PILOT TP OPERATIONS	21
A. Thematic Programme Profiles (TPPs).....	21
B. Thematic Programme Documents (TPDs)	21
B.1 Logical framework	21
B.2. TPD formulation and coherence of activities	21
B.3. Complementarity with other programmes	22
B.4. TPD/TP review	22
C. TP project cycle during the pilot phase	23
C.1. Calls for proposals	23
C.2. Proposal appraisal process	23
D. Project/programme management, monitoring and evaluation.....	24
D.1. Project/programme management	24
D.2. Project monitoring and evaluation	24
D.3. TP Monitoring Protocols (MPs).....	24
D.4. Relationship to regular cycle projects.....	25
E. Scaling up lessons learned	25

F. Proposal formulation	25
F.1. Raising awareness of TPs	25
F.2. Assistance to Members	26
G. TPAC functioning.....	26
G.1. Modalities.....	26
G.2. Functions	27
G.3. Member qualifications and tenure	27
G.4. Consultative role for ITTO partners	27
H. TP funding	27
V. FINDINGS AND LESSONS LEARNED	29
A. TP achievements/funding.....	29
B. TP pilot operations	29
C. TPP/TPDs guidelines.....	30
D. Scaling up knowledge, lessons and best practices	30
E. Impacts to date	31
F. Proposal formulation	31
G. TPACs.....	31
VI. RECOMMENDATIONS	33
ANNEX 1: Decision 8(XLIV) – Thematic Programmes Sub-Account under the Special Account	35
ANNEX 2: Decision 9(XLIV) – Thematic Programmes on a Pilot Basis: Operational Procedures and Guidelines.....	36
ANNEX 3: Decision 10(XLIV) – Thematic Programme Profiles	41
ANNEX 4: Consultants’ terms of reference	52
ANNEX 5: Questionnaire for ITTO Members on pilot operation of ITTO Thematic Programmes	54
ANNEX 6: Questionnaire for TPAC Members on pilot operation of ITTO Thematic Programmes.....	58
ANNEX 7: ITTA, 2006 provisions on Thematic Programmes (Articles 20, 24, 25)	61
ANNEX 8: Thematic Programme proposal appraisal process	63
ANNEX 9: REDDES Monitoring Protocol.....	64
ANNEX 10: Current TPAC members	69
ANNEX 11: Proposed refinements to Annexes 1-3 of Decision 9(XLIV)	70
ANNEX 12: Illustrative BWP 2014-2015 activity on mid-term evaluations of ITTO TPs	73
ANNEX 13: Decision 4(XLVIII) - Strengthening ITTO Thematic Programmes.....	74

LIST OF TABLES

TABLE 1: Voluntary contributions to ITTO TPs (as of November 2012).....	10
TABLE 2: Proposals submitted in response to TP calls for proposals: Spring 2009-Spring 2012	12
TABLE 3: Funding allocations under TPs through Spring Cycle 2012	13

LIST OF ACRONYMS

ACP FLEGT	FLEGT Support Programme for African, Caribbean and Pacific Countries
ACTO	Amazon Cooperation Treaty Organization
ATO	African Timber Organization
BWP	Biennial Work Programme
C&I	Criteria and indicators (for sustainable forest management)
CBD	Convention on Biological Diversity
CFC	Common Fund for Commodities
CFME	Community Forest Management and Enterprises (ITTO TP)
CIFOR	Center for International Forestry Research
CITES	Convention on International Trade in Endangered Species of Flora and Fauna
CPF	Collaborative Partnership on Forests
CSAG	Civil Society Advisory Group
EA	Executing Agency
EC	European Community
ED	Executive Director
EIMI	Economic Information and Market Intelligence
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FCPF	Forest Carbon Partnership Facility
FI	Forest Industry
FLEGT	Forest Law Enforcement, Governance and Trade
GEF	Global Environment Facility
IDE	Industry Development and Efficiency (ITTO TP)
ITTA	International Tropical Timber Agreement
ITTC	International Tropical Timber Council
ITTO	International Tropical Timber Organization
IUCN	World Conservation Union
IUFRO	International Union of Forest Research Organizations
JLIA	Japan Limber Importers' Association
M&E	Monitoring and evaluation
MP	Monitoring Protocol
NGO	Non-governmental organization
PROFOR	Programme on Forests (World Bank)
REDD	Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
REDDES	Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests (ITTO TP)
RFM	Reforestation and Forest Management
RRI	Rights and Resources Initiative
Rio+20	United Nations Conference on Sustainable Development (June 2012, Rio de Janeiro)
SFM	Sustainable forest management
TAG	Trade Advisory Committee
TFLET	Forest Law Enforcement, Governance and Trade (ITTO TP)
TMT	Trade and Market Transparency (ITTO TP)
ToR	Terms of Reference
TP	Thematic Programme
TPAC	Thematic Programme Advisory Committee
TPD	Thematic Programme Document
TPP	Thematic Programme Profile
UNFCCC	United Nations Framework Convention on Climate Change
UNFF	United Nations Forum on Forests
UN-REDD	United Nations Collaborative Programme on REDD

EXECUTIVE SUMMARY

A. Introduction

1. The International Tropical Timber Agreement of 2006 (ITTA, 2006) provides for the establishment of “Thematic Programmes” to complement ITTO’s traditional project work, with a view to attracting increased unearmarked funding from a broader base of donors by offering an integrated and strategic programmatic avenue to advancing ITTO priorities. The Forty-Fourth International Tropical Timber Council (ITTC 44, November 2008) adopted Decisions 8, 9 and 10/XLIV to launch the pilot operation of ITTO Thematic Programmes (TPs) for the following five thematic areas, the first four of which have become operational:

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

2. Decision 9(XLIV) outlines procedures for TP pilot operations, guidelines for Thematic Programme Profiles (TPPs) and Thematic Programme Documents (TPDs), and terms of reference for Thematic Programme Advisory Committees (TPACs). A key feature of these procedures and guidelines is the responsibility given to the Executive Director (ED) to develop TPDs, establish TPACs and select projects, pre-projects and activities for financing from available unearmarked funds based on TPAC advice.

3. Under Decision 9(XLIV), the Council decided to review and evaluate the effectiveness of TP pilot operations after three years. To facilitate this review, the Executive Director (ED) commissioned two consultants to prepare a draft report evaluating the TP pilot phase consistent with Activity 12 of the ITTO Biennial Work Programme (BWP) 2012-2013. The draft report was completed in August 2012¹ and presented at ITTC 48 (5-10 November 2012, Yokohama, Japan). Based on Members’ discussion of the findings, lessons learned and recommendations contained in the draft report, ITTC 48 adopted Decision 4(XLVIII) on Strengthening ITTO Thematic Programmes, which establishes procedures and guidelines for regular operation of ITTO TPs under the ITTA, 2006.

4. The final report on the Effectiveness of Pilot Operation of ITTO Thematic Programmes updates the draft report to reflect the outcomes of the Spring Cycle 2012 call for proposals, including the number of proposals approved for financing under the cycle. The final report also attaches Decision 4(XLVIII) as Annex 13.

B. Scope and methodology

5. The scope of the evaluation of the pilot operation of ITTO’s TPs includes the following:

- a. Assessing Members’ responses to the new opportunities represented by TPs and early achievements and impacts;
- b. Assessing the effectiveness of the pilot procedures and guidelines set forth in Decision 9(XLIV) and measures to operationalize them; and
- c. Based on assessments and lessons learned, making recommendations to improve the effectiveness of TP operations under the ITTA, 2006, including upscaling experiences gained.

6. Consistent with the consultants’ terms of reference, the principal means used to gather views and inputs regarding TP pilot operations were the development, in close cooperation with the ITTO Secretariat, of two questionnaires, one for ITTO Members and one for TPAC members. ITTO Members were asked for their views on the following aspects of the pilot operations:

- a. TPP formulation
- b. TPD formulation, scope and complementarity
- c. TP/TPD review

¹Draft Report on the Effectiveness of Pilot Operation of ITTO Thematic Programmes, August 2012, prepared for ITTO by Stephanie J. Caswell (USA) and Ricardo M. Umali (Philippines)

- d. TP project cycle, including appraisal, and TP management, monitoring and evaluation
 - e. Coherence of funded projects/activities, contribution to TP objectives and potential for scaling up lessons learned.
 - f. TP proposal formulation
 - g. TPAC functioning
 - h. TP funding and ITTO fundraising
7. To supplement inputs from ITTO Members, TPAC members were asked to provide input on aspects (b) through (g) above.
8. The ED circulated the two surveys in June 2012. Responses were received from the following 26 ITTO Members and 13 TPAC members:

Producers

Brazil, Cambodia, Colombia, Cote d'Ivoire, Ghana, Guatemala, Guyana, Honduras, Indonesia, Malaysia, Mexico, Papua New Guinea, Peru, Philippines, Togo

Consumers²

Australia, China, European Community, Finland, Germany, Japan, New Zealand, Norway, Portugal, Switzerland, USA

TFLET

Mr. Zhang Zhongtian (China), Dr. Hadi S. Pasaribu (Indonesia), Mr. Carlos Enrique Gonzalez Vicente (Mexico), Ms. Antje van Driel (Netherlands), Dr. David Brooks (USA, until January 2011)

REDDES

Mr. Ernest Foli (Ghana), Mr. Takuo Sato (Japan), Dr. Norini Haron (Malaysia), Dr. Carmenza Robledo (Switzerland, until March 2012)

CFME

Dr. Pablo Martinez de Anguita (Spain)

TMT

Dr. Beatrice Darko Obiri (Ghana), Ms. Pradeepa Bholanath (Guyana), Mr. Stefano Guidese (Switzerland)

9. The consultants wish to express their deep appreciation to ITTO Executive Director Mr. Emmanuel Ze Meka, Dr. Gerhard Breulmann (Planning, Monitoring and Evaluation Officer) and Ms. Rosemarie Jungheim (assistant to the ED) for their excellent guidance and support throughout the assignment, including developing and implementing the two questionnaires, facilitating consultations, providing documentation, and supporting the consultants' presentation at ITTC 48.

C. TP pilot operations

C.1. TP project cycle during the pilot phase

10. In operationalizing TP pilot procedures, the Secretariat adopted the regular project cycle model and established a fixed 6-month calendar for TPs. While the TP cycle follows standard procedures, the Secretariat introduced a number of positive innovations during the pilot phase.

- a. Calls for proposals: Five calls for proposals have been issued as indicated below based on a USD 1 million threshold in initial or additional TP funding (with the exception of the Spring Cycle 2012 which was a more limited call based on available funding). Although there was only one cycle in 2010, 2011 and 2012, the schedule remained fixed on a 6-month calendar.

Spring Cycle	2009: TFLET, REDDES	Autumn Cycle 2009: TFLET, REDDES
Spring Cycle	2010: TFLET, CFME, TMT	
Spring Cycle	2011: REDDES, TMT	
Spring Cycle	2012: TFLET, REDDES, TMT	

² Germany and New Zealand noted they had insufficient experience with the TP pilot process to respond to the survey. The EC noted that its response was not an official EU position as there had not been time to consult all member states.

- b. Project formulation: The ITTO Manual for Project Formulation has been the main guide for TP proponents. TP proposals are also required to address two additional elements which conform to the two specific selection criteria contained in each TPD³: (i) the proposal's conformity with the TP deliverables set out in the TPD, and (ii) the association of expected results with the relevant TP Monitoring Protocol (see C.2 below). The technical quality of proposals has varied widely, with some improvement over time. Many proposals have lacked a clear thematic focus and some submissions have been incomplete and incorrectly formatted and prepared. In November 2009 the Council adopted a recommendation of the Committee on Finance and Administration (CFA) to set aside 3% of all new TP funding received to assist members with TP proposal development if requested.
- c. Proposal appraisal process: The TP appraisal process is based on the regular cycle process. TP proposals are cleared and endorsed by ITTO Focal Points and screened and "pre-appraised" by the Secretariat prior to their appraisal by TPAC members. Three TP review forms have been introduced (for projects, pre-projects and small projects) to facilitate TPAC review. These forms are based on the standard format, with the addition of elements b(i) and (ii) above. A few general selection criteria from Annex 3 of Decision 9/XLIV which apply only to TPs have yet to be fully integrated into the review and rating process.
- d. Project selection and funding: The ED has approved proposals for funding based on TPAC advice. Because the ED and TPACs have been delegated project review and approval authorities, and donor funds are already available in the TP Sub-Account, the time from project review to start up is considerably fast-tracked and cost-effective as compared to the regular cycle.

C.2. TP project management, monitoring and evaluation

11. TP projects are managed and monitored like regular projects rather than as a pool of thematically linked activities. Each project is designated F (Forests), M (Markets) or I (Industry) and assigned to the relevant technical division. While RFM has overall responsibility for REDDES and CFME, and EIMI is responsible for TFLET and TMT, management of a TP project/pre-project/activity may be assigned to any division. There can therefore be several project managers from different divisions under one TP.

12. TP project monitoring closely follows the Manual for Project Monitoring, Review, Reporting and Evaluation and the Manual on Standard Operating Procedures for the ITTO Project Cycle. No ex-post evaluations have yet been conducted for TP projects or groups of projects. The Secretariat has developed an Online Monitoring System (OLMS) to improve TP project monitoring and evaluation and overall management. The OLMS is now used for all ITTO funded projects, not just TPs.

13. The Secretariat has also developed a Monitoring Protocol (MP) for each TP to provide a framework for monitoring and measuring progress and achievements towards TP objectives as a whole and set the stage for future mid-term evaluations of TPs. Each MP identifies a set of indicators, targets and means of verification for each TP objective based on the relevant TPD.

C.3. TPACs

14. Members of the four TPACs have been selected by the ED based on nominations by ITTO Members. The purpose of each TPAC (per Decision 9/XLIV) is to assist the ED with: (a) the selection of activities/projects/pre-projects for financing, (b) monitoring and evaluation of progress in implementing the TP and (c) identification of potential additional sources of TP funding. To date, the TPACs have not undertaken activities related to (b) or (c). The TPAC workload under (a) has varied significantly based on the level of funding available and in turn the number of proposals submitted. Where many proposals were submitted in response to a call for proposals, it has not been possible for all TPAC members to review all proposals within the timeframe allotted under a 6-month cycle.

15. Limited funds have allowed each TPAC to meet only once in 2009 or 2010 to approve its TPD. Telephone and video conferencing have yet to be used to facilitate TPAC coordination and operations. In reviewing proposals, TPAC members have operated as individual email reviewers in communicating with the Secretariat.

D. Achievements/impacts during the pilot phase

³ The two specific selection criteria for each TP are: (1) Potential impact of the proposal to the achievement of the specific objectives of the TP and (2) contribution of the proposal to the TP deliverables set out in the TPD.

16. As shown in the overview below, the four operational TPs have attracted nearly USD 18.5 million in voluntary contributions (from 13 consumer donors and the Japanese Lumber Importers Association) toward a combined indicative target of USD 58 million. These funds have been allocated to 64 projects, pre-projects and activities, including 46 projects/pre-projects in individual producer countries and 3 regional projects in Africa and the Amazon. TFLET and REDDES have succeeded in attracting significant new contributions from infrequent or first-time donors (notably Norway, Netherlands and UK), as well as contributions from regular donors (primarily Japan, Switzerland and USA), which are also the major donors to CFME and TMT. At the same time, many donors continue to earmark the majority of their contributions to projects under the regular cycle.⁴

TP Overview through Spring Cycle 2012

TP	Target (USD)	Funding (USD)	% Funded	Top 3 consumer donors	Projects Funded	Completed Projects	Top 3 producer beneficiaries
TFLET	15 mil	6.90 mil	45	Netherlands ⁵ Japan UK	21	7 ⁶	Indonesia, Cameroon Guatemala
REDDES	18 mil	9.23 mil	51	Norway Japan Switzerland	30	5	Brazil ⁷ , Indonesia, Ghana
CFME	10 mil	1.10 mil	11	Japan USA Switzerland	5	1	Indonesia, Ghana, PNG
TMT	5 mil	1.26 mil	26	Switzerland USA Japan	8	2	Guatemala, Guyana, Gabon
TOTAL	58 mil	18.49mil			64	15	

17. Because relatively few TP projects have been completed to date (most of which are pre-projects or ITTO activities), and no ex-post evaluations have yet been conducted, it is not possible to assess definitively how much progress has been made toward meeting TP objectives and the potential for wider applications of outcomes/outputs to other countries. However, a general assessment of reports on completed and nearly completed projects/pre-projects/activities, including those funded under the TFLET pre-cursor initiative, indicates positive impacts and shows that a wide spectrum of TP outputs defined in the relevant TPD and MP are being addressed, albeit partially. At the same time, there are gaps in currently funded projects/pre-projects/activities for some specific TP objectives and outputs.

E. Key findings and lessons learned during the pilot phase

18. Section V of the full report synthesizes the survey responses from ITTO and TPAC members on the effectiveness of TP pilot operations. These responses reflect a wide range of views, ideas and experience regarding the pilot phase. The following findings and lessons learned (presented in slightly more detail in the full report) are based on the synthesis of inputs received, as well as on consultations with the Secretariat and other information contained in the full report.

E.1. TP achievements/funding

1. Implementing TPs on a pilot basis has demonstrated the interest in and value of innovative programmatic approaches to addressing issues/problems identified by ITTO, and the ability of TPs to secure resources for ITTO's work from a broader base of donors, including new resources from non-traditional donors.
2. The positive response to REDDES and TFLET by both consumers and producers suggests that TPs may be more successful when they are closely aligned with Members' interests, including donor interests, and/or build on existing and well-supported ITTO initiatives.
3. Reasons for slower progress on TMT and especially CFME and no progress on IDE (all areas well within ITTO's mandate) should be explored, identified and addressed as soon as possible if these TPs are not to be seen as "failures".
4. There is a need to enhance momentum and stimulate significant increases in contributions to meet the objectives and deliverables of all TPs and realize their full potential. A variety of

⁴ During the TP pilot phase, about USD 39 million was earmarked to non-TP projects, pre-projects and activities.

⁵ USD 3 million pledged to TFLET pre-cursor initiative

⁶ Includes projects/pre-projects/activities funded under the TFLET pre-cursor initiative

⁷ Regional project for the Amazon

strategies should be considered in this regard, including mechanisms to enhance ITTO fundraising overall.

5. New funding sources may be particularly important to avoid competition for funding from traditional donors among TPs and between TPs and regular cycle projects.
6. During the TP pilot phase, many consumers, including regular donors, have continued to earmark a majority of their ITTO contributions to regular projects, indicating that earmarking remains an attractive option.
7. Before establishing new TPs, it may be prudent to confirm widespread interest and support for prospective TPPs among Members and if possible other potential donors.

E.2. TP pilot operations

1. The TP pilot operations have provided very useful experience and a solid basis for strengthening regular TP implementation.
2. Delegation of authority to the ED to manage the TP process has significantly streamlined the process of proposal appraisal and selection, accelerated project start up and reduced costs, as compared to the regular cycle.
3. The Secretariat has introduced positive measures regarding TP proposal appraisal and TP monitoring. These should be maintained or enhanced under regular TP operations.
4. Greater efforts on the part of ITTO Focal Points to ensure TP submissions are complete and properly formatted and prepared, and to indicate relative priorities when submitting multiple proposals, would further facilitate the appraisal process.
5. The general criteria for TP proposal selection that apply only to TPs (i.e. criteria e, g, h), as well as the two specific TP selection criteria contained in each TPD, cover factors key to TP success. A system of weighting is needed to give priority to these criteria in the TP appraisal process.
6. The MPs are an important innovation for monitoring and evaluating TP progress as a whole and can be further refined as needed under regular TP operations.
7. ITTO's project-related manuals and guidelines have been relevant to TP pilot operations. Updates or supplements are needed in due course to fully reflect TP procedures and requirements.
8. The 6-month project cycle schedule has proved less relevant in the TP context which is driven by available funding, not a fixed calendar. A flexible schedule reflecting funding levels and the number of proposals submitted could lead to a better pace of work, including for TPAC reviews.
9. The Secretariat has absorbed the additional TP workload during the pilot phase within existing resources and structures. The reorganization of the Secretariat to address work under the ITTA, 2006 offers opportunities to mainstream and manage TPs holistically as collective pools of thematically linked projects/pre-projects/activities (e.g. by creating a TP unit within the Secretariat).

E.3. TPP/TPDs guidelines

1. The guidelines for developing TPPs and TPDs during the pilot phase remain relevant, although some refinements are possible.
2. The TPDs have provided a good framework for TP pilot implementation. Future TPD's can build on these initial efforts with a view to further enhancing TP impacts, for example, by identifying priorities among activities, regional approaches and measureable targets.
3. Consultations with key partners in the thematic area during TPP/TPD development could assure and/or enhance complementarity at national and international levels and set the stage for continuing partnership and cross-institutional cooperation during TP implementation.

4. Periodic evaluations of TPs/TPDs are important to assess progress toward TP objectives and the future outlook for TP success, as well as to identify course corrections needed and take into account new and emerging issues and institutional arrangements. The MPs will be useful tools in this regard.

E.4. Scaling up knowledge, lessons and impacts

1. Innovation and knowledge management and their multiplier effects are key features of a programmatic approach and should be emphasized throughout the TP process.
2. Although it is early to assess definitively the progress being made in meeting TP objectives and the potential for wider applications of outcomes/outputs, reports to date indicate positive impacts and show that a wide spectrum of TP outputs are being addressed in some way.
3. Ex-post evaluations of clusters of like projects/activities will be useful vehicles for analyzing lessons learned, as well as TP effectiveness and impacts.
4. Mid-term evaluations, especially for larger projects, can help identify emerging opportunities to mainstream results, as well as track progress.
5. A variety of mechanisms should be considered to widely apply and disseminate TP results, including workshops, learning modules, networking, publications and web-based platforms.
6. The potential for synergies between regional/global TP projects/activities and country-specific proposals by Members should be explored, with a view to building on lessons learned.

E.5. Proposal formulation

1. The quality of TP proposals has been mixed during the pilot phase, both technically and in terms of thematic/topical focus. Posting examples on the ITTO web site of well-designed and focused TP proposals, as well as successful completed projects, could help in this regard.
2. Assistance to interested Members in formulating specific proposals that effectively address TP objectives should be provided, drawing on TP funds already set aside for this purpose.
3. In view of the gaps in current projects/pre-projects/activities with respect to some TP objectives, encouraging proposals to help fill these needs could enhance TP success.

E.6. TPACs

1. TPACs play an important role in the TP process but are not yet fully operational. Additional efforts are needed to strengthen TPAC operations and contributions to the TP process.
2. Routine use of no cost internet-based mechanisms for regular coordination (e.g. to finalize proposal ratings) and updates (e.g. on lessons learned) would contribute greatly to this end.
3. Establishing standard working procedures and modalities would also be useful, including designating a Secretariat Focal Point for each TPAC, as well as a TPAC chair to provide leadership.
4. Annual TPAC meetings are desirable to foster a team approach. Given scarce resources, meetings could be supported through voluntary contributions (e.g. in the context of BWPs) or through programme support. At a minimum, TPACs should meet at key stages in the TP process (e.g. TPD/MP approval, TP evaluations).
5. TPACs can be most effective if comprised of individuals with a diversity of TP expertise at various levels. Establishing basic TPAC qualifications may be useful to fulfill TPAC functions.
6. Continuity among TPAC members is needed to develop and maintain a good understanding of ITTO and TP procedures and build relationships and synergies. This should be considered when inviting individuals to serve on TPACs.
7. It will also be important to establish that TPAC candidates have the time needed to devote to TPAC duties, particularly in the absence of dedicated annual TPAC meetings.

F. Recommendations

19. It is recommended that TPs be immediately mainstreamed and recognized as a regular and substantial part of ITTO's work under the ITTA, 2006. In this regard, **the Council may wish to:**

- a. Consider refinements to TP pilot procedures and guidelines (Annexes 1-3 of Decision 9/XLIV) for regular TP operations, as proposed in Annex 11.
- b. Clarify the funding outlook for all TPs and in particular CFME, TMT and IDE; address issues that may be affecting donor interest; and identify marketing strategies to attract additional funding, including from the private sector and other sources external to ITTO, such as the regional development banks. Invite TAG and CSAG input as appropriate.
- c. In this context, consider strategies to enhance ITTO fundraising as a whole through, for example, an informal advisory group to advise/assist the ED; making greater use of Assistant Directors, CFA and TPACs; and developing targeted communication and outreach products.
- d. Consider how the proposed reorganization and downsizing of the Secretariat addresses work under the ITTA, 2006, including mainstreaming and holistically managing TPs.
- e. Include the following activities in BWP 2014-2015 and encourage Members to make voluntary contributions for these purposes:
 - I. A process to update or supplement ITTO project-related manuals, guidelines and tools as needed to ensure their full relevance and effective application to TPs.
 - II. Mid-term evaluations of TFLET and REDDES and, given sufficient progress, CFME and TMT, as illustrated in Annex 12.
 - III. Meetings of TPACs in connection with the TP mid-term evaluations in order to maximize their input and contributions and benefit from their experience and expertise.

20. **The Council may also wish to request the Secretariat to:**

- a. Increase assistance to Members as requested to enhance their ability to develop effective proposals that address TP objectives and where possible current gaps in TP projects, making full use of ITTO Regional Officers and TPAC expertise.
- b. Develop an ITTO strategy for mainstreaming TP lessons learned, best practices and follow up to include, for example, wide dissemination/publication of results, web-based platforms and learning modules, workshops and networking initiatives.
- c. Consider a flexible TP project cycle calendar/schedule which reflects the level of funds available, the number of proposals submitted, and the time needed for proposal review by all TPAC members.
- d. Strengthen TPAC operations to make them fully functional by, for example, designating a Secretariat Focal Point for each TPAC, convening periodic virtual TPAC meetings, establishing coordination procedures (including via the ITTO website as appropriate), and providing updates/follow up on relevant TP implementation activities (e.g. lessons learned). Establish a roster of TP experts based on nominations by Members, TAG and CSAG to supplement existing ITTO rosters of experts and consultants.
- e. Undertake ex-post evaluations of groups of TP projects/activities linked by objectives and outputs and make use of mid-term evaluations as a strategic evaluation tool, subject to the availability of funds. Include provisions for mid-term evaluations in future proposals, as appropriate.
- f. Further refine the TP review and rating process by weighting selection criteria/factors to reflect their relative importance to TP success, giving due attention to the coherence of, and linkages among, proposals to be funded under a TP and the importance of mainstreaming results.

- g. Refine MPs as needed to identify early warning performance indicators, closely align target values with the issues/problems each TP seeks to address, and strengthen knowledge management outputs and indicators.
 - h. Develop a list of regular cycle projects which have objectives/strategies/outcomes closely aligned to those of TPs and make final reports of listed projects available to Members on request. Include in future regular project ex-post evaluations an examination of the project's relevance (if any) to TP objectives, outputs and best practices.
21. **The Council may further wish to:**
- a. Urge consumers to provide new and additional voluntary contributions to ensure continued and enhanced TP operations and calls for proposals.
 - b. Urge producers, in particular producers not yet fully involved in TP implementation, to submit high quality proposals that effectively contribute to TP objectives, and request advice and assistance from the Secretariat as needed for this purpose.
 - c. Urge ITTO Focal Points to ensure that TP proposals forwarded to the Secretariat are complete, properly formatted and prepared, and technically sound; to indicate relative priorities when submitting multiple proposals; and to consider establishing a clearing house mechanism at the country level to this end.
 - d. Urge all Members to enhance outreach and communication at all levels on the opportunities provided by TPs.

I. INTRODUCTION

1.1 The International Tropical Timber Agreement of 2006 (ITTA, 2006) provides for the establishment of “Thematic Programmes” to complement ITTO’s traditional project work, with a view to attracting increased unearmarked funding from a broader base of donors by offering an integrated and strategic programmatic avenue to advancing ITTO priorities. The Forty-Fourth International Tropical Timber Council (ITTC 44, November 2008) adopted Decisions 8, 9 and 10/XLIV (See [Annexes 1-3](#)) to launch the pilot operation of ITTO Thematic Programmes (TPs) for the following five thematic areas, the first four of which have since become operational:

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

1.2 Under Decision 9(XLIV), Council decided to review and evaluate the effectiveness of the pilot operation of ITTO TPs after three years. This review and evaluation took place at ITTC 48 which was held 5-10 November at ITTO headquarters in Yokohama, Japan. To help facilitate the Council’s deliberations at ITTC 48, and as provided under Activity 12 of the ITTO Biennial Work Programme (BWP) 2012-2013, the Executive Director (ED) commissioned two consultants (one from an ITTO Consumer Member country and one from a Producer Member country) to prepare a draft report evaluating TP pilot operations.

1.3 The consultants’ Draft Report on the Effectiveness of Pilot Operation of ITTO Thematic Programmes was completed in August 2012, posted on the ITTO web site, and presented to the Council at ITTC 48. Based on an exchange of views and deliberations among ITTO Members on the draft report’s findings, lessons learned and recommendations, the Council adopted Decision 4(XLVIII) on Strengthening ITTO Thematic Programmes, which establishes procedures and guidelines for regular operation of TPs under the ITTA, 2006.

1.4 This Final Report on the Effectiveness of Pilot Operation of ITTO Thematic Programmes updates the draft report to take into account the outcomes of the Spring Cycle 2012 call for proposals, including the number of proposals approved for financing under the cycle. This final report also attaches Decision 4(XLVIII) as [Annex 13](#).

A. Scope

1.5 Based on the terms of reference contained in [Annex 4](#), the scope of the consultants’ evaluation of TP pilot operations included:

- a. Assessing Members’ responses to the new opportunities represented by TPs and early achievements and impacts;
- b. Assessing the effectiveness of the pilot procedures and guidelines and set forth in Decision 9(XLIV) and measures to operationalize them; and
- c. Based on assessments and lessons learned, making recommendations to improve the effectiveness of TP operations under the ITTA, 2006, including upscaling experiences gained.

B. Methodology

1.6 This report draws on consultations with the ITTO Secretariat and other individuals identified by the Secretariat, as well as a review and analysis of documentation related to TPs, including Council decisions, progress reports and other TP documents. In addition, as provided under [Annex 4](#), the principal means used to gather views and inputs on the effectiveness of the TP pilot phase was the development, in close cooperation with the Secretariat, of a detailed questionnaire for ITTO members (see [Annex 5](#)). The questionnaire was circulated by the ED to ITTO focal points in June 2012, with periodic reminder emails to encourage as many responses as possible. Responses were received from the following 26 ITTO Members:

PRODUCERS: Brazil, Cambodia, Colombia, Cote d’Ivoire, Ghana, Guatemala, Guyana, Honduras, Indonesia, Malaysia, Mexico, Papua New Guinea, Peru, Philippines, Togo

CONSUMERS:⁸ Australia, China, European Community (EC), Finland, Germany, Japan, New Zealand, Norway, Portugal, Switzerland, USA

1.7 To supplement the inputs from ITTO members and gain the perspectives of individuals with experience specific to each operational TP, a second survey (see [Annex 6](#)) was developed for circulation to members of the Thematic Programme Advisory Committees (TPACs) established for TFLET, REDDES, CFME and TMT. Responses were received from the following current or former TPAC members:

TFLET: Mr. Zhang Zhongtian, China
Dr. Hadi S. Pasaribu, Indonesia
Mr. Carlos Enrique Gonzalez Vicente, Mexico
Ms. Antje van Driel, Netherlands⁹
Dr. David Brooks, USA (until January 2011)

REDDES: Mr. Ernest Foli, Ghana
Mr. Takuo Sato, Japan
Dr. Norini Haron, Malaysia
Dr. Carmenza Robledo, Switzerland (until March 2012)

CFME: Dr. Pablo Martinez de Anguita, Spain

TMT: Dr. Beatrice Darko Obiri, Ghana
Ms. Pradeepa Bholanath, Guyana
Mr. Stefano Guidese, Switzerland

1.8 The consultants wish to express their deep appreciation to ITTO Executive Director Mr. Emmanuel Ze Meka, Dr. Gerhard Breulmann (Planning, Monitoring and Evaluation Officer) and Ms. Rosemarie Jungheim (assistant to the ED) for their excellent guidance and support throughout the assignment, including developing and implementing the two questionnaires, facilitating consultations, providing documentation, and supporting the consultants' presentation at ITTC 48.

⁸ Germany and New Zealand noted that they did not have sufficient experience with the TP pilot process to respond to the questionnaire. The EC noted that its response was not an official EU position as there had not been time to consult all member states.

⁹ Survey response submitted by Mr. Marnix Becking and Mr. Rob Busink

II. BACKGROUND

A. Relevant provisions of the ITTA, 2006

2.1 Negotiations on the ITTA, 2006 were concluded in January 2006. The Agreement entered into force in December 2011, replacing the ITTA, 1994. The ITTA, 2006 provides for the first time for the establishment of "Thematic Programmes" as a complement to ITTO's traditional and largely earmarked project work, with a view to attracting increased unearmarked funding from a broader base of donors. Articles 20, 24 and 25 of the ITTA, 2006 contain the following provisions on the purpose and operation of TPs and their linkage to ITTO action plans (see Annex 7 for the full text):

- The Special Account will be comprised of the Thematic Programmes (TP) Sub-Account and the Project Sub-Account. (Article 20.1)
- The purpose of the TP Sub-Account is to facilitate unearmarked contributions for the financing of approved pre-projects, projects and activities consistent with TPs established by Council on the basis of policy and project priorities identified in accordance with Articles 24 and 25. (Article 20.4)
- Possible sources of financing for the Special Account (including the TP Sub-Account) are: (a) the Common Fund for Commodities (CFC), (b) regional and international financial institutions, (c) voluntary contributions from members, and (d) other sources. (Article 20.2)
- Donors may allocate their contributions to specific TPs or request the ED to make proposals for allocating their contributions. (Article 20.5)
- The Council will establish criteria and procedures for the transparent operation of the Special Account, taking into account the need for balanced representation among members, including contributing members, in the operation of the TP Sub-Account and Project Sub-Account. (Article 20.3)
- The Council will establish criteria for approving projects and pre-projects, taking into account, *inter alia*, their relevance to the objectives of the ITTA, 2006 and to priority areas for work or TPs. (Article 25.2)
- The Council will establish on a regular basis an action plan to guide policy activities and identify priorities and the thematic programmes referred to in Article 20.4. (Article 24.3)
- Members and the ED may submit proposals which contribute to the achievement of the objectives of this Agreement and one or more of the priority areas for work or thematic areas identified in the ITTO action plan. (Article 25.1)
- The ED will report regularly to Council on the allocation and expenditure of funds within the TP Sub-Account, on the implementation, monitoring and evaluation of pre-projects, projects and activities, and on financial needs for the successful implementation of TPs. (Article 20.6)

B. Actions by Council

2.2 Following the conclusion of negotiations on the ITTA 2006, the Council decided on a number of actions related to TPs in order to prepare for the Agreement's entry into force. These included:

- a. March 2007: Meeting of the Inter-sessional Working Group on Thematic Programmes (Chiang Mai, Thailand). The Working Group report proposed specific procedures and criteria for TPs and operation of the TP Sub-Account, as well as examples of possible TP "themes". The report was presented to ITTC 42 (May 2007, Port Moresby) but no decision on TPs was taken at that time.
- b. October 2007: Meeting of the Working Group on the Review of the Implementation of the ITTO Yokohama Action Plan 2002-2006 (Yaoundé, Cameroon). The Working Group developed a draft action plan to cover the transition period spanning extension of the ITTA, 1994 and entry into force of the ITTA, 2006.

- c. June 2008: Meeting on Operational Modalities of Future Work of the ITTC (Accra, Ghana). Drawing on the “Background Document on Operational Modalities under the ITTA, 2006: Work of the Committees, Thematic Programmes and Project Cycle”,¹⁰ the report of the Accra meeting contained detailed proposals for, *inter alia*, pilot operation of TPs, including a draft decision for Council consideration.
- d. November 2008: ITTC 44 (Yokohama, Japan). On the basis of the foregoing meetings and reports, the Council adopted the following decisions:
 - Decision 8(XLIV) establishing the TP Sub-Account;
 - Decision 9(XLIV) establishing procedures and guidelines for pilot implementation of TPs for the five thematic areas listed in 1.1, as well as terms of reference for TPACs;
 - Decision 10(XLIV) approving Thematic Programme Profiles for the five thematic areas; and
 - Decision 4(XLIV) adopting the ITTO Action Plan 2008-2012
- e. July 2012: Meeting of the Working Group on the Elaboration of a New ITTO Action Plan 2013-2018 (Yokohama, Japan). Annex 5 of the Working Group report includes a draft ITTO Strategic Action Plan 2013-2018 for Council consideration at ITTC 48.

2.3 Part II of the ITTO Action Plan 2008-2012 reflected the linkage with TPs by listing the five thematic areas to be pilot tested as TPs. This linkage is strengthened in the ITTO Strategic Action Plan 2013-2018 adopted by ITTC 48 (November 2012) under Decision 3(XLVIII). TPs are recognized as important means of operationalizing the Strategic Action Plan and achieving ITTO’s strategic priorities elaborated in the plan.

C. Decision 9(XLIV) - TP pilot procedures and guidelines

2.4 While TPs are a new element in the ITTA, 2006 and a significant innovation in the ITTO context, the concept is not an entirely unfamiliar one. As early as 2005, ITTO began to develop and implement “thematic elements” through its Biennial Work Programmes (BWPs). These included:

- a. The ITTO-CITES Capacity Building Programme. This programme was first approved under BWP 2006-2007 with a budget of USD 3.75 million based on a 1-page “profile” and a 20-page “grant proposal document” to provide a coherent framework for existing ITTO projects and activities related to implementing CITES timber listings, build further capacity in this area, and enhance collaboration between ITTO and CITES. Programme funding, including a first-time pledge of USD 3 million from the European Commission (EC), has supported over 30 projects and activities. A second phase was approved under BWP 2012-2013 with a budget of nearly USD 10 million, of which the EC is contributing about USD 6.7 million (subject to Euro/USD exchange fluctuations) under a grant agreement with ITTO. Other funding comes from the USA, Switzerland, Japan, Germany, Norway, New Zealand and three pharmaceutical companies (Indena, Abbot-Salvay and Euromed), and from the Bali Partnership Fund.
- b. ITTO’s Programme on Tropical Forest Law Enforcement and Trade (TFLET). TFLET was approved under BWP 2008-2009 with a budget of USD 4.3 million based on a 10-page “programme document” developed in by the ED and the Netherlands under a five-year ITTO-Dutch MOU concluded in November 2007. The programme attracted USD 3.9 million in unearmarked contributions from the Netherlands (USD 3 million), Japan, USA, Australia, Norway and the Japan Lumber Importer’s Association (JLIA) prior to being converted into the current TP on Forest Law Enforcement, Governance and Trade (also known as TFLET). The original TFLET is now referred to as the TFLET “pre-cursor initiative”. The eight projects and activities funded under the pre-cursor initiative are known as TFLET pre-cursor projects/activities. Funds unspent under the pre-cursor initiative were rolled over to the TFLET TP.

2.5 The TP pilot procedures and guidelines contained in Decision 9(XLIV) draw on these early programmes. Annex 1 of the Decision outlines a sequence of proposed procedures for pilot operation of TPs, including actions and responsibilities. Annex 2 of the Decision contains proposed guidelines for developing Thematic Programme Profiles (TPPs) and Thematic Programme Documents (TPDs). TPPs are concise scoping documents covering the following elements:

- a. Rationale statement, including problem to be addressed and international context
- b. General objectives

¹⁰ Prepared for ITTO by Alhassan Attah (Ghana) and Stephanie J. Caswell (USA), March 2008

- c. Strategy to be employed
- d. Anticipated outputs/outcomes and benefits
- e. Potential partners/collaborating agencies
- f. Indicative budget and timeframe
- g. Potential donors

2.6 TPDs provide detailed information on the following planning and operational elements which comprise the logical framework for a TP:

Planning elements

- a. Rationale statement and problem analysis, including relevant international and regional processes and value-added of the TP
- b. Specific objectives, including as appropriate, intermediary targets
- c. Strategies for achieving objectives
- d. Outputs/outcomes/deliverables and expected impact/benefits
- e. Other partners and stakeholders
- f. Activities
- g. Work plan, including budget estimates and donor contributions

Operational elements

- a. Composition of the Thematic Programme Advisory Committee (TPAC) and expert profiles
- b. General selection criteria for proposed activities/projects/pre-projects (see 2.7)
- c. TP-specific selection criteria for proposed activities/projects/pre-projects, as appropriate (see 2.8)
- d. Administrative arrangement
- e. Monitoring and evaluation procedures
- f. Technical and financial reporting procedures

2.7 Annex 3 of Decision 9(XLIV) outlines terms of reference for TPACs. TPACs are to assist the ED with (a) selection of activities and projects for financing under TPs, (b) monitoring and evaluation of progress in implementing TPs, and (c) identification of potential additional sources of TP funding. In carrying out function (a), TPACs are to consider the following “general criteria” in selecting TP activities/projects/pre-projects, in addition to any specific criteria identified in TPDs:

- a. Conformity with the TPD and ITTA objectives
- b. Technical feasibility
- c. Cost-effectiveness
- d. Environmental and social effects
- e. Applicability/extension of results, e.g. regionally or globally
- f. Clear quantitative and qualitative indicators to evaluate project success toward achieving TP objectives
- g. Linkages or relevance to other activities/pre-projects/projects funded under the TP
- h. Measures to verify the coherence and effectiveness of individual activities/pre-projects/projects funded under the TP
- i. Overall impact and sustainability of outputs and outcomes
- j. Mechanisms for effective stakeholder participation

2.8 Many of the above general criteria, including criteria a (regarding ITTA objectives), b, c, d, e, i and j, also apply to the review and approval of projects under the regular cycle and are encompassed in the ITTO Manual for Project Formulation (3rd edition, 2009). Others are new and only apply to TP proposals. These include criteria a (regarding TPDs), f, g, and h. As shown in 2.6, the general criteria for TP proposal selection constitute operational element b of each TPD and are to be supplemented, as appropriate, by TP-specific selection criteria (operational element c). In the development of TPDs to date, the following two “specific criteria” are identified for each TP:

- k. Potential impact of the proposal to the achievement of the specific objectives of the TP
- l. Contribution of the proposal to the TP deliverables set out in the TPD

2.9 A fundamental feature of these proposed procedures is the responsibilities given to the ED which reflect the unearmarked nature of TP contributions. These include preparing TPDs, establishing TPACs, and selecting proposals for funding based on TPAC advice. Such delegation of authority is generally new in the ITTO context, which has a long tradition of project-by-project approvals by the Council based on Committee

recommendations, and subsequent project financing through specific allocations earmarked by, and negotiated among, consumer donors. The overall approach reflected in Decision 9(XLIV) is more typical of multilateral financing and assistance organizations.

D. TP project cycle during the pilot phase

2.10 In operationalizing the above pilot procedures and guidelines, the Secretariat has adopted the regular project cycle model and established a 6-month cycle and calendar for TPs. While the TP cycle relies largely on standard procedures, a number of positive innovations have been introduced by the Secretariat.

D.1. Calls for proposals

2.11 All calls for TP proposals are posted on the ITTO home page and circulated to ITTO Focal Points and TPAC members. Five calls for proposals have been issued to date:

Spring Cycle 2009: TFLET, REDDES Autumn Cycle 2009: TFLET, REDDES
Spring Cycle 2010: TFLET, CFME, TMT
Spring Cycle 2011: REDDES, TMT
Spring Cycle 2012: TFLET, REDDES, TMT

2.12 All cycles except the Spring Cycle 2012 were based on an initial or additional financing threshold of USD 1 million. The first USD 1 million catalyzed development of the TPD which contains, *inter alia*, the “non-exhaustive” list of activities that can be funded under the TP. The Spring Cycle 2012 was based on reduced TP thresholds, reflecting the level of remaining funds (about USD 879,000 for REDDES, USD 728,000 for TFLET and USD 335,000 for TMT)¹¹. In view of the lower thresholds, the call was limited to pre-projects and small projects under USD 150,000.

2.13 2009 was the only year to have both spring and autumn cycles. In 2010, 2011 and 2012, the spring cycles conformed to the established 6-month calendar for proposal appraisal and selection although there none of the years had a second cycle.

D.2. Project formulation and submission

2.14 The ITTO Manual for Project Formulation has constituted the main guidance and format for proponents in developing TP proposals. In addition, each TP proposal is required to:

- a. Address the proposal’s conformity with the TP deliverables set out in the relevant TPD
- b. Associate expected results with the relevant TP Monitoring Protocol, including means of verification (see 2.26 on Monitoring Protocols)

2.15 Item (a) is one of the two specific criteria (criterion I) contained in each TPD as noted in 2.8. Item (b) covers general criterion (f) listed in 2.7. These criteria are highlighted in all calls for proposals and their importance is underscored. In view of these new requirements, in November 2009 the Council adopted a recommendation of the Committee on Finance and Administration (CFA)¹² to set aside 3% of all new TP funding received to assist members with TP proposal development if requested. This has generated USD 394,000 to date, of which about USD 361,000 remains since there have been few requests for assistance.

2.16 As with regular project proposals, TP proposals have been cleared and submitted through ITTO Focal Points. In addition, TP proposals must be endorsed by the Focal Point. In some cases, proposals forwarded by Focal Points have been incomplete, incorrectly formatted and/or poorly prepared, which has added considerably to the time required for project appraisal.

D.3. Proposal appraisal process

2.17 The TP appraisal process (see Annex 8) is based on the regular cycle process but adapted to TPs. Once TP proposals are cleared by ITTO Focal Points, the Secretariat screens the submissions for completeness and formatting based on the Manual for Project Formulation and the TP selection criteria. The Secretariat then undertakes an in depth “pre-appraisal” of screened proposals involving at least two staff members (primary and secondary reviewers). The Secretariat also pre-appraises its own proposals but in these cases care is taken to exclude the proposing division/office from the pre-appraisal process. Both the proposals and pre-appraisals are distributed to TPAC members.

¹¹ CFME was not included in the call for proposals since only USD 99,000 was available in the TP.

¹² Report of the Twenty-Fourth Session of the Committee of Finance and Administration

2.18 To facilitate the review of proposals by TPAC members, the Secretariat has introduced three review forms, one each for projects, pre-projects and small projects. (The regular cycle utilizes one review form for all proposals reviewed by the Expert Panel¹³.) The three forms closely follow the relevant guidance/format in the Manual for Project Formulation, with the important addition of the two factors on the proposal's conformity with TPD deliverables and the Monitoring Protocol (see 2.14). TP general selection criteria g and h have yet to be fully integrated into the review forms and rating process. TP selection criteria and other ranking factors are not yet weighted to reflect their relative potential importance to TP implementation success.

2.19 Having three review forms has been a useful innovation since TPAC members (unlike Expert Panel members) may not be ITTO experts and well-acquainted with ITTO's guidelines for each type of project contained in the Manual for Project Formulation.

D.4. Project selection and funding

2.20 Based on each TPAC member's review and ratings of proposals, the ED develops a list of conditionally approved projects/activities, pending satisfactory integration of reviewer comments. This list is circulated to TPAC members for concurrence. Thus far, TPAC members have uniformly endorsed the ED's proposed approvals.

2.21 Because the TPACs and ED have been delegated proposal review and approval authorities, and the necessary funds are already available in the TP Sub-Account, the time from project selection to start up is very swift as compared to the regular cycle. The Secretariat has also consistently advised EAs that project implementation should be placed on a "fast track" to facilitate smooth project execution, generate baseline information essential for operationalizing the relevant MP, and enable periodic reporting to major donors to meet their reporting and auditing requirements. In practice, some delays have been encountered due to EA inexperience or internal bureaucratic issues, but for the most part projects have been initiated expeditiously.

E. Project/programme management, monitoring and evaluation

2.22 Once approved, TP projects are managed and monitored in the same way as regular projects, rather than as a pool of thematically linked (and often cross-cutting) activities. Each TP project/activity is designated as F (Forests), M (Markets) or I (Industry) and assigned to a project manager in the corresponding division. While RFM has overall responsibility for REDDES and CFME, and EIMI has responsibility for TFLET and TMT, management and monitoring of a specific project/activity may be assigned to an individual in any division or to other professional staff. As a result, there are several project managers, some from different divisions, under one TP.

2.23 The monitoring of TP projects and activities closely follows the established ITTO procedures and standards contained in the ITTO Manual for Project Monitoring, Review, Reporting and Evaluation (3rd edition, 2009). All aspects of project/pre-project execution, from start-up to completion, also follow the Manual on Standard Operating Procedures for the ITTO Project Cycle (2009). As is usual, an EA project coordinator has been designated for each TP project/pre-project (typically supported by administrative/financial and technical staff seconded to the project as in-kind contributions) and serves as the point of contact in coordinating with the ITTO project manager. Project Steering Committees (PSCs) have been established for large projects (e.g. over USD 400,000), and Technical Project Committees (TPCs) have been set up for smaller projects.

2.24 In view of the very few completed projects, no ex-post evaluations have been conducted to date. The expectation is that ex-post evaluations will be undertaken for groups or clusters of TP projects with similar objectives and types of outputs (as recommended under the Meta-Evaluation Report, and as has been done to a limited extent for regular project ex-post evaluations).

E.1. OLMS

2.25 In 2010, the Secretariat completed development of an innovative integrated web-based Online Monitoring System (OLMS) to improve the efficiency and effectiveness of TP project monitoring and evaluation and overall project management. The OLMS establishes an electronic database of TP activities with a complete dossier of project-related documentation and information. This has allowed for easy and systematic interaction between ITTO project managers and EA coordinators. The OLMS has been periodically updated and fine-tuned to reflect technical developments and comments from users. For example, in 2011 a new layout was applied to follow the layout of the ITTO website for easier navigation

¹³ Expert Panel for the Technical Appraisal of Projects and Pre-Projects

and to enhance user-friendliness. Use of the OLMS is now mandatory for all ITTO projects, not just TP projects.

E.2. TP Monitoring Protocols (MPs)

2.26 To supplement the current Manual on monitoring and evaluation, which has limitations in the TP context, the Secretariat has developed a Monitoring Protocol (MP) for each TP to provide a coherent framework for monitoring and measuring progress and achievements towards specific TP objectives and set the stage for a future mid-term evaluation of TP activities as a whole. Each MP identifies a set of indicators, target values and means of verification which are based on the outcomes, outputs and deliverables for specific TP objectives displayed in Table 1 of each TPD (see [Annex 9](#) for the current REDDES MP). As noted above, TP proponents are now required to link or associate expected proposal outcomes/outputs with the relevant MP, including means of verification.

F. TP Advisory Committees (TPACs) during the pilot phase

2.27 Once a TP had sufficient funding to develop a TPD, the ED invited ITTO Focal Points to nominate individuals with “recognized expertise” in the TP area to serve on the relevant TPAC. Participants were selected from the pool of nominations. A list of current TPAC members is contained in [Annex 10](#). Representatives of key partners, such as the World Bank and the EU FLEGT Action Plan process, were also approached to participate on relevant TPACs. FAO responded positively and is represented on the REDDES TPAC as a UN-REDD partner.

2.28 The only function performed by TPACs to date has been the review of proposals (item (a) under [2.7](#)). There has been no activity on the monitoring and evaluation of progress on TP implementation, or discussions on possible additional sources of TP financing (items (b) and (c) under [2.7](#)). The TPAC proposal appraisal workload has varied significantly based on the number of proposals submitted, which has been very high for REDDES and low for CFME (see [III.B](#)).

2.29 Under Decision 9(XLIV), TPACs as a general rule were to meet annually and coordinate through electronic means at other times. Due to scarcity of funds, each TPAC has met only once in March-April 2009 (TFLET and REDDES) or March 2010 (CFME and TMT) to approve the respective TPD. CFME and TMT were also able to approve their MPs since these had been developed by early 2010. Internet conferencing (e.g. via Skype) has not yet been used to facilitate TPAC coordination and communications as a group. In reviewing proposals, TPAC members have operated as individual email reviewers in communicating with the Secretariat.

2.30 As with the Expert Panel, participation on a TPAC is a voluntary commitment of time and expertise. In the absence of an annual meeting dedicated to TPAC business, the time TPAC members are able to devote to ITTO has varied based on their other duties, particularly when there has been a large volume of proposals to review (e.g. under REDDES and TFLET) in the short time allowed under a six-month cycle. Unlike the Expert Panel, TPAC members are not necessarily experts on ITTO and have not had the incentive of an honorarium. There has also been a fair amount of turnover of TPAC members which has affected the TPAC “learning curve” and limited continuity and institutional memory.

G. Communication and outreach

2.31 The ED/Secretariat have routinely highlighted TPs in presentations and side events at relevant meetings and conferences. Other initiatives include:

- a. Publication of “ITTO Thematic Programmes - Sustaining Tropical Forests” (Brochure, 2010).
- b. Production of a poster on TPs.
- c. Publication of an article on REDDES in the UN-REDD Newsletter (October 2009).

2.32 Information and materials about TPs are also easily accessible from the ITTO home page which includes a TP “quick link” to the following:

- a. TPPs, TPDs, MPs and lists of approved projects for TFLET, REDDES, CFME and TMT
- b. TPP for IDE
- c. ITTO’s Thematic Programmes - Sustaining Tropical Forests (Brochure 2010)
- d. Annual TP progress reports to Council (2009, 2010, 2011)
- e. ITTO Manual for Project Formulation (2009)

- f. ITTO Project Formulation Software Tool (ProTool - Microsoft 2003 and 2007) and User's Manual (November 2009)

H. Secretariat workload

2.33 The management and implementation of the TP process have added to the Secretariat's workload. Currently, the Planning, Monitoring and Evaluation Officer (PMEO) is in charge of overall TP coordination, among his other duties. As noted above, the management of individual TP projects is spread across the technical divisions and other professional staff, including the PMEO. As under the regular cycle, TP's are charged 8% in programme support for project management and 13% for activities implemented by the Secretariat.

III. TP ACHIEVEMENTS TO DATE AND OUTLOOK

A. Donor response to TP opportunities

3.1 The five TPPs approved as a package under Decision 10(XLIV) were an ambitious first step to launching ITTO's TPs. As noted in 2.27, TFLET and REDDES achieved a sufficient initial response (USD 1 million or more) from donors to trigger development and approval of TPDs in early 2009. CFME and TMT proceeded more slowly and were launched in 2010. The TPP for IDE has yet to generate interest. As shown in Table 1, the four active TPs have together attracted nearly USD 18.5 million in voluntary contributions from 13 consumer countries and one private entity toward a combined indicative target of USD 58 million.

TABLE 1
Voluntary contributions to ITTO TPs (as of November 2012)
(USD 000)

DONOR	TFLET	REDDES	CFME	TMT	TOTAL	%
Norway	15	8,174	40		8,229	45
Netherlands	3,000				3,000	16
Japan	991	484	635	166	2,276	12
Switzerland	683	400	100	700	1,883	10
USA	757	175	300	300	1,532	8
UK	949				949	5
Australia	282				282	1.5
Finland	35			98	133	<1
Germany	88				88	<1
JLIA	50				50	<1
New Zealand	38				38	<1
Sweden			25		25	<1
Rep. Korea	10				10	< 1
TOTAL	6,898¹⁴	9,233	1,100	1,264	18,495	
% TARGET	45	51	11	26	32	
TARGET	15,000	18,000	10,000	5,000	58,000	

A.1. TFLET

3.2 Issues of forest governance are the focus of a wide variety of initiatives at national, regional and international levels and feature prominently in the ITTA, 2006. As noted in I.I.C, the TFLET TP is based on the TFLET pre-cursor initiative, which received USD 3 million in unearmarked funds from the Netherlands, a significant contribution from a non-regular ITTO donor. More than other TPs, TFLET has attracted interest from a broad base of donors, including a significant first-time contribution from the UK, as well as contributions from regular ITTO contributors, notably Japan, Switzerland and the USA. TFLET is also the only TP so far to be supported by the private sector, in this case the Japan Lumber Importers Association (JLIA). The broad support for TFLET suggests that the TP is closely aligned with the current priorities of many consumers and that additional pledges may be expected in future, at least at modest levels. At the same time, it may be useful for Members and the ED to aggressively market TFLET to other major players in the thematic area, such as the EC, to help ensure TFLET meets its objectives.

A.2. REDDES

3.3 Climate and forests is a relatively recent area of work for ITTO and one in which other organizations have significant mandates and activities. The goal of REDDES is to complement these ongoing initiatives. In view of the potential contribution of REDDES to the Norwegian International Climate and Forest Initiative, Norway has become the principal donor to REDDES, which is now about 50% funded. While Norway has previously made modest contributions to ITTO on occasion, REDDES stimulated substantial new funding from the Norwegian government. Other contributors include Japan, Switzerland and the USA. This relatively narrow base of financing to date may indicate that many consumers are channeling their forest-related climate funds through existing mechanisms, such as the UN-REDD Collaborative Programme and the World Bank's Forest Carbon Partnership Facility. If so, the continued success of REDDES, and the potential to meet its objectives, may depend on additional pledges from Norway and regular ITTO donors.

¹⁴ Includes USD 3,965,040 in pledges to TFLET precursor initiative from the Netherlands (USD 3 million), Japan (USD 600,040), USA (USD 250,000), Australia (USD 50,000), JLIA (USD 50,000) and Norway (USD 15,000).

A.3. CFME and TMT

3.4 CFME and in particular TMT are thematic areas well within ITTO's mandate and where ITTO has a clear comparative advantage over many organizations. Despite this fact, these TPs have attracted only limited financing and almost entirely from ITTO regular consumer donors (Japan, Switzerland, USA). As noted in 2.11, contributions to CFME have supported only one call for proposals in the Spring Cycle 2010. The reasons for this lack of donor interest are not clear. In the case of CFME, many consumers and other donors are supporting community forest enterprises and local control of forests through bilateral and other channels. In the case of TMT, the role of trade and market transparency in fostering sustainably produced tropical timber and timber products is a core ITTO issue. If significant pledges from new donors are not forthcoming in the near future, it may be useful for Members to explore reasons for the slow response to TMT and especially CFME, perhaps in consultation with CSAG and TAG, and on that basis identify actions needed to stimulate interest in these TPs and so enable them to reach their potential.

A.4. IDE

3.5 Although IDE is clearly within ITTO's mandate and comparative advantage and of great interest to producers, neither consumers nor the private sector have expressed interest in supporting the programme. It has been speculated that IDE, while an important area for ITTO work, may not fit well with the current forest policy and funding priorities of consumer countries, and/or that donors may be hesitant to invest in the expansion of tropical forest industries at a time when reports of deforestation remain high and effective forest governance systems may not be fully in place. In view of the importance producer countries attach to IDE implementation, it would be useful for Members, perhaps in consultation with TAG, to exchange views and reach agreement on whether and how to make the IDE TPP more attractive, for example by:

- a. Emphasizing how an efficient tropical forest products industry can contribute to SFM and a green economy, taking into account the relevant outcomes of Rio+20
- b. Reducing emphasis on high value-added processing
- c. Adding a component (objective, outcome) on south-south cooperation
- d. Strengthening science and technology aspects

3.6 It also may be worthwhile to increase communication with both the public and private sector on the benefits of an efficient tropical forest products industry. In addition, it may be useful to aggressively market the IDE TPP to potential sources of funding external to ITTO, including the forest products industry, with the assistance of TAG members and contacts, as well as the Common Fund for Commodities (CFC) and non-traditional partners, such as the regional development banks which have small grants programmes within their economic growth units.

A.5. TP and regular project funding

3.7 Under the ITTA, 2006, the Project Sub-Account and the TP Sub-Account of the Special Account are two complementary avenues for supporting projects, pre-projects and activities to help Members translate ITTO policy objectives into concrete actions. The Project Sub-Account is the vehicle for ITTO's traditional financing approach which is based on donor earmarks to specific projects approved by Council. The TP Sub-Account is the new vehicle for unearmarked contributions from donors who wish to support broad areas of ITTO's work but cannot or will not engage in project-by-project review, approval and earmarking.

3.8 As already noted, TPs have succeeded during the pilot phase in mobilizing significant new funds from Norway and the UK, as well as from the Netherlands for the TFLET pre-cursor initiative. Without TPs, it is highly unlikely that the funds from Norway and the UK would have been forthcoming to ITTO.

3.9 At the same time, over 70% of donor contributions to ITTO (about USD 39 million) were earmarked to non-TP projects and activities during the TP pilot phase. This includes about 94% of Japan's contributions, 68% of Switzerland's contributions and 70% of USA contributions, as well as smaller earmarks by Germany, Australia, Finland, the Netherlands, Republic of Korea, Belgium, China, France and New Zealand. These figures suggest that earmarking under the regular project cycle and for BWP activities remains an attractive option for many donors.

B. Producer response to TP opportunities

3.10 As shown in Table 2, 135 proposals have been submitted by ITTO members since the first TP call for proposals (for TFLET and REDDES) in spring 2009¹⁵. Producers account for 119 of these proposals, which is indicative of their interest in TP opportunities. Proposals have also been submitted by a few consumers and the Secretariat. The producer proposals were fairly well-distributed across regions: 45 from Africa, 38 from Latin America, 36 from Asia-Pacific. However, four countries -- Indonesia, Ghana, Peru and Cameroon -- account for nearly 60% of producer submissions, suggesting that these producers are clearly focused on TPs.

TABLE 2
Proposals submitted in response to TP calls for proposals:
Spring Cycle 2009 through Spring Cycle 2012

PRODUCERS	Number of Proposals	PRODUCERS	Number of Proposals
Indonesia	19	Honduras	2
Ghana	18	Malaysia	2
Peru	14	Myanmar	2
Cameroon	14	Togo	2
Guatemala	8	Colombia	1
Mexico	5	Gabon	1
Brazil	3	India	1
Ecuador	3	Nigeria	1
Fiji	3		
Liberia	3	CONSUMERS	
Philippines	3	China	5
PNG	3	Austria	1
Thailand	3	Germany	1
CAR	2	Netherlands	1
Cote d'Ivoire	2	France	1
DRC	2	ITTO	7
Guyana	2	TOTAL	135

	TFLET	REDDES	CFME	TMT	TOTAL
Proposals submitted by TP	30	83	9	13	135

3.11 The breakdown of proposals submitted by TP varies widely and largely reflects the funds available. Producer priorities and the scope of their ongoing national activities related to REDD+ may also be factors in the large number of REDDES proposals. The number of submissions has had a direct bearing on the workload of TPACs. The high volume of proposals under three of the REDDES calls for proposals and one TFLET call for proposals has made it infeasible for all TPAC members to appraise all proposals given the tight timeframe for review allotted under a 6-month project cycle. In these cases, the PME Officer has assigned each TPAC member a set number of proposals to review (e.g. 10-12 proposals), with each proposal being reviewed by at least two TPAC members.

3.12 Table 3 displays TP funding allocations by country/beneficiary and the number of projects and activities financed¹⁶. Sixty-four proposals, about 47% of those submitted, have been approved and funded, including 46 projects/pre-projects in individual producer countries, 3 regional projects/pre-projects for Africa and the Amazon, 3 projects in China, 1 project in France, and 11 activities implemented by the Secretariat. The vast majority of these projects and activities are being implemented under TFLET and REDDES, which have received significantly more funding than CFME and TMT. Excluding regional projects, five countries account for nearly half the producer funding: Indonesia, Guatemala, Ghana, Peru and Cameroon. As already noted, these countries also account for the highest number of submissions.

¹⁵ Table 2 excludes proposals submitted under TFLET pre-cursor initiative prior to the spring 2009 call for TP proposals, but includes proposals revised per ED/TPAC and re-submitted.

¹⁶ Decision 7(XXXIII) also applies to TPs: "Members with cumulative arrears to the Administrative Account equal to or exceeding three times their annual assessed contribution are ineligible for project funding".

TABLE 3
Funding allocations under TPs through Spring Cycle 2012
USD 000

PROPONENT	TFLET (# projects)	REDDES (# projects)	CFME (# projects)	TMT (# projects)	TOTAL (# projects)
1. Indonesia	971 (2)	1,101 (3)	465 (1)		2,537 (6)
2. Ghana	311 (2)	780 (2)	149 (1)	112 (1)	1,352 (6)
3. Brazil		142 (1)			1,267 (2)
Brazil-regional		1,125 (1)			
4. Guatemala	563 (1)	229 (2)		360 (1)	1,152 (4)
5. Peru	349* (3)	772 (2)			1,121 (5)
6. Cameroon	668 (2)	257 (3)			925 (5)
7. Guyana		401 (1)		321 (1)	722 (2)
8. Togo		629 (2)			629 (2)
9. China	322 (1)	295 (2)			617 (3)
10. PNG	473* (1)		122 (1)		595 (2)
11. Malaysia		591 (1)			591 (1)
12. Myanmar		572 (1)			572 (1)
13. Cambodia	561* (1)				561 (1)
14. DRC		477 (1)			477 (1)
15. Mexico		471 (1)			471 (1)
16. Thailand	57 (1) ¹⁷	113 (1)	31 (1)		201 (3)
17. Germany-Africa regional	176 (1)				176 (1)
18. Ecuador		150 (1)			150 (1)
19. Liberia		150 (1)			150 (1)
20. Honduras/Guatemala		145 (1)			145 (1)
21. Gabon				139 (1)	139 (1)
22. France				138 (1)	138 (1)
23. Colombia	91 (1)				91 (1)
24. ATO - regional	544* (1)				544 (1)
25. ITTO	1,200* (4)	494 (3)	200 (1)	360 (3)	2,254 (11)
TOTAL	6,286 (21)	8,894 (30)	967 (5)	1,430 (8)	17,577 (64)

*Includes one or more projects/activities funded under TFLET pre-cursor initiative

B.1. TFLET

3.13 The 21 ongoing TFLET projects and pre-projects represent a cross-section of producers, taking into account the two regional projects for Africa and the Amazon project, reflecting broad producer interest in forest governance issues at various levels. Eight of the projects/activities were approved under the TFLET pre-cursor initiative prior to the first TP call for proposals in spring 2009. Producer interest in TFLET can be expected to continue as additional funds become available. At the same time, there appear to be gaps in TFLET proposals and approved projects relative to some of the TPD's objectives and outputs. The TFLET MP indicates a good balance of projects and activities focused on objective 1 (forest law enforcement) and objective 3 (forest enterprises). However, there have been relatively few projects focused on objective 2 (improving management and transparency of supply chains). It may be useful for the Secretariat to explore with Members why this is the case and encourage proposals designed to fill the gaps in moving toward TFLET objectives.

B.2. REDDES

3.14 REDDES projects and pre-projects also reflect a broad cross-section of producers, including a regional project for the Amazon proposed by Brazil. A number of these projects are focused in some way on activities to complement and strengthen REDD+ readiness processes and related programmes under the Forest Carbon Partnership Facility. The REDDES MP (see [Annex 9](#)) shows that some REDDES outputs (e.g. REDD, PES) are well-covered by current projects, while other outputs (e.g. biodiversity, community initiatives, knowledge management) are less well-covered. Again it may be useful for the Secretariat to explore the reasons for this with Members, with a view to addressing gaps as additional REDDES funding becomes available.

B.3. CFME

3.15 The limited funding available under CFME is likely the main reason that only five proposals have been approved. The large size of one project (USD 465,000) relative to the funds available may also be a

¹⁷ Pre-project approved under Spring Cycle 2009 but terminated June 2012 due to unsigned agreement by EA.

factor. However, the funding level does not seem to account entirely for the fact that only nine proposals were submitted in the first place. This may suggest that CFME is not a priority for producers or perhaps that effective community-based projects are difficult to formulate. For example, governments may face challenges in working with communities, or communities may have difficulties in developing project proposals that meet ITTO's standards and requirements.

3.16 Also noteworthy in the CFME context are the possible synergies between the ITTO activity -- an international conference on forest tenure, governance and enterprises focused on Asia-Pacific -- and the projects approved for Indonesia, Papua New Guinea and Thailand. Early preparations for the conference, which was hosted by Indonesia in July 2011 (see III.C), may have helped set the stage for the project proposals. It may be useful for the Secretariat and TPACs to further explore the potential for synergies between TP activities by ITTO and proposals from Members.

B.4. TMT

3.17 TMT has also had limited funding, which has likely affected producer interest in the TP. However, the lack of funding may not fully account for the fact that only four proposals were submitted by producers under the first two calls for TMT proposals (Spring Cycles 2010 and 2011). Other possible factors may be that some TMT activities are outside the scope or mainstream of work of forestry agencies and/or may require an understanding of timber trade and marketing situations, forces and policies beyond a single country. If so, this could limit the ability of some producers to formulate proposals, even under increased TMT financing. While producer response to the Spring Cycle 2012 call for proposals was stronger (five proposals), additional assistance to interested producers in developing proposals may be helpful, particularly proposals that contribute to TMT objective 1 (strengthening national information systems on markets and the forest sector). Progress toward TMT objective 2 (filling gaps in the market transparency of tropical timber and timber products) and objective 3 (enhanced market access and trade promotion of tropical timber) may be more effective through regional projects, joint producer-consumer projects and ITTO activities.

C. Achievements and impacts of TP projects and activities

3.18 Of the proposals initiated since the Spring Cycle 2009, very few have been completed to date, and no mid-term or ex-post evaluations have yet been conducted. Therefore, it is too early at this stage to assess definitively how much progress has been made toward meeting TP objectives and the potential for wider applications of outcomes/outputs to other countries. However, reports on the following completed and ongoing projects/pre-projects/activities, which include several under the TFLET pre-cursor initiative, indicate positive impacts and show that a wide spectrum of TP outputs defined in TPDs and MPs are being addressed, albeit partially.

C.1. TFLET

a. TFL-PPD 001/09 Rev.2 (M), Colombia (USD 91,498):

Implementing and promoting SFM through formulation of an action plan for forest law enforcement and governance in Colombia. (Completed)

3.19 The pre-project contributed to TFLET objective 1 on national forest law enforcement and successfully set the stage for developing a full proposal on "Implementing and Promoting SFM through Forest Law Enforcement and Governance in Colombia." The pre-project supported the identification of problems related to illegal logging, evaluation of existing forest laws and policies, and the convening of eight regional workshops to better understand stakeholder issues and perceptions. The pre-project enabled Colombia to obtain reliable information on current realities in the forestry sector, as well as develop a database of relevant stakeholders directly involved in forest law enforcement and governance. Outputs were:

- A report analysing and evaluating 36 national laws, 5 national policies, 12 international treaties to which Colombia is a party, and 61 regional norms.
- Surveys of major economic activities by stakeholders, marketing channels for timber, levels of stakeholder awareness and knowledge of forest laws and regulations, training needs, percentage of legal and illegal harvesting, perceptions of the state of Colombia's forests and reasons for illegal logging, and proposals for assuring legality.
- A TFLET action plan for Colombia based on TFLET, describing the characteristics, needs/challenges, potential for future involvement for types of stakeholders.

3.20 Following completion of the pre-project, the full proposal was submitted to the ITTO Expert Panel (as PD 640/12(F)), which rated it as Category 2. Revisions to the proposal are underway.

b. TFL-PPD 023/10 Rev.1 (F), Germany (USD 198,242):

Development and implementation of species identification and timber tracking systems in Africa (Cameroon, Congo, Gabon, Ghana) with DNA fingerprints and stable isotopes. (Completed)

3.21 This pre-project contributed to TFLET objective 2 on transparent and effective supply chains and objective 3 on international cooperation in forest law enforcement. Although many legal instruments have been established to combat illegal logging and trade in illegally sourced timber, practical control mechanisms to identify tree species and geographic origin of wood and wood products are lacking. The combination of DNA fingerprints and stable isotope techniques (which use characters inherent to the timber and are impossible to falsify) provides a highly accurate and cost-effective method to identify the origin of wood and wood products.

3.22 The pre-project successfully set the stage for developing a full proposal for an ITTO regional project on DNA-based and isotopic timber tracking involving six African countries: Cameroon, Central African Republic, Democratic Republic of Congo, Republic of Congo, Gabon and Kenya. The pre-project supported two workshops in Hamburg, Germany and Yaoundé, Cameroon to involve and engage relevant stakeholders. The full proposal was originally submitted under TFLET, but because there was no open TFLET call for proposals at the time, the project was submitted in July 2011 under the regular project cycle so as not to lose momentum. The Expert Panel rated the project as Category 1. It has since attracted about USD 1.83 million in financing from Germany (USD 1.7 million), USA (USD 100,000), and Australia (USD 30,000), with additional countries expressing interest. Additional funding for project "satellite components" has been achieved from the Australian Research Council through the University of Adelaide.

3.23 The pre-project and full project can be scaled up to provide measures to support other countries to achieve improved forest governance through DNA-based and isotopic timber tracking. The full project is closely linked, and will be implemented in coordination with, a number of other ITTO initiatives, including the ITTO-CITES Capacity Building Programme. It will also provide substantial input and guidance to a project to be implemented by Biodiversity International on "Identification of Timber Species and Origins".

c. TFL-PD 017/09 Rev 2 (M), China (USD 322,056):

Equipping small and medium-sized forestry enterprises in China for procurement of tropical timber from legal and sustainably managed forests. (Ongoing)

3.24 Under this project, the Chinese Forest Products Index (CFPI) was established and launched in Shanghai in March 2012 as a platform for regular communication and information exchange among Chinese government agencies, associations, research institutes and timber product enterprises, with a view to promoting procurement of timber products from sustainably managed forests. CFPI is under the auspices of the State Forestry Administration and operated by the Chinese Academy of Forestry. Following a high profile launching ceremony, the first CFPI forum was held in April 2012 and attended by government representatives, forest industry associations, and presidents and CEOs of some 40 forest enterprises, as well as FAO and ITTO. Thirty-three forest enterprises have been identified as the first group of "Indicator Enterprises" which will take responsibility to provide information on their timber product procurement and production and other information through the platform.

C.2. TFLET pre-cursor initiatives

a. PPD-138/07 Rev.1 (M), Peru (USD 79,844):

Verifying the legality of timber forest products in Peru. (Completed)

3.25 This pre-project looked at applying traceability systems at the forest management level, including community forests. The pre-project achieved excellent results and its impact on participating partners has received formal recognition from the FAO Regional Forestry Commission for Latin America and the Caribbean, which awarded distinctions of excellence in SFM to a number of forest communities which participated in the execution of the pre-project. The pre-project also showed that traceability systems can improve productivity and save time in obtaining Government approval for management plans, verification and issuance of certificates. The pre-project generated very positive incentives, resulting in private companies participating and providing additional in-kind contributions, particularly to cover duty travel and the use of technology.

b. PD 449/07 Rev.2 (M.I), PNG (USD 473,040):

Enhancing Forest Law Enforcement in Papua New Guinea. (Ongoing)

3.26 The objective of this project is to enhance forest law enforcement in PNG, including SFM and product tracking and chain-of-custody verification systems. A software system was developed and tested at two sites. The initial scoping and framework-setting activities were completed in consultation with a cross-section of registered stakeholders through a scoping questionnaire, draft framework documents and a national workshop. On this basis, a draft Timber Legality Standard, Industry Code-of-Conduct and Stakeholder Monitoring Module were developed, widely circulated and field tested, and are now in the process of being revised.

c. PD 493/07 Rev.1 (F), Cambodia (USD 561,195):

Strengthening Capacity of Forest Law Enforcement and Governance (Cambodia). (Completed)

3.27 This project provided training and capacity building in forest law enforcement to a wide range of individuals from central and local forestry administrations, forest communities, the private sector and NGOs. A computerized database system for forest crime monitoring was improved to systematically categorize and track forest crimes in two languages (Khmer and English) in four project sites. Nearly 1,700 forest crime cases have been recorded in the database. To increase awareness of forest administration staff on forest law enforcement, technical guide books were developed and published, including Forest Law Enforcement Training Program (Khmer and English, 1,000 copies), Forest Law Enforcement Pocket Field Guide (425 copies) and Forest Patrolling Procedures in Cambodia (1,500 copies). Posters were also produced to increase public awareness of illegal logging.

d. PP-A/43-193, ITTO (USD 300,000):

Assist countries in developing initiatives to enhance capacity of small and medium-sized enterprises to produce and trade timber from legal and sustainable sources with the aim of promoting progress towards SFM, verifiable legality and certification. (Completed)

3.28 This activity focused on improving the capacity of community and small and medium-sized enterprises to implement and demonstrate that timber produced and traded comes from legal sources, and to contribute to sustainable livelihoods. Through the activity, two approved partnership initiatives were fully implemented:

- A partnership between the Tropical Forest Foundation (TFF) and PS Suka Jaya Markur in Indonesia enabled the company to meet key TFF benchmarks, including verification of legality and chain-of-custody and controlled wood assessment, as well as the pre-assessment for FSC certification. The partnership is pursuing FSC certification under alternative funding, with the objective of achieving certification by the end of 2012.
- A partnership between the Foundation for People and Community Development (FCPD) and Innovition Papua New Guinea (IPNGL) enabled IPNGL to meet the pre-assessment for FSC forest management certification. IPNGL is now pursuing full FSC certification.

e. PP-A/43-202, ITTO (USD 200,000):

Global assessment of status of tropical forest tenure with identification of trends and implications for investment and management, and for convening an expert workshop on Tropical Forest Tenure and Business Models, including formulation of a project to assist Civil Society Organizations to set up and operate on a pilot basis a remote sensing system to detect illegal logging activities in areas known to be critically affected by such activities. (Completed)

3.29 The main feature of this activity was the International Conference on Forest Tenure, Governance and Enterprises hosted by Cameroon in Yaoundé in May 2009 and co-organized by ITTO and Rights and Resources Initiative (RRI), as well as FAO, IUCN, CIFOR, Helvetas Swiss InterCooperation, the Global Alliance for Community Forestry (GAFC) and ICRAF. Participants included representatives from a wide range of civil society and local community organizations.

3.30 Important outcomes included the publication and dissemination of country reports on land tenure prepared for the conference and a technical report on Tropical Forest Tenure Assessment published in April 2011. The technical report is based on the conference background document prepared under RRI's leadership, as well as conference discussions and conclusions, including regarding innovative policies to address livelihoods of forest dependent communities and forest conservation. The technical report has

generated significant interest in the local, regional and international media, as well as in technical, academic and policy arenas related to forests and sustainable development in the tropics, and has helped accelerate understanding of and support for local communities and indigenous groups to sustainably manage forests for their improved livelihoods.

3.31 A project proposal to assist civil society organizations with piloting remote sensing techniques has been submitted to ITTO and evaluated by the Expert Panel as Category 2. Further revisions are needed before it can be considered for approval.

f. PD 124/01 Rev.2 (M) Phase II–Stage 2, ATO (USD 544,070):

Promotion of Sustainable Management of African Forests. (Completed)

3.32 This Phase II project has helped build the capacity of 10 members of ATO and ITTO to implement the ATO/ITTO Principles, Criteria and Indicators (PCI) for the Sustainable Management of African Tropical Forests, as well as strengthen regional cooperation on the PCI through ATO. A partnership with WWF in Central Africa was crucial to project implementation. The full report is available from the ITTO Secretariat (French only). Impacts included the following:

- National sets of PCI were established, have become an integral component of several national certification and legality verification schemes being developed in the region, including under FSC and PEFC umbrellas, and are increasingly seen as a first step toward certification.
- Awareness and engagement of a wide range of stakeholders was increased.
- A regional FSC-based standard for Congo Basin Forests was developed.
- The PCI have become a main operational mechanism of the SFM component of the COMIFAC action plan.
- Training sessions on PCI implementation and SFM auditing supported the development of professional African forest auditors who are now recruited by FSC certifying firms and others working on legality verification.

g. PP-A/43-194, ITTO (USD 600,000):

(a) Support relevant NGOs to establish/operate a web-based information system designed and operated to make available data and information that can assist consumers to identify and purchase legally and sustainably produced timber. (b) Support development of timber tracking systems and dissemination of information on timber produced under timber tracking systems (will also involve establishment of a website in conjunction with above on marketing tool). (Ongoing)

3.33 The web-based information system in (a) was developed by The Forest Trust (TFT) and is known as The Wood News Agency (TWNA). While TWNA has generated great interest among companies and associations, funding has not yet been provided to launch the system. Regarding (b), six companies have volunteered to develop timber tracking systems and disseminate information on timber produced under the tracking systems. Three companies have completed system development and the other three are close to completion.

C.3. REDDES¹⁸

a. RED-PD 007/09 Rev.2 (F), Indonesia (USD 447,071):

Enhancing forest carbon stock to reduce emissions from deforestation and forest degradation through sustainable forest management (SFM) initiatives in Indonesia. (Completed)

3.34 The project has promoted SFM as an important option for forest-based climate change mitigation to reduce emissions from tropical forests. It focused on initiating multi-stakeholder processes to develop a national strategy to maintain and increase forest carbon stock through implementation of SFM initiatives. Outputs include:

- Information on SFM forest-based carbon, carbon stock, CO₂ sequestration, and green products.
- Assessment of the supporting infrastructure and mechanisms to implement additional incentives for SFM as an important option in REDD.
- Over 500 representatives of national/local government and a diverse range of other stakeholders aware of the importance of SFM to achieving Indonesia's REDD+ goals.
- Establishment of a database of all REDD+ and forest carbon related projects in Indonesia.

¹⁸ See Annex 9 (REDDES MP) for association of project/activity results with REDDES objectives, outputs, indicators, target values and means of verification.

- Wide dissemination of methodologies for establishing forest carbon baselines and for estimating the contribution of SFM activities to reducing GHG emissions.

b. RED-PD 005/09 Rev.2 (F), Guyana (USD 400,680):

Strengthening Guyana's capacity to manage forest resources and environmental services through resources assessment and monitoring changes in deforestation and forest degradation. (Completed)

3.35 This project supported a resource assessment of a forest area managed by the Guyana Forest Commission (GFC), including identification of ecosystem services, development of a model for the valuation of those resources and services, and strengthening GFC's capacity to monitor changes in forest conditions using GIS technology. The outputs of the project have assisted in laying a firm foundation for Guyana's work on a REDD+ readiness planning framework, including in the context of the MRVS (Measuring, Reporting, Verification system) concept.

3.36 The project also has impacts at the international level. It will help the international community gain further insights on considerations and methodological options of expanding MRVS and REDD+ readiness as a whole at the national and local level. Project components also have significant potential for scaling up. The forest resource valuation model can be applied elsewhere in Guyana and in the region by adapting the parameters to reflect forest specific conditions. Outputs related to the assessment of forest and environmental services can contribute to global approaches to REDDES from a methodological perspective and can give practical guidance on how this can be done using the Guyana example.

c. RED-PPD 006/09 Rev.2 (F), Guatemala (USD 82,080):

Local REDDES programme for development and addressing climate change in Guatemala: Building social processes for sustainability. (Completed)

3.37 In order to reduce deforestation and forest degradation, Guatemala is promoting SFM by establishing financial mechanisms derived from the management and conservation of resources and environmental services in 16 municipalities of the Departments of Huehuetenago and Quiché, while at the same time providing a climate change adaptation mechanism. The pre-project served to consolidate information and agreements with local communities on the management of natural resources and generate quantitative and qualitative data on the potential of forest resources and environmental services in the area. Outputs were:

- Organization of several inter-municipal workshops which promoted consultation and consensus-building on the collective use and management of local forest resources and identified consensus-based alternatives and mechanisms on REDD, forest harvesting and climate change.
- Completion of a diagnostic study on the collective use and management of local forest resources.
- Identification and quantification of the potential environmental services in six localities in relation to timber and non-timber resources, carbon sequestration and watersheds.
- Formulation of a local REDD project document, with wide participation of local stakeholders, to explore the feasibility of developing a municipal and community programme for transboundary conservation forests between Mexico and Guatemala.
- Building networks linking municipalities, communities, civil society organizations, the private sector and Mexican institutions.
- Development of a consensus-based action plan to reduce deforestation and forest degradation in the region.

3.38 The experiences gained and lessons learned in the 16 municipalities can be upscaled and replicated in other municipalities and integrated into regional approaches and plans for REDDES implementation in Guatemala and other Central American forests. The social networks developed can be expanded to other institutions and sectors.

d. RED-A 004/09 Rev.1 (F), ITTO (USD 97,180):

Building a voluntary carbon marketing scheme to promote sustainable forest management. (Completed)

3.39 This activity supported a feasibility study on establishing an ITTO mechanism to capture funds from the private sector and other potential contributors to support voluntary forest-related carbon offsetting schemes, including REDD+ and payments for ecosystem services (PES) projects. The study concluded that ITTO is unlikely in the term to be able to attract considerable funds from the private sector towards promoting REDD(+) projects, primarily because there are still uncertainties related to forest carbon and the private sector is still feeling the impact of the financial crisis. At the same time, the study highlights the comparative

advantages of ITTO in terms of facilitating the development of REDD+ projects under REDDES, as well as the importance of a number of ongoing REDDES projects in helping producer countries build solid REDD+ projects.

e. RED-A 023/09 Rev.1 (F), DRC (USD 476,820):

Technical support for the National Forest Inventory development in the Democratic Republic of Congo for the evaluation of the carbon stock changes in forest lands. (Completed)

3.40 This project has significantly strengthened the DRC's technical and logistical capacity to undertake a national forest carbon inventory. It laid the foundation for the development and operationalization of a field-level system dealing with MRV (Measuring, Reporting, and Verification) for REDD implementation and built the capacity of several national institutions in this regard, including the Directorate of Forest Inventory and Management (DIAF) and the Directorate for Sustainable Development (DDD), within the Ministry of Environment, Nature Conservation and Tourism (MECNT). The vehicles, equipment and materials purchased through the project will allow DIAF technical staff to start field activities for the forest carbon inventory as soon as financial support is forthcoming from FAO through the UN-REDD Programme for field implementation activities, as planned in the framework operationalizing the REDD Work Plan of DRC prepared by FAO, UNDP, UNEP and World Bank in May 2009. Delays in UN-REDD funding risk losing the momentum created by the ITTO project and may negatively impact the project's sustainability.

f. RED-PD 029/09 Rev.1 (F) Brazil (USD 1,124,784):

Monitoring deforestation, logging and land use change in the Pan Amazonian Forest – PANAMAZON II. (Ongoing)

3.41 This regional project builds on an earlier ITTO-funded regional project. It seeks to develop an information and monitoring system for the Amazon region with all countries using the same system. Although the project is still ongoing, the Government of Bolivia has expressed the importance of the project through diplomatic channels, calling it a cornerstone in the development of its forest policy and the centerpiece of Bolivia's new national forest information and monitoring system (Note Embassy of Bolivia VL 143/2011 of 07.05.2011 – note to the Executing Agency).

C.4. CFME

a. CFM-PA 009/10 Rev.2 (F), ITTO (USD 200,000):

International conference on forest tenure, governance and small and medium forest enterprises with focus in Asia-Pacific. (Completed)

3.42 The International Conference on Forest Tenure, Governance and Enterprise: Experiences and Opportunities for Asia in a Changing Context was hosted by Indonesia in Lombok in July 2012 and co-organized by ITTO and RRI to take an in-depth look at the relationship between forest tenure, SFM and income generating enterprises and promote actions across a range of Asian countries. The 300 participants, including many from Indonesia, represented a wide range of stakeholders, including policy-makers, industry, communities, civil society, researchers and NGOs. The conference focused attention on the fundamental role of local control and improved forest governance in alleviating poverty, expanding legal and sustainable forestry, and reducing emissions from deforestation and forest degradation. The conference produced a summary of key issues and challenges, lessons and recommendations addressed to various groups for appropriate implementation.

3.43 During the keynote speech, the Government of Indonesia announced its intention to prioritize the needs of its forest communities and to "recognize, respect and protect *Adat* rights", including by implementing a recently enacted moratorium on forest concessions under the terms of an agreement with Norway to reduce deforestation and slow climate change. The announcement represented an important step toward resolving the country's forest tenure issues.

3.44 ITTO and RRI have collaborated on similar conferences focused on Latin America (Acre, Brazil, 2007) and Africa (Yaoundé, Cameroon, 2009, see [3.29](#)).

C.5. TMT

a. TMT-PA 007/11 Rev.1 (I), ITTO (USD 60,116):

Methodological development for life cycle analysis of tropical wood products to improve their competitiveness in international markets. (Completed)

3.45 This activity supported the development of a report and work plan on Wood Product Accounting and Climate Change Mitigation Projects Involving Tropical Timber. The report contains recommendations for developing an enhanced wood products accounting methodology which would address lineal decay, wood product permanence, landfill emissions and emissions from burning, and export of products. The work plan provides a framework for: (1) analysis of production and export of wood products, (2) analysis of in use lifetime of wood products, (3) analysis of emissions from retired wood products, (4) calculation of net atmospheric impact of wood products, (5) plan for accounting methodological development, and (6) likely costs and timing. The framework has broad applications for wood product carbon accounting.

IV. SYNTHESIS OF SURVEY RESPONSES ON THE EVALUATION OF PILOT TP OPERATIONS

4.1 This section synthesizes the survey responses from ITTO and TPAC members on the effectiveness of TP pilot operations. A wide range of views and ideas were expressed through these responses, reflecting a variety of perspectives and degrees of familiarity with aspects of the TP pilot phase. In view of the interrelated nature of many survey questions, the following synthesis is organized to bring forward the input received while minimizing overlap and repetition. Many suggestions are taken forward in some form in the recommendations in [Section VI](#).

A. Thematic Programme Profiles (TPPs)

4.2 The general view is that the seven elements used to develop the five initial TPPs cover important aspects of a TP scoping document. It was noted that existing TPPs address some elements in different levels of detail. The following refinements were suggested to enhance the potential impact and attractiveness of future TPPs:

- a. Element (a): Include a brief description of ITTO's comparative advantage/value-added in developing and implementing the TP, and the TP's complementarity with ongoing initiatives.
- b. Element (b): Include a clear statement as to why the TP approach offers advantages.
- c. Element (c): Include an initial description of what constitutes programmatic success, e.g. by identifying notional targets.
- d. Element (e): Identify specific potential partners and collaborating institutions and indicate their expected role in the TP.
- e. Add an element on the MP, including how TP activities will move the TP toward its general objectives.
- f. Add an indicative list of projects and activities which would benefit from funding under the TP.

B. Thematic Programme Documents (TPDs)

B.1 Logical framework

4.3 The TPD planning and operational elements are widely thought to have provided an appropriate "logical framework" for TPD development and implementation during the pilot phase. It was noted that the logical framework is a tool, not an end in itself. A few suggestions for enhancing TPD elements were made as follows:

- a. Include knowledge management and information sharing as an element in the logical framework.
- b. Include research as a planning element since some aspects of TPDs are research-based.
- c. Improve conformity with the ITTO Manual for Project Formulation.

B.2. TPD formulation and coherence of activities

4.4 The general view is that the four TPDs are well-formulated, recognizing they represent a new effort to develop and implement a programmatic approach to addressing key issues within ITTO's mandate. Many consider the broad scope reflected in the TPDs (objectives, strategies, open-ended list of activities) necessary to accommodate varying country conditions and allow for a wide range of activities and outputs/outcomes.

4.5 Others see a need for more focus to establish a coherent programme of work to achieve TP objectives and move beyond a collection of individual projects which share a common topic but may have limited programmatic impact. The following suggestions were made in this regard:

- a. Identify change and innovation and their multiplier effects as key expectations of TPs.
- b. Establish initial priorities among TP topical areas/objectives and a logical sequence of activities to be implemented.
- c. Give priority to the formulation and implementation of national policies related to the TP, as well as policies at local levels.
- d. Consider if TP impacts might be enhanced by focusing initially on specific regions and/or countries.
- e. Strengthen TPD objectives/outcomes/outputs on knowledge management and mainstreaming learning and provide guidance to activities in this regard.

- f. Elaborate measurable targets (e.g. area of reduced deforestation or improved forest management, amount of increased community income) in addition to process outcomes.
- g. More fully describe outcomes/deliverables to facilitate better targeted proposals.
- h. Emphasize TP general criteria (e) on linkages/relevance among projects, (f) on extension of results and (h) on measures to verify coherence of projects, as well as the specific TP criteria. (Also relates to the proposal appraisal process-[IV.C.2.](#))
- i. Develop an ITTO activity for funding under each TP to assess coherence of ongoing/completed projects. This could include preparing a publication consolidating project/activity strategies, outputs, results and lessons learned for each TP objective.

4.6 It was also noted that TPDs should build in flexibility to accommodate new and emerging issues and institutional arrangements.

B.3. Complementarity with other programmes

4.7 Many consider the four TPs/TPDs to be highly complementary with ongoing programmes in the same fields. While areas of overlap may occur, particularly for TFLET and REDDES, some overlap is acceptable since there is scope for multiple initiatives in areas like climate change and governance, and several financing channels may be needed to cover a country's needs broadly. One country expressed the view that there was too much duplication between TFLET and REDDES and other international programmes, and that ITTO TPs should focus clearly on SFM and related trade and market objectives within ITTO's mandate.

4.8 Other respondents feel that complementarity is not yet clearly evident. TPDs do not seem to reflect the cross-institutional cooperation/complementarities evident in, for example, the ITTO-CITES Capacity Building Programme, and it is not clear to what extent major actors were consulted in TPD development and objective-setting. The following suggestions were made to strengthen/clarify TP complementarity with related programmes, enhance ITTO coordination with partners and avoid duplication of effort:

- a. Take a broad-based approach to strengthening ties between ITTO and partners in the TP context which includes the Secretariat, Council and TPACs. The Secretariat in particular has an important role to play in building/maintaining relationships with key partners.
- b. Clearly focus TPDs on ITTO's comparative advantage in thematic areas where others have significant mandates and programmes.
- c. Engage key partners (e.g. TAG, CSAG, CPF members) in TP development early on to identify areas of common and complementary interest on which TPDs can build, and keep partners informed of TP activities, outcomes and results.
- d. Identify mechanisms for cooperating with key partners during TP implementation, e.g. through MOUs, joint activities, participation on TPACs.
- e. Require proponents to clearly explain how a proposal fits into ongoing national priorities and activities in the thematic area, including activities funded through international cooperation. (Also relates to the proposal appraisal process-[IV.C.2.](#), and proposal formulation-[IV.F.](#))
- f. Include in TP progress reports to Council an update on complementary programmes and ITTO efforts to consult and coordinate with TAG, CSAG and CPF partners.
- g. Invite CPF partners to update Council on their relevant programmes, and allocate time during Council to exchange views on how to enhance TP complementarity and coordination.
- h. Formulate an ITTO activity for TP funding to assess how TPs complement ongoing programmes and initiatives.

B.4. TPD/TP review

4.9 The general view is that TPDs should be reviewed every 3 to 5 years in the context of a TP evaluation and updated as needed to remain relevant and take into account lessons learned, achievements, programme developments elsewhere, emerging issues and innovations, and the outlook for continued funding. The following additional points were made:

- a. As TPs are implemented, reviews should check whether objectives are too ambitious and whether projects are filling the intended fields of activity or if there are gaps.
- b. Regular reviews should be funded through the Administrative Account if possible. Otherwise they should be funded through BWPs or by including review provisions in TPDs with costs to be covered from programme support or through a small ITTO activity funded by the TP.
- c. TPACs should monitor TP implementation using the MPs and make recommendations regarding circumstances (positive or negative) that might warrant further review (e.g. implementation

issues, institutional developments, opportunities for partnership). (Also relates to TP MPs-[IV.D.3](#) and TPAC functions-[IV.G.2.](#))

- d. Once a TP reaches target funding, it should be reviewed to determine to what extent objectives have been met and whether to conclude or renew/extend the TP.

C. TP project cycle during the pilot phase

C.1. Calls for proposals

4.10 The general view is that a fixed 6-month cycle/calendar, while well-established for regular cycle projects, may not have proved entirely meaningful in the TP context. Many consider that a flexible timetable based on levels of funding available and numbers of proposals received may be more useful for TPs and could result into a better paced workload and time needed for proposal submission, appraisal and revision.

C.2. Proposal appraisal process

4.11 Pre-appraisals. TPAC respondents consider that the Secretariat's pre-appraisals of proposals, including Secretariat proposals, have been technically sound, comprehensive and very helpful to their review. Two areas for further refinement were identified:

- a. If a Member submits multiple proposals in response to a call for proposals, the ITTO Focal Point should group the proposals in terms of relative priority (e.g. high, higher, highest).
- b. Proposals submitted and pre-appraised by the Secretariat can be rated by TPAC members without the Secretariat's involvement to avoid any appearance of conflict of interest.

4.12 TPAC review. TPAC respondents consider that the three review forms (for projects, pre-projects and small projects) have allowed for an efficient review process and ensured that standard ITTO project formulation procedures are taken into account. The general and specific TP selection criteria are widely seen by both ITTO and TPAC respondents as providing a good additional framework for evaluating and selecting TP proposals, recognizing that some general criteria also apply to regular projects. The following suggestions were made to further refine the review and rating process:

- a. Introduce a weighting system to give priority to key criteria/factors, including key TP selection criteria, such as the relevance of the proposal to other countries and its contribution to national priorities and ongoing activities in thematic area.
- b. Focus the evaluation more on how adequately a proposal addresses required aspects (e.g. a proposal may mention forest governance but not actually provide for meaningful improvements in governance.)
- c. Add a criterion on knowledge management and information sharing.
- d. Give priority to regional proposals and proposals that are highly relevant to other countries.
- e. Set minimum thresholds for rating categories.
- f. Add/strengthen project review factors related to: (1) governance (e.g. stakeholder participation, transparency of information, recognition of indigenous/local rights), (2) cross-sectoral coordination, (3) vertical integration and financing and institutional approach (in the planning and organizational strategy), and (4) remuneration for consultants/project directors in comparison to total project costs. (Also relates to project formulation-[IV.F](#))
- g. For CFME in particular, strengthen the stakeholder analysis to ensure community beneficiaries are fully aware of a proposal in which they are named and will benefit from the project.

4.13 Recommendations in the Meta-Evaluation Report¹⁹ were also mentioned, including the need to focus more attention in reviews on: (a) substantive aspects of project design to minimize the risk of unsatisfactory performance, (b) exit strategies to ensure sustainability, (c) baseline information to allow evaluation of impacts and (d) performance track record of EAs.

4.14 TPAC workload. In order to have sufficient time to critically review proposals, TPAC members stressed the need for balance between the number of proposals they were asked to review and the deadline for completing the reviews. Many members are busy with other responsibilities, and without a dedicated meeting (as originally envisioned), a high volume of proposals can be difficult to deal with in a compressed timeframe along with normal duties.

¹⁹ Meta-Evaluation Report of Previously Evaluated ITTO Projects

4.15 Most TPAC respondents consider 5-10 proposals over a 2-4 week timeframe to be reasonable under current TPAC circumstances. Ideally all members would review all proposals so as to give all proposals the same attention and promote consistency and a team approach in evaluations. Two suggestions were made to manage the TPAC appraisal workload:

- a. Establish a flexible timeframe for review based on the number of proposals submitted. A high volume of proposals would result in a longer review timeframe, and vice versa. (Also relates to the TP project cycle during the pilot phase-IV.C.)
- b. Authorize the Secretariat to short-list proposals receiving the highest pre-appraisal scores, thereby limiting the number of proposals needing TPAC review.

D. Project/programme management, monitoring and evaluation

D.1. Project/programme management

4.16 Many see merit to creating a new unit within the Secretariat (comprised of existing staff) to oversee TPs and TP projects/activities holistically as a pool of interrelated and programmatically linked projects and activities. This could be considered as part of the overall re-structuring of the Secretariat to better address work under the ITTA, 2006, including mainstreaming TPs. Financing through modest TP programme support charges might also be considered in this regard.

4.17 A few respondents propose that other mechanisms to promote TP integration and exchange of experiences be explored as an alternative to creating a TP unit. The Meta-Evaluation Report recommendation to create a planning, monitoring and evaluation unit was noted in this regard. Providing training for professional staff in programme approaches was also suggested.

D.2. Project monitoring and evaluation

4.18 The following points were made related to TP project monitoring:

- a. Update the Manual on Project Monitoring, Review, Reporting and Evaluation (as recommended in the Meta-Evaluation Report) to strengthen guidance on assessing outcomes/impacts and include guidance specific to TPs.
- b. Clarify and streamline/simplify ITTO mechanisms for monitoring.
- c. Make greater use of mid-term evaluations as a strategic tool for TP project review and identification of lessons, as well as to confirm that a project is on track to produce expected outputs or needs to be “steered” in the right direction.
- d. Undertake ex-post evaluations of TP projects in clusters based on specific objectives and outputs (sub-themes), and analyze the potential for scaling up and mainstreaming results to benefit other countries. (Also relates to scaling up lessons learned-IV.E.)
- e. Promote cross-fertilization of ongoing projects through web-based platforms/projects.
- f. Have ITTO Regional Officers and Focal Points play a more active role in assisting with project monitoring reports.

4.19 Respondents welcomed the new OLMS as an innovation for routine monitoring and reporting by EAs for both TP projects and regular cycle projects. However, it was noted that some community organizations do not have adequate internet access for online monitoring.

D.3. TP Monitoring Protocols (MPs)

4.20 The MPs are widely viewed as an innovative and useful framework for proponents to show how their proposals fit into and contribute to TP objectives, as well as for conducting future assessments of the progress of TP projects/activities as a whole in meeting objectives. The following refinements were suggested:

- a. More closely align “target values” for outputs with the problems/issues the TP seeks to address and the particular contributions to be made by the TP.
- b. Identify a few performance indicators to be followed as an early warning sign for project failure or deviation in expected deliverables.
- c. Strengthen indicators for outputs related to knowledge management and information sharing.
- d. Include timeframes within which activities are undertaken and monitored.
- e. Consider if the MPs can be simplified while still meeting their purpose.

4.21 It was also suggested that further refinements to the MPs could be determined as needed based on utilizing them in TP evaluations.

D.4. Relationship to regular cycle projects

4.22 The TP process and the regular project cycle are widely seen as complementary but distinct avenues to assist Members in implementing ITTO policies. Most respondents recommend keeping the two processes separate. In this context, it was noted that TP proposals must address additional factors (e.g. how a proposal fits with TP deliverables and MPs). While it was generally recognized that some projects completed under the regular cycle might have outcomes that provide useful lessons in developing TP proposals, a number of respondents advocated no linkage between TPs and completed regular cycle projects at this time. Other suggestions included:

- a. Noting highly relevant regular projects in Secretariat reports to Committees on completed projects/pre-projects and on projects/pre-projects in progress.
- b. Developing a list of highly relevant completed regular projects and their lessons learned and best practices for circulation to Members.
- c. Incorporating highly relevant completed regular projects as part of TPs.

E. Scaling up lessons learned

4.23 All respondents acknowledged the importance of scaling up and mainstreaming learning developed from implementing TP projects/activities to benefit other countries and regions. It was recognized that the extension of results was a basic feature of a programmatic approach and should be emphasized throughout the TP process from proposal formulation to ex-post evaluation. The following specific suggestions were made to promote knowledge management:

- a. Organize side events during Council sessions that focus on lessons learned, best practices and extension of results.
- b. Establish/strengthen specific knowledge management outcomes for each TP/TPD at national and international levels, including learning modules based on best practices or topics arising from TP implementation.
- c. Convene national and regional TP workshops to bring EAs and other project stakeholders together to share experiences and ideas.
- d. Publish and widely disseminate project results and documentation through the ITTO website, ITTO publications and journal publications.
- e. Establish/facilitate networks among experts and EAs in a given TP.
- f. Make information sharing a required element of all TP proposals, representing at least 1% of the budget.
- g. Document best practices at the end of project implementation for further validation and adaptation as modules for addressing similar needs in other parts of the tropics.
- h. Include in all ex-post evaluations an examination of how a project can be replicated and scaled up in other member countries.
- i. Help countries identify gaps and specific issues and how to address them, drawing on TP projects/activities that have proved effective in other countries.
- j. Once a sufficient number of projects are completed and/or well underway, develop an ITTO activity for TP funding for each TP to evaluate lessons and propose concrete actions for extending results. Actions could be discussed by TPACs.

F. Proposal formulation

F.1. Raising awareness of TPs

4.24 Nearly all respondents agree that Members and the Secretariat should strengthen communication and outreach regarding project funding opportunities and priorities under TPs with a view to attracting well-targeted proposals from a wide range of producers under all TPs -- assuming additional funds become available. Specific suggestions included:

- a. Conducting 2-3 day workshops in regions/sub-regions which are under-represented in one or more TPs, with a view to identifying partners and activities to fill specific gaps/needs in TP proposals.
- b. Having ITTO Regional Officers actively engage in raising awareness of TPs and explaining the TP approach and objectives.
- c. Requesting ITTO Focal Points to strengthen efforts to raise awareness within their countries.
- d. Extending offers of assistance in proposal formulation to under-represented Members.

F.2. Assistance to Members

4.25 TPAC responses indicate that the technical quality of proposals during the pilot phase has varied within and across TPs. TMT and TFLET noted a wide range in quality. CFME noted that the few proposals received were generally well done. REDDES noted that while the technical quality of proposals has steadily improved, some lack a clear thematic focus, even when technically strong, or reflect limited understanding of the issues involved (e.g. REDD+ readiness). It was suggested that such shortcomings may be due to the newness of TPs in the ITTO context, the emerging and complex nature of some issues under a TP (e.g. REDDES), and/or the global scope of issues involved (e.g. TMT).

4.26 While most respondents do not see the need to revise the Manual for Project Formulation at this time, the general view is that it may be useful to have TP-specific guidelines and assistance to help proponents prepare well-designed proposals that also reflect a sound understanding of TP issues/topics and their corresponding requirements and methods. It was noted in this regard that generalized training sessions may not prove effective. The following suggestions were made:

- a. Assist proponents to formulate specific TP proposals that effectively address TP objectives and deliverables and have a high degree of relevance to other members. This assistance could take the form of small training workshops.
- b. Make greater use of the 3% TP set-aside for proposal assistance and consider raising it to 5%.
- c. Develop information notes or provide links to web sites for TP topics/objectives on which some forestry agencies may not be fully versed (e.g. REDDES-related activities). These could be included in calls for proposals and on the ITTO website or made available by the Secretariat on request.
- d. Provide examples of how a proposal should address TP deliverables and associate outputs with the MP (e.g. through a logical frame matrix with measurable indicators).
- e. Consider updating the ITTO Project Formulation Software Tool (ProTool) which is useful and has many applications beyond ITTO.

G. TPAC functioning

G.1. Modalities

4.27 The general view is that further use should be made of cost-effective measures to strengthen and facilitate TPAC operations as advisory committees, including for example by:

- a. Developing a regular schedule of virtual internet-based TPAC meetings which can be supplemented by group email communications.
- b. Designating an Assistant Director to be responsible for and serve as the focal point for one or more TPACs, including communications, coordination and other activities.
- c. Designating a chairman for each TPAC to provide leadership.
- d. Utilizing the ITTO website more fully for TPAC communications, e.g. through creating a TPAC portal or platforms with interactive features.
- e. Providing TPACs with regular updates/follow up reports related to project implementation, including lessons learned (as recommended in the Meta-Evaluation Report).

4.28 Many respondents consider annual meetings important for TPACs to function effectively as a team; understand the overall picture of the TP, as well as the coherence and complementarity of funded activities; and exchange views on how to approach functions. Recognizing funding limitations, it was proposed that such meetings could be:

- a. Included in BWPs for potential voluntary financing by interested donors and/or
- b. Supported by small TP programme support charges.

4.29 Other respondents question whether annual meetings, while desirable, are a priority given scarce ITTO resources, especially if more TPACs are created under new TPs. The following alternatives to annual meetings of all TPACs were suggested as cost-effective ways forward:

- a. Convene TPAC meetings every two years, e.g. as part of a TP/TPD review or TP stock-taking exercise. Such meetings could be staggered so that not all TPACs would meet in a given biennium.
- b. Convene annual meetings of TPAC chairmen to exchange experiences and lessons learned across TPACs and identify common issues to be raised to Council.

- c. Convene TPACs when there is sufficient activity to warrant a dedicated meeting.

G.2. Functions

4.30 Several respondents, including most TPAC members, consider it timely for TPACs, with Secretariat support, to initiate discussions on monitoring TP implementation (recognizing that the four TPs are at different stages of implementation) and potential sources of additional TP funding, which many ITTO Members consider an important TPAC function.

4.31 A number of TPAC and ITTO respondents also favor expanding the role of TPACs to include fundraising. It was noted in this regard that there is a growing pool of individuals in both consumer and producer countries with project experience, programmatic expertise and knowledge of major funding initiatives related to a given TP. A few expressed concerns that such a role could lead to a conflict of interest and/or would be beyond TPAC capabilities, noting that TPACs are primarily project review bodies.

4.32 Other respondents suggested that more experience is needed in carrying out existing TPAC functions before giving consideration to expanded functions.

G.3. Member qualifications and tenure

4.33 Many ITTO and TPAC respondents favor establishing qualifications or selection criteria for TPAC members to include (in addition to project work) experience with programmatic approaches and knowledge of relevant national/international programmes and financing initiatives. The following views were expressed:

- a. TPACs should be comprised of individuals with diverse experience and knowledge reflecting the range of skills necessary to carry out functions effectively. Not all members need have the same skill base but all TPAC functions should be covered.
- b. Qualifications should relate to the nature of the TP (trade, community, industry) and include strong contacts in the relevant field at national and international levels.
- c. Qualifications should not be overly restrictive.
- d. A roster of TP experts should be developed drawing on nominations/resumes submitted by Members, TAG and CSAG to supplement ITTO's current rosters of consultants and project experts for the Expert Panel.

4.34 The term of members was raised as a factor in TPAC functioning. Continuity is important to build institutional knowledge and relationships even under voluntary ad hoc arrangements. To this end, it was suggested that:

- a. TPAC members should be asked to serve for three years.
- b. TPAC members should confirm they have the time available to devote to TPAC responsibilities in addition to their regular duties.

G.4. Consultative role for ITTO partners

4.35 Most respondents are highly supportive in principle of establishing a consultative role in TPACs for representatives of key ITTO partners and stakeholders to strengthen complementarity and synergies and the potential for joint activities. At the same time, questions were raised as to how this could be put into practice. The following observations were made in this regard:

- a. The current scale of TP funding may not be sufficient to capture the attention of CPF and other potential partners with major ongoing programmes in a thematic area (e.g. World Bank, GEF, UNFCCC).
- b. International partners may not need or want to review specific proposals but could contribute to TPAC discussions regarding complementarity and potential financing sources.
- c. Each TPAC should include representatives of TAG and CSAG as full participants.
- d. TPAC operations should not be overburdened or made overly complex.

H. TP funding

4.36 All respondents recognize the need for significant additional contributions to meet TP indicative targets, including launching IDE (discussed in [III.A.4](#)), as well as the need for additional ITTO financing overall. Many are receptive to exploring the possible establishment of an ad hoc mechanism, such as an informal advisory group, to advise/assist the ED with fundraising broadly. The following approaches were suggested:

- a. The Council could constitute such a body with the usual balance of producer and consumer Members.
- b. The ED could form an informal ITTO “friends” group by invitation. This could include individuals from the private sector and other organizations, as well as ITTO Members.
- c. The ED could convene a side meeting during Council sessions to seek informal advice on fundraising from Members and representatives of TAG, CSAG and relevant organizations in attendance.

4.37 The following strategies were also suggested by one or more respondents:

- a. Make greater use of Assistant Directors and TP project managers, working as a team with the relevant TPAC, to identify and approach potential sources of funding for specific TPs.
- b. Establish a “funding coordinator” position in the Secretariat to seek funding from Members and other sources and be responsible for liaising with ITTO partners regarding TP complementarity.
- c. Expand TPAC functions to include fundraising (see 4.31).
- d. Expand the functions of CFA to include identifying potential additional sources of funding and proposing ways to attract such funds.
- e. Develop new communication products on TP achievements and impacts, targeting potential public/private donors and the international community (as proposed in the Meta-Evaluation Report).
- f. Adopt the Strategic Action Plan: 2013-2018 which highlights the role of TPs in accomplishing ITTO’s strategic priorities and should prove a useful communication tool for many audiences.
- g. Consider calls for proposals that are designed to address initial problems and can demonstrate early success and thereby assist in further fundraising.
- h. Request the ED to explore the range of strategies/options for strengthening ITTO fundraising (including the above) and present results for Council consideration.

4.38 New TPs. Many respondents indicated support for the proposals in the draft Strategic Action Plan 2013-2018 for two new TPs which build on the ITTO-CITES Capacity Building Programme and ITTO’s work on biodiversity, including under the ITTO-CBD MOU on forest biodiversity. Others expressed the need for further information regarding expectations for increased donor funding and impacts on the Secretariat workload. In this context, the following points were made:

- a. Converting ITTO activities to a TP may give more visibility to those activities but may not necessarily generate increased funding since some donors prefer project earmarking under the regular cycle.
- b. A thematic focus implies that there cannot or should not be a large number of focal areas. Having too many TPs could dilute focus and donor funding.

V. FINDINGS AND LESSONS LEARNED

5.1 The following findings and lessons learned during the TP pilot phase are drawn from the input provided by ITTO and TPAC members, consultations with the Secretariat and other information contained in this report.

A. TP achievements/funding

1. Implementing TPs on a pilot basis has demonstrated the interest in and value of innovative programmatic approaches to addressing issues/problems identified by ITTO, and the ability of TPs to secure resources for ITTO's work from a broader base of donors, including new resources from non-traditional donors.
2. The positive response to REDDES and TFLET by both consumers and producers suggests that TPs may be more successful when they are closely aligned with Members' interests, including donor interests, and/or build on existing and well-supported ITTO initiatives.
3. Reasons for slower progress on TMT and especially CFME and no progress on IDE (all areas well within ITTO's mandate) should be explored, identified and addressed as soon as possible if these TPs are not to be seen as "failures". Aggressive marketing to the private sector and other potential donors external to ITTO may be important in this regard.
4. With the establishment of regular TP operations, there is a need to enhance momentum and stimulate significant increases in contributions to meet the objectives and deliverables of all TPs. A variety of strategies should be considered in this regard, including mechanisms to enhance ITTO fundraising overall.
5. New funding sources may be particularly important to avoid competition for funding from traditional donors among TPs and between TPs and regular cycle projects.
6. During the TP pilot phase, many consumers, including regular donors, have continued to earmark a majority of their ITTO contributions to projects under the regular cycle, indicating that earmarking remains an attractive option.
7. Before establishing new TPs, it may be prudent to confirm widespread interest and support for prospective TPPs among Members and if possible other potential donors.

B. TP pilot operations

1. The TP pilot operations have provided very useful experience and a solid basis for strengthening regular TP implementation.
2. Delegation of authority to the ED to manage the TP process, including developing TPDs, approving proposals based on TPAC advice, and allocating available unearmarked funds, has significantly streamlined the process of proposal appraisal and selection, accelerated project start up and reduced costs, as compared to the regular cycle.
3. The Secretariat has introduced positive measures which should be maintained or enhanced under regular TP operations. These include innovations in the context of the proposal appraisal process and the development and application of MPs.
4. The general criteria for TP proposal selection, including those not addressed in the Manual on Project Formulation (i.e. criteria e, g, h), and the specific TP selection criteria cover factors key to TP success. A system of weighting is needed to give priority to these criteria in the TP appraisal process. It also may be useful to set minimum thresholds for the various rating categories.
5. The MPs provide a coherent framework for placing projects/activities within a wider programme context, routinely monitoring TP progress, and carrying out periodic TP evaluations. A few refinements may be useful to identify early warning performance indicators, more closely align

target values with issues/problems TPs seek to address, and strengthen knowledge management outputs.

6. Existing ITTO project-related manuals, guidelines and other tools have been relevant for TP proposal formulation, execution and monitoring. Supplemental/updated guidance is needed in due course to reflect TP-based selection criteria, MPs, and the roles of the Secretariat and TPACs in the TP process, and in turn facilitate the TP process.
7. The 6-month project cycle schedule has proved less relevant in the TP context where pledging and calls for proposals are not driven by a fixed calendar. A flexible calendar which adjusts the length of the cycle to the levels of funding and numbers of proposals involved could lead to a better pace of work and ensure all TPAC members can review all proposals.
8. The Secretariat has managed to absorb the additional TP workload within existing resources and structures. The reorganization of the Secretariat to address work under the ITTA, 2006 offers opportunities to mainstream and manage TPs holistically as collective pools of thematically linked projects/pre-projects/activities, despite staff reductions. The creation of a TP unit could be considered in this regard, as well as the Meta-Evaluation proposal for a planning, monitoring and evaluation unit.
9. Consideration could also be given to the need (if any) to further develop expertise within the current staff on managing a programme-oriented approach to projects and activities.

C. TPP/TPDs guidelines

1. The guidelines for developing TPPs and TPDs during the pilot phase remain relevant, although some refinements are possible.
2. The TPDs have provided a good framework for TP pilot implementation. Future TPD's can build on these initial efforts with a view to further enhancing TP impacts, for example, by identifying priorities among activities, regional approaches and measurable targets.
3. Consultations with key partners/major actors in the thematic area during TPP/TPD development could assure and/or enhance complementarity at national and international levels and set the stage for continuing partnership and cross-institutional cooperation during TP implementation.
4. Periodic review/evaluation of TPs/TPDs will be important to assess progress and achievements in meeting TP objectives, as well as the future outlook for TP success, identify course corrections needed, and take into account new and emerging issues and institutional arrangements. The MPs will be useful tools in this regard.

D. Scaling up knowledge, lessons and best practices

1. Innovation and knowledge management and their multiplier effects are key features of a programmatic approach. While this is recognized to varying extent in current TPDs, extending/mainstreaming project learning and best practices should be further emphasized throughout the TP process, including in TPDs.
2. Ex-post evaluations of clusters of like projects/activities will be useful vehicles for analyzing lessons learned, as well as TP effectiveness and impacts.
3. Mid-term evaluations, especially for larger projects, can help identify emerging opportunities to mainstream results, as well as track progress.
4. A variety of mechanisms should be considered for the wide application and dissemination of knowledge and results within a theme or sub-theme, including regional workshops, learning modules, networking, publications and web-based platforms.
5. The potential for synergies between regional/global TP projects/activities, including ITTO activities, and country-specific proposals by Members should be further explored, with a view to increasing impacts and building on lessons learned.

E. Impacts to date

1. It is too early to assess definitively how much progress has been made toward meeting TP objectives and the potential for wider applications of outcomes/outputs to other countries.
2. Reports on the few completed TP projects/pre-projects/activities submitted since the Spring 2009 call for proposals, as well as the completed TFLET pre-cursor projects, indicate positive impacts and show that a wide spectrum of TP outputs defined in TPDs and MPs are being addressed, albeit partially.
3. Additional funding is needed to comprehensively address TP outputs, strengthen impacts and realize programme objectives.

F. Proposal formulation

1. The quality of TP proposals, while mixed, has steadily improved under some TPs during the pilot phase but more work is needed, particularly to enhance the thematic/topical focus of proposals.
2. In the near-term, it may be useful to post on the ITTO website an illustrative selection of well-designed and well-focused approved proposals for each TP and project type, with links to information sources on specific TP topics/objectives. Reports on completed projects with good results could also be posted.
3. Assistance to interested Members to formulate specific TP proposals that effectively address TP objectives should also be provided, drawing on funds already set aside for this purpose, and could facilitate the process of proposal formulation, appraisal and selection and help fast track project implementation.
4. In view of the gaps in the current suite of projects/pre-projects/activities with respect to some TP objectives, encouraging proposals to help fill these gaps, while contributing to national priorities, could enhance TP success.
5. Experience during the pilot phase shows that ITTO Focal Points have an important role to play in facilitating the TP process by ensuring that all proposals endorsed and submitted to the Secretariat are complete, follow ITTO format and content requirements, and clearly contribute to national forest-related priorities, as well as TP objectives.
6. It will be useful for Focal Points submitting multiple proposals in response to one call for proposals to indicate their relative national priority (e.g. high, higher, highest). Thought might also be given to setting a limit on the number of proposals a Member may submit at one time.

G. TPACs

1. TPACs play an important role in the TP process but are not yet fully operational. Additional efforts are needed to strengthen TPAC operations and contributions in the TP process.
2. The routine use of low cost/no cost internet-based mechanisms for regular coordination (e.g. to finalize reviews and ratings and resolve differences among reviewers), communications, updates and feedback on lessons learned would contribute greatly in this regard.
3. Establishing standard working procedures and modalities would also be useful, including designating a Secretariat Focal Point for each TPAC, as well as a TPAC chairman to provide leadership in undertaking tasks and interfacing with the Secretariat Focal Point.
4. Annual TPAC meetings are desirable and often necessary to foster a team approach. Given scarce resources, such meetings could be proposed as BWP activities supported through voluntary contributions or could be financed through TP programme support. At a minimum, TPACs should meet at key stages in the TP implementation process (e.g. TPD/MP approval, TP evaluations).

5. TPACs can be expected to be most effective if comprised of individuals with a diversity of experience, knowledge and expertise in the thematic area at national and international levels. Establishing basic TPAC qualifications or guidelines may be useful in this regard.
6. Experience shows that continuity among TPAC members is needed to develop and maintain a good understanding of ITTO and TP procedures and build relationships and synergies. While some turnover may be unavoidable, the selection of TPAC members should take into account an individual's expected availability over a period of time (e.g. three years).
7. In the absence of a dedicated annual meeting, it will also be important to establish that TPAC candidates have the time needed to devote to TPAC duties before extending invitations.

VI. RECOMMENDATIONS

6.1 It is recommended that TPs be immediately mainstreamed and recognized as a regular and substantial part of ITTO's work under the ITTA, 2006. In this regard, **the Council may wish to:**

- a. Consider refinements to TP pilot procedures and guidelines (Annexes 1-3 of Decision 9/XLIV) for regular TP operations, as proposed in Annex 11.
- b. Clarify the funding outlook for all TPs and in particular CFME, TMT and IDE; address issues that may be affecting donor interest; and identify marketing strategies to attract additional funding, including from the private sector and other sources external to ITTO, such as the regional development banks. Invite TAG and CSAG input as appropriate.
- c. In this context, consider strategies to enhance ITTO fundraising as a whole through, for example, an informal advisory group to advise/assist the ED; making greater use of Assistant Directors, CFA and TPACs; and developing targeted communication and outreach products.
- d. Consider how the proposed reorganization and downsizing of the Secretariat addresses work under the ITTA, 2006, including mainstreaming and holistically managing TPs.
- e. Include the following activities in BWP 2014-2015 and encourage Members to make voluntary contributions for these purposes:
 - i. A process to update or supplement ITTO project-related manuals, guidelines and tools as needed to ensure their full relevance and effective application to TPs.
 - ii. Mid-term evaluations of TFLET and REDDES and, given sufficient progress, CFME and TMT, as illustrated in Annex 12.
 - iii. Meetings of TPACs in connection with the TP mid-term evaluations in order to maximize their input and contributions and benefit from their experience and expertise.

6.2 **The Council may also wish to request the Secretariat to:**

- a. Increase assistance to Members as requested to enhance their ability to develop effective proposals that address TP objectives and where possible current gaps in TP projects, making full use of ITTO Regional Officers and TPAC expertise.
- b. Develop an ITTO strategy for mainstreaming TP lessons learned, best practices and follow up to include, for example, wide dissemination/publication of results, web-based platforms and learning modules, workshops and networking initiatives.
- c. Consider a flexible TP project cycle calendar/schedule which reflects the level of funds available, the number of proposals submitted, and the time needed for proposal review by all TPAC members.
- d. Strengthen TPAC operations to make them fully functional by, for example, designating a Secretariat Focal Point for each TPAC, convening periodic virtual TPAC meetings, establishing coordination procedures (including via the ITTO website as appropriate), and providing updates/follow up on relevant TP implementation activities (e.g. lessons learned). Establish a roster of TP experts based on nominations by Members, TAG and CSAG to supplement existing ITTO rosters of experts and consultants.
- e. Undertake ex-post evaluations of groups of TP projects/activities linked by objectives and outputs and make use of mid-term evaluations as a strategic evaluation tool, subject to the availability of funds. Include provisions for mid-term evaluations in future proposals, as appropriate.
- f. Further refine the TP review and rating process by weighting selection criteria/factors to reflect their relative importance to TP success, giving due attention to the coherence of, and linkages among, proposals to be funded under a TP and the importance of mainstreaming results.

- g. Refine MPs as needed to identify early warning performance indicators, closely align target values with the issues/problems each TP seeks to address, and strengthen knowledge management outputs and indicators.
- h. Develop a list of regular cycle projects which have objectives/strategies/outcomes closely aligned to those of TPs and make final reports of listed projects available to Members on request. Include in future regular project ex-post evaluations an examination of the project's relevance (if any) to TP objectives, outputs and best practices.

6.3 **The Council may further wish to:**

- a. Urge consumers to provide new and additional voluntary contributions to ensure continued and enhanced TP operations and calls for proposals.
- b. Urge producers, in particular producers not yet fully involved in TP implementation, to submit high quality proposals that effectively contribute to TP objectives, and request advice and assistance from the Secretariat as needed for this purpose.
- c. Urge ITTO Focal Points to ensure that TP proposals forwarded to the Secretariat are complete, properly formatted and prepared and technically sound; to indicate relative priorities when submitting multiple proposals; and to consider establishing a clearing house mechanism at the country level to this end.
- d. Urge all Members to enhance outreach and communication at all levels on the opportunities provided by TPs.

ANNEX 1



**INTERNATIONAL TROPICAL
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DECISION 8(XLIV)

THEMATIC PROGRAMMES SUB-ACCOUNT UNDER THE SPECIAL ACCOUNT

The International Tropical Timber Council,

Noting that the “*Financial Rules and Rules Relating to Projects of the International Tropical Timber Organization*” adopted by the International Tropical Timber Council through Decision 6(XXIII) of December 1997 dealt specifically with the three financial accounts of the Organization established through Article 18, paragraph 1 (a), (b) and (c), and elaborated under Articles 19, 20 and 21 of the ITTA, 1994;

Also noting Article 23 of the ITTA, 1994 “Audit and publication of accounts”;

Recognizing that Decision 9(XLIV) on *Thematic Programmes on Pilot Basis, and Operational Procedures and Guidelines* necessitates the establishment of a separate sub-account for thematic programmes on a pilot basis;

Taking note of Article 18, paragraph 1 (d) of the ITTA, 1994, which states that “there shall be established such other accounts as the Council shall deem appropriate and necessary”;

In anticipation of Article 20, paragraph 1 of the ITTA, 2006 which includes the establishment of the Thematic Programmes Sub-Account;

Decides to:

1. Establish, with effect from 1 January 2009, the Thematic Programmes Sub-Account in the Special Account of the International Tropical Timber Organization for the development, management, implementation and evaluation of Thematic Programmes;
2. Authorize the Executive Director to transfer into the Thematic Programmes Sub-Account unearmarked contributions for the financing of specific Thematic Programmes, consistent with the procedures for Thematic Programmes established on a pilot basis by the Council;
3. Request the Executive Director to submit to the Council an auditor's report on the Thematic Programmes Sub-Account of the Special Account as soon as possible after the close of the financial year but not later than six months after that date and in any case not later than two months before the next session of the Council; and
4. Apply *mutatis mutandis* the Financial Rules of the International Tropical Timber Organization to the Thematic Programmes Sub-Account.

ANNEX 2



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**THEMATIC PROGRAMMES ON PILOT BASIS:
OPERATIONAL PROCEDURES AND GUIDELINES**

The International Tropical Timber Council,

Recalling that the International Tropical Timber Agreement (ITTA), 2006, the Successor Agreement to the ITTA, 1994, was adopted in January 2006, and is expected to enter into force in the near future;

Also recalling Article 20 of the ITTA, 2006 which provides for the establishment of the Thematic Programmes Sub-Account to facilitate unearmarked contributions for the financing of approved pre-projects, projects and activities consistent with thematic programmes established by the Council;

Further recalling Article 24.3 of the ITTA, 2006 on the links between the Action Plan and Thematic Programmes, and Article 25, paragraph 1 regarding the submission of proposals contributing to thematic programmes;

Noting the report of the Meeting on Operational Modalities of Future Work of the ITTC convened during 9-12 June 2008 in Accra, Ghana, and the Background Document on Operational Modalities under the ITTA, 2006: Work of the Committees, Thematic Programmes, Project Cycle prepared for that meeting;

Also noting the March 2007 report of the Inter-sessional Working Group on Thematic Programmes and the October 2007 report of the Working Group on the Review of the Implementation of the ITTO Yokohama Action Plan 2002-2006;

Considering experiences gained in developing and implementing thematic elements of the Biennial Work Programme, including the ITTO programmes on Tropical Forest Law Enforcement and Trade and on Cooperation between ITTO and CITES to Improve Country Capacity to Implement CITES Listings of Tropical Timber Species, as well as experiences gained through implementation of Articles 20, 21, 24 and 25 of the ITTA, 1994;

Decides to:

1. Implement, on a pilot basis, Thematic Programmes for the following areas where additional funding is expected, utilizing the procedures and guidelines contained in Annexes 1 and 2 of this decision:
 - a. Forest Law Enforcement, Governance and Trade
 - b. Community Forest Management and Enterprises
 - c. Trade and Market Transparency
 - d. Industry Development and Efficiency

- e. Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests
2. Adopt, on a pilot basis, the terms of reference for Thematic Programme Advisory Committees contained in Annex 3 of this decision.
3. Urge Members to contribute to the Thematic Programmes Sub-Account to initiate implementation of the thematic programmes;
4. Request the Executive Director to report at each Council session on the development, status and other relevant information on the pilot operation of the Thematic Programmes, and to keep Members informed inter-sessionally through the ITTO web site; and
5. Review and evaluate the effectiveness of the pilot operation of the Thematic Programmes after three years.

ANNEX 1

PROPOSED PROCEDURES FOR PILOT OPERATION OF
THEMATIC PROGRAMMES FOR APPROVED THEMATIC PROGRAMME AREAS

ACTION AND SEQUENCE	RESPONSIBILITY
1. Development of a thematic programme profile (TPP)	Executive Director (ED) in consultation with interested donors and Members
2. Approval of the TPP	Council
3. Preparation of a thematic programme document (TPD) based on the approved TPP	ED with assistance of donors, other interested Members, and as appropriate, other partners
4. Development and submission of proposals for financing under the Thematic Programme	Members and ED
5. Assessment and selection of proposals for financing under the Thematic Programme	Thematic Programme Advisory Committee
6. Monitoring & evaluation of programme implementation	Secretariat, implementing agencies, Thematic Programme Advisory Committee
7. Reporting on Programme implementation	Annual reporting to Council by ED Bi-annual reporting by implementing agencies and Secretariat
8. Revision/amendment of the TPD as needed	Council

ANNEX 2

PROPOSED GUIDELINES FOR THEMATIC PROGRAMME PROFILES AND THEMATIC PROGRAMME DOCUMENTS

1. Thematic Programme Profile

A thematic programme profile is a concise scoping document that provides an initial description of the thematic programme and covers the following elements:

- a) Rationale statement, including problem to be addressed and international context
- b) General objectives
- c) Strategy to be employed
- d) Anticipated outputs/outcomes and benefits
- e) Potential partners/collaborating agencies
- f) Indicative budget and timeframe
- g) Potential donors

2. Thematic Programme Document

A thematic programme document further develops the Thematic Programme Profile and provides detailed information on the following planning and operational elements. These elements comprise the logical framework for the programme:

Planning elements

- a) Rationale statement and problem analysis, including relevant international and regional processes and value-added of the programme
- b) Specific objectives, including, as appropriate, intermediate targets
- c) Strategies for achieving objectives
- d) Outputs/outcomes/deliverables and expected impact/benefits
- e) Other partners and stakeholders
- f) Activities
- g) Work plan, including budget estimates and donor contributions

Operational elements

- h) Composition of the Thematic Programme Advisory Committee and expert profiles
- i) General selection criteria for proposed activities/projects/pre-projects outlined in paragraph 2 of Annex 3
- j) Thematic programme-specific selection criteria for proposed activities/projects/pre-projects, as appropriate
- k) Administrative arrangements
- l) Monitoring and evaluation procedures
- m) Technical and financial reporting procedures

ANNEX 3

PROPOSED TERMS OF REFERENCE FOR
THEMATIC PROGRAMME ADVISORY COMMITTEES

1. Each thematic programme will have a Thematic Programme Advisory Committee to assist the Executive Director with the implementation of the thematic programme as follows:
 - a) Selection of activities/pre-projects/projects for financing under the Thematic Programme;
 - b) Monitoring and evaluation of progress in implementing the Thematic Programme; and
 - c) Identification of potential additional sources of voluntary financial contributions to the Thematic Programme.

2. In selecting activities/pre-projects/projects for financing, all Thematic Programme Advisory Committees will consider the following general criteria, in addition to any specific criteria identified in the relevant Thematic Programme Document:
 - a) Conformity with the Thematic Programme Document and ITTA objectives;
 - b) Technical feasibility;
 - c) Cost effectiveness;
 - d) Environmental and social effects;
 - e) Linkages or relevance to other activities/pre-projects/projects under the programme;
 - f) Applicability/extension of results, e.g. regionally or globally;
 - g) Clear quantitative and qualitative indicators to evaluate progress towards achieving programme objectives;
 - h) Measures to verify the coherence and effectiveness of individual activities/pre-projects/projects funded under the programme;
 - i) Overall impact and sustainability of outputs and outcomes; and
 - j) Mechanisms for effective stakeholder participation.

3. The membership of a Thematic Programme Advisory Committee and its specific functions will be identified in the Thematic Programme Document. As a general rule, each Thematic Programme Advisory Committee will not exceed seven members, taking into account the need for balanced representation among members. They will include:
 - a) Three producer member representatives with recognized expertise on the thematic programme;
 - b) At least one non-donor consumer member representative with recognized expertise on the Thematic Programme;
 - c) Expert representatives of interested donors and collaborating institutions; and
 - d) Executive Director or his designated representative.

4. In consultation with members, the Executive Director will invite individuals to participate on Thematic Programme Advisory Committees.

5. As a general rule, Thematic Programme Advisory Committees will work and coordinate through electronic means and meet once a year.

* * *

ANNEX 3



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THEMATIC PROGRAMME PROFILES

The International Tropical Timber Council,

Recalling Decision 9(XLIV) on Thematic Programmes on a Pilot Basis: Operational Procedures and Guidelines and Decision 8(XLIV) on Thematic Programme Sub-Account under the Special Account;

Decides to:

1. Approve the Thematic Programme Profiles contained in Annex 1 of this decision for the following thematic areas:
 - a. Forest Law Enforcement, Governance and Trade
 - b. Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests
 - c. Community Forest Management and Enterprises
 - d. Trade and Market Transparency
 - e. Industry Development and Efficiency;
2. Request the Executive Director to:
 - a. Develop Thematic Programme Documents for 1(a) and 1(b) consistent with the procedures and guidelines set forth in Decision 9(XLIV) and seek additional donor financing for their full implementation; and
 - b. Circulate completed Thematic Programme Documents to Members and invite Members to submit proposals for activities/pre-projects/projects based on the documents;
3. Also request the Executive Director to utilize the relevant profiles in Annex 1 to seek donor financing for 1(c), 1(d) and 1(e), and, where there is sufficient donor interest, to develop Thematic Programme Documents consistent with the procedures and guidelines set forth in Decision 9(XLIV); and
4. Further request the Executive Director to report progress on 2 and 3 above at the 45th Session of the Council.

ANNEX 1

THEMATIC PROGRAMME ON FOREST LAW ENFORCEMENT, GOVERNANCE AND TRADE

Programme Profile

RATIONALE AND CONTEXT

Illegal activities in the forest sector continue to add to the degradation of forests and undermine the contribution of the forest sector to employment generation and social and economic development and poverty alleviation. An unknown volume of timber is illegally felled, processed and traded. Forest operations conducted outside the law may under-value the resource on which they are based, resulting in the degradation of the resource and a lack of optimal socioeconomic benefits for local people. Several factors contribute to the occurrence of illegal timber harvesting, such as an ineffective policy and legal framework, a lack of enforcement capacity, insufficient data about the forest resource and illegal operations, and a high demand for cheap timber. Cooperation between producer and consumer countries is needed.

The International Tropical Timber Agreement (ITTA), negotiated in 2006, includes commitments to: strengthening the capacity of members to improve forest law enforcement and governance and address related trade in tropical timber; improving the marketing and distribution of tropical timber and timber product exports from sustainably managed and legally harvested sources; contributing to sustainable development and poverty alleviation; and recognizing the role of forest-dependent indigenous and local communities in achieving sustainable forest management and developing strategies to enhance the capacity of these communities to sustainably manage timber-producing forests.

In 2007 the Council approved a pilot of the TFLET Thematic Programme. The objectives of that pilot, as well as the projects and activities under implementation, will be integrated into the Thematic Programmes to be developed under this profile, taking into account the administrative arrangements put in place for the existing programme.

GENERAL OBJECTIVE

The general objective of the Thematic Programme is to improve national forest law enforcement and governance in tropical ITTO member countries in order to enhance and diversify international trade in tropical timber from sustainably managed forests and to help alleviate poverty in those countries.

PROGRAMME STRATEGY

The strategy to reach the objective contains several elements: (i) respond to the needs of producer members and local communities to improve forest governance; (ii) enhance the transparency and effective management of supply chains; and (iii) public-private partnerships between governments, the private sector, Civil Society Organizations and local communities are enhanced to create strong networks to discourage illegal forest activities.

ANTICIPATED OUTPUTS/OUTCOMES

- Enhanced capacity of forest-dependent and local communities to improve governance and sustainably manage their forests in order to alleviate their poverty;
- Enhanced capacity of small and medium-sized enterprises in harvesting, processing and handling timber from legally and sustainably managed sources;
- Increased market opportunities for legally and sustainably produced timber from tropical forests by supporting business-to-business initiatives;
- Enhanced capacity of trade associations and civil-society organizations, in particular those representing local groups and workers in the forest sector, to be involved and actively participate in the development and implementation of policies and programmes on tropical forest management and timber trade;

- Policies and programmes to improve forest law enforcement and governance, contributing to the implementation of international objectives as agreed in the ITTA, UNFF, FAO, CITES, CBD and UNFCCC, as well as relevant partnership arrangements;
- Information exchange among stakeholders as well as the identification of commonalities and horizontal elements in policies and programmes to improve forest law enforcement and governance; and
- Better enforcement of forest laws and regulations through chain of custody and tracking and tracing systems such as fingerprinting methods and improved verification and monitoring procedures.

The approach to be taken in this proposed Thematic Programme will complement ITTO's work on policy and transparency by intensifying its work with government, private-sector and civil-society actors. The programme will encourage and facilitate partnerships between government agencies, civil-society organizations and private companies to, on the one hand, increase the involvement of local communities in forest management, production and benefit-sharing and, on the other, improve market access for forest products.

POTENTIAL PARTNERS AND COLLABORATING AGENCIES

The Thematic Programme will enhance public-private partnerships between relevant stakeholders, including governments, the private sector and civil-society organizations, taking into account the specific concerns and needs of local and indigenous communities depending heavily on the conservation and sustainable use of tropical forest resources as well as the sustainable use of timber and non-timber forest products.

The main actors in the forest sector are national government forestry agencies, national government forest law enforcement agencies, national-level civil-society, and private-sector organizations, companies, local cooperatives and community administrations, and small and medium-sized forest enterprises.

The intermediary beneficiaries are a diverse group of national-level and local organizations. The primary target group comprises national governments. The secondary target groups are the trade associations and civil-society organizations, the private sector and research institutions. The ultimate target groups are the producers and the end-users. The programme will be demand-driven and flexible, so that potential beneficiaries can, in consultation with ITTO and other stakeholders, determine the exact nature of the activities they undertake through the programme.

INDICATIVE BUDGET

The total indicative budget of the Thematic Programme is US\$15 million, of which US\$12 million would be for country-level activities and US\$3 million for regional and international-level activities.

TFLET pilot phase already pledged	US\$ 4,800,000
Balance	US\$ 10,200,000
TOTAL	US\$ 15,000,000

POTENTIAL DONORS

The governments of the Netherlands, Japan, Switzerland, USA, Australia, New Zealand, Finland, Norway and Korea have already pledged contributions to the thematic programme pilot phase totalling US\$4.8 million.

THEMATIC PROGRAMME ON
REDUCING DEFORESTATION AND FOREST DEGRADATION AND
ENHANCING ENVIRONMENTAL SERVICES IN TROPICAL FORESTS

Programme Profile

RATIONALE

Tropical forests play a vital role in sustaining a large proportion of the world's biodiversity, maintaining land-use options and water resources, contributing to the carbon cycle and providing other key services to forest-dependent people. The ITTA, 2006, commits ITTO to promoting a '*better understanding of the contribution of ... 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...*'.

Tropical forests provide an important service by protecting watersheds that supply forest-dwelling and urban communities with high-quality water. Some ITTO member countries have developed payment schemes for environmental services related to watershed management, which could inform similar initiatives in other tropical countries. Tropical forests are also of enormous importance for the conservation of biodiversity. They contain more species than other biomes and a high proportion of these species are threatened. Services such as these and others, including carbon storage and disaster prevention, may be achieved simultaneously through sustainable forest management.

Deforestation and forest degradation in tropical forests have reduced the quality of many forest environmental services. Often, poorly implemented timber harvesting has damaged remaining trees and caused soil erosion and compaction, while the conversion of forests to other land uses has also led to the loss or degradation of many services. The introduction or strengthening of sustainable forest management, forest restoration, afforestation and reforestation in such areas can play an important role in restoring environmental services and reducing emissions from deforestation and forest degradation. ITTO has a long track record of working with member countries and partners to promote such activities through field projects and capacity-building.

GENERAL OBJECTIVE

The general objective of the Thematic Programme is to help improve livelihoods by reducing deforestation and forest degradation and enhancing environmental services through the sustainable management of tropical forests, forest restoration, afforestation, reforestation and other related activities.

PROGRAMME STRATEGY

The Thematic Programme would focus primarily on four strategic areas:

I. Assessment and diagnosis

The quality of planning for forest-related interventions depends on the availability and accuracy of data and information related to the state of and threats to forest resources. Activities to be supported in this area could include:

- Forest cover and forest resources assessment, monitoring and verification systems
- Pilot multi-purpose forest inventories
- Estimation of forest carbon stocks, including emissions from deforestation and forest degradation based on already existing tools for this purpose
- Assessment of policy, legal and institutional frameworks to promote biodiversity conservation, carbon storage, watershed conservation and other environmental services through sustainable forest management
- Land and forest tenure assessments
- Capacity-building, institutional strengthening, training and outreach.

II. Enabling conditions and capacity-building

Activities here would be aimed at establishing enabling policy, legal and institutional frameworks and governance related to environmental services and the reduction of emissions from deforestation and degradation, including by strengthening tenure security and resource access. They would be grouped under four headings: Formulation/enhancement of national forest policies, including legislation; Training; and Proposal formulation.

III. Demonstration activities

The Programme would facilitate demonstration projects on sustainable forest management, forest restoration, reforestation and afforestation to help realize the benefits of environmental services, including in local communities.

IV. Scaling up and dissemination

Programme support would be provided for activities dedicated to the replication and scaling up of successful demonstration projects related to environmental services schemes in tropical forests. The Programme would also provide support for sharing information and lessons learned locally, nationally and internationally.

In all four areas, ITTO would undertake complementary cross-cutting actions to facilitate the implementation of the Programme in an integrated manner.

ANTICIPATED OUTPUTS/OUTCOMES

The intended outcomes of the Thematic Programme are: (i) Increased area of forest under sustainable management, and reduced deforestation and forest degradation in tropical timber producing forests; (ii) Improved capacities to develop and implement feasible policy options and incentives mechanisms to promote environmental services through sustainable forest management; (iii) Improved livelihoods for forest dwellers and other stakeholders directly involved in the supply of environmental services through the sustainable management of tropical forests; (iv) Improved practices to promote and stimulate community involvement in the supply of environmental services from the sustainable management of tropical forests, and their wide dissemination; and (v) Improved resilience of tropical forest ecosystems and forest-dependent communities.

POTENTIAL PARTNERS/COLLABORATING AGENCIES

The Programme would be implemented in close cooperation with ITTO's Civil Society Advisory Group and Trade Advisory Group and relevant international, regional and national organizations and bodies, including the UN-REDD Fund, the World Bank's Forest Carbon Partnership Facility and the planned Forest Investment Program.

INDICATIVE BUDGET AND TIMEFRAME

An indicative three-year budget that would result in significant improvements in the three tropical regions would be US\$18 million.

Pledged	US\$ 3,500,000
Balance	US\$ 14,500,000
TOTAL	US\$ 18,000,000

POTENTIAL DONORS

The Government of Norway has made an initial pledge of US\$ 3,500,000. The Governments of Japan, Switzerland and U.S.A. have indicated their intention to contribute to this Thematic Programme.

THEMATIC PROGRAMME ON COMMUNITY FOREST MANAGEMENT AND ENTERPRISES

Programme Profile

RATIONALE

Forests are important resources for the rural poor, with over 800 million people living in forests and woodlands in the tropics. In addition to their contributions to livelihoods by providing a subsistence safety net, tropical forests are also a source of income and employment, a capital asset, and, by providing natural medicines, an alternative health care system. Indigenous groups and communities own or manage about 20% of forests in developing countries, and this percentage is growing. Such communities, however, often face challenges in managing their forests sustainably and in obtaining tangible benefits from their efforts. In many cases, the forest areas for which they assume rights are degraded and, without investments in rehabilitation, have limited development potential. In many tropical forests, most income for communities is derived from the collection and commercialization of non-timber forest products (NTFPs) rather than from timber production.

Many community-based forest enterprises (CFEs) are involved in the harvesting and management of forests and the processing of timber and NTFPs. They are typically small, operate informally, and depend on national and niche export markets and they rarely form part of organized commercial supply chains. Only a few have developed into medium-sized industrial enterprises, and their capacity to add value is generally low. Regulations may unintentionally act as barriers to community access to forests, capital and markets and may also unduly raise the costs of CFEs. Weak governance and inequitable sharing of benefits can be additional challenges. National policies may not recognize the economic potential of community forestry and broader social, cultural and other objectives which are important for CFEs.

One of the constraints to the development of forest communities, smallholders and their enterprises can be their limited managerial and technical capacity. Building the capacity of communities to plan, utilize, monitor and manage their forest resources is critical to reducing their vulnerability to external pressures. CFEs face particular challenges in meeting the demanding and complex market requirements for their products. On the other hand, many new opportunities are emerging – e.g. growing national and regional markets for forest products, community/smallholder-corporate partnerships, and high-value market niches in developed countries which appreciate the social value of community products – but external support is necessary to make effective use of these. With adequate support, community-based management and business models could often provide local solutions for the sustainable management and utilization of forests.

GENERAL OBJECTIVE

The general objective of the Thematic Programme is to contribute to poverty reduction in tropical forest areas by: (i) strengthening the ability of forest communities and smallholders to sustainably manage their tropical forest resources; and (ii) assisting CFEs to add value to and market the products and services obtained from these resources.

PROGRAMME STRATEGY

At the community level the Programme would support CFEs to develop and implement approaches with high employment and revenue creation potential and economic feasibility. These would be targeted at improving forest management and the production of timber, timber products and NTFPs to supply local industry or domestic and export markets. Programme interventions would aim at strengthening organizational, managerial and technical skills and the business development of CFEs, smallholders and their organizations. The programme strategy would focus on participatory planning and implementation where communities define their own needs and priorities. Implementation would involve the piloting, demonstration and mainstreaming of successful approaches and models for creating financially and economically viable, socially and culturally adapted CFEs.

At the country level, activities would include, inter alia, the strengthening of the policy, legal and institutional frameworks for CFE development, training, increasing CFE access to capital and markets, the strengthening of community-based organizations, associations and networks, the strengthening of local governance models, the development of tools for implementing community forest management, and improving the efficiency of CFEs.

At the regional and international levels, activities would include, inter alia, providing support to knowledge management and the sharing of country experiences, and partnership-building with interested national, regional and international bodies. To avoid duplication, the Programme would rely heavily on existing knowledge and accumulated experience.

ANTICIPATED OUTPUTS/OUTCOMES

The intended outcomes of the Thematic Programme would be: (i) improved knowledge and skills in implementing sustainable forest management among communities, smallholders and their organizations; (ii) improved access by CFEs to capital and technology, and strengthened marketing capacities; (iii) increased value added of CFE production; (iv) strengthened organizations of communities and smallholders; and (v) enabling policy and legal frameworks at the country level to implement community forest management.

POTENTIAL PARTNERS/COLLABORATING AGENCIES

The Programme would be implemented in close cooperation with ITTO's Civil Society Advisory Group and Trade Advisory Group, and relevant international, regional and national organizations and bodies.

INDICATIVE BUDGET AND TIMEFRAME

An indicative three-year budget of the Thematic Programme that would result in significant improvements in the three tropical regions is US\$10 million, most of which would be for community-level pilot projects and other country-level activities.

POTENTIAL DONORS

THEMATIC PROGRAMME ON TRADE AND MARKET TRANSPARENCY

Programme Profile

RATIONALE

International tropical timber markets are undergoing structural changes in the face of changing global demand and supply patterns and market requirements. Transparency is essential for promoting international trade in timber and other products from sustainably managed and legally harvested tropical forests. Improvements in market transparency that need to be addressed include assessments of future demand and supply, the description of value chains for tropical timber products, end uses, characteristics of markets (including domestic markets in tropical regions), and factors influencing market conditions and the competitiveness of tropical timber producers. Enhanced market information on non-timber forest products (NTFPs) and a better knowledge of international market opportunities would help the development of forest-based small and medium-sized enterprises (SMFEs), which dominate the NTFP sector. Other specific information gaps include markets for lesser-used species and new plantation timbers.

Public and private timber procurement policies and emerging regulations designed to promote trade in legally produced timber and timber products represent new challenges, especially for tropical timber exporters. Non-tariff barriers and tariff escalation, technical, health and sanitary standards and product specifications in major import markets are also evolving and influencing market requirements for timber and timber products. There is a need to monitor these developments and to support tropical timber producing countries in meeting the challenges they pose. Consumption and trade can be encouraged by communicating the environmental credentials of tropical timber and timber products to buyers, consumers and other stakeholders.

The lack of adequate information makes it difficult to improve national policy and regulatory frameworks and thereby to promote trade in timber and other products from tropical forests. Many ITTO producer member countries will benefit from strengthening information systems concerning the forestry sector and domestic and export markets for forest products.

GENERAL OBJECTIVES

The general objectives of this Thematic Programme would be to: (i) increase the capacity of producer member countries to develop and employ market intelligence and marketing skills; and (ii) improve market transparency through improved data and analysis.

PROGRAMME STRATEGY

The Thematic Programme would operate at two levels: (i) the country level, to build capacities to monitor existing markets and develop new markets for products derived from tropical forests and to promote the trade in tropical timber from sustainably managed and legally harvested sources; and (ii) at the regional/international level, to improve market transparency and share experiences on trade and trade promotion.

Activities could include support for:

- the development of market information systems and training on statistical and economic information, market intelligence and marketing for all forest products and services;
- studies and exchanges on:
 - domestic, regional and international market opportunities,
 - substitution and competitiveness in relation to competing materials and non-tropical timber and non-timber products,
 - factors which influence the markets for and competitiveness of tropical timber and timber products and NTFPs,
 - systems for forest certification,
 - procurement and other relevant policies,
 - export/import procedures
 - timber-related technical, safety, health and environmental standards and regulations;

- the development of product standards, grading rules and quality control systems for tropical timber products and NTFPs;
- strengthening the capacity of and cooperation among customs authorities; and
- the improvement of communication on the environmental credentials of tropical timber and timber products.

ANTICIPATED OUTPUTS/OUTCOMES

The intended outcomes of the Thematic Programme would be: (i) improved market transparency for tropical timber and timber products and NTFPs; (ii) strengthened country capacity in market intelligence, information systems and trade promotion; and (iii) improved market conditions that promote trade in tropical timber and timber products and NTFPs.

POTENTIAL PARTNERS/COLLABORATING AGENCIES

The Thematic Programme would be implemented in close cooperation with ITTO's Trade Advisory Group and Civil Society Advisory Group, relevant international and regional organizations, national timber trade associations and civil-society organizations.

INDICATIVE BUDGET AND TIMEFRAME

An indicative three-year budget for this Thematic Programme that would result in significant improvements in the three tropical regions would be US\$5 million, most of which would be for country-level activities and the remainder for regional/international level activities.

POTENTIAL DONORS

THEMATIC PROGRAMME ON INDUSTRY DEVELOPMENT AND EFFICIENCY

Programme Profile

RATIONALE

Tropical forest industries create value from the use of forest resources and can contribute to their sustainable management. The potential for revenue and employment can be increased by, for example, expanding production and exports of further-processed products. At the same time, where local processing capacities exceed the sustainable timber production potential of forests, unsustainable and illegal activities can occur. National legal and policy frameworks must consider the need for long-term sustainable industrial development.

Examples of problems in forest industries include structural deficiencies and managerial weaknesses. The latter is particularly common in small and medium-sized forest enterprises (SMFEs). Management systems in SMFEs may be inadequate for the effective planning and control of operations, posing difficulties for effective supply-chain management and product tracking. These enterprises may not have sufficient capacity to apply modern technology and management methods, which may be a barrier to integration with established supply chains. Access to financing (particularly for SMFEs) is often identified as an important constraint to sustainable tropical forest industry development. The situation is characterized as a vicious circle in which low profitability results in a lack of sufficient funds for the renewal of capital equipment, which further inhibits the profitability of the enterprise.

There are several underutilized opportunities for tropical forest resource-based industrial development, including growing product demand in emerging markets, new markets for secondary processed wood products, the expanded use of lesser-used species, new product and process innovations, and the commercialization of forest-based services. Many tropical countries need external support in order to make use of these opportunities with a view to increasing employment and revenue generation, thereby contributing to poverty reduction.

GENERAL OBJECTIVE

The general objective of this Thematic Programme would be to strengthen the capacity of tropical timber-producing countries to: (i) increase the production, further processing and trade of tropical timber and other forest products and services from sustainably managed and legally harvested forests; and (ii) improve efficiency in the processing and utilization of tropical timber and timber products and non-timber forest products (NTFPs).

PROGRAMME STRATEGY

The Thematic Programme would operate at three levels with the aim of enhancing sustainable forest industry development in ITTO producer member countries, with a particular emphasis on SMFEs.

At the enterprise level, the Programme would demonstrate and disseminate innovative approaches and technologies, support business development, and strengthen management and technical skills along the whole value chain in order to improve efficiency and value adding.

At the country level, the Programme would support the mainstreaming of innovations, improving policy and legal frameworks, the promotion of investment, and the strengthening of those institutions that serve industrial development.

At the regional/international level, the Programme would support the sharing of experiences, technology transfer and partnership-building.

Activities could be implemented through research and development, technology transfer and international cooperation. These could include:
support for industrial planning, investment promotion, business development and risk management;
improved concession management;
development of efficient harvesting and processing technologies; the utilization of wood residues and wood wastes; the development of sustainable wood-based bioenergy production; the organization of commercial supply chains and producer networks and the strengthening of relevant stakeholder associations; and the

improvement of managerial and technical skills in SMFEs through capacity-building, institutional strengthening, training and networking.

ANTICIPATED OUTPUTS/OUTCOMES

The intended outcomes of the Thematic Programme would be: (i) the increased supply and trade of forest industry products and services with higher value added; (ii) improved efficiency in the harvesting and processing of timber and NTFPs; (iii) reduced emissions from industrial operations; (iv) improved policies to promote investment, facilitate the development and transfer of technology; and (v) improved management capacity, particularly in SMFEs.

POTENTIAL PARTNERS/COLLABORATING AGENCIES

The Programme would be implemented in close cooperation with the ITTO Trade Advisory Group and Civil Society Advisory Group, relevant international and regional bodies, and national industry and trade associations.

INDICATIVE BUDGET AND TIMEFRAME

An indicative three-year budget for the Thematic Programme that would result in significant improvements in the three tropical regions is US\$10 million, most of which would be for pilot projects and other country-level activities, supported by relevant regional and international-level activities.

POTENTIAL DONORS

ANNEX 4

TERMS OF REFERENCE FOR THE EVALUATION OF THE PILOT OPERATION OF ITTO THEMATIC PROGRAMMES

I. Background

At its Forty-fourth Session held in November 2008, in Yokohama, Japan, the Council adopted Decisions 8 (XLIV) on the establishment of a Thematic Programmes (TP) subaccount under the Special Account, 9 (XLIV) on the Operational Procedures and Guidelines of the Thematic Programmes on a Pilot Basis and 10 (XLIV) on the Thematic Programme Profiles (TPP). It was decided to implement, on a pilot basis, Thematic Programmes in five areas where additional funding was expected, i.e., Forest Law Enforcement, Governance and Trade (TFLET), Community Forest Management and Enterprises (CFME), Trade and Market Transparency (TMT), Industry Development and Efficiency (IDE) and Reducing Deforestation and Forest Degradation and Enhancing Environmental Services (REDDES). Pursuant to Decision 9(XLIV) the effectiveness of the pilot operation of the Thematic Programmes will be reviewed and evaluated after three years.

II. Description

Under the Thematic Programmes, the ITTO Secretariat plays a much more elaborate role in the implementation process than under the regular project cycle, including involvement in the development of Thematic Programme Documents (TPD), the proposal appraisal and approval, the selection of Executing Agencies or the project implementation, monitoring and reporting.

By means of review, analysis and careful evaluation of the rules and procedures established and applied during the different stages of Thematic Programme implementation, the overall goal of the TP Evaluation is to assess the effectiveness of the pilot operation of the Thematic Programmes, the member country response to the new opportunity and the achievements to date in the respective thematic areas. The evaluation will include all stages from the development of the TP profiles to the completion of the project cycle. It is expected to draw lessons that can be used to further improve the efficiency and sustainability of the TP operation under the ITTA, 2006 and towards achieving the purpose of the programme as set forth in Article 20.4.

III. Scope of the Evaluation

The evaluation will review and analyze the relevant documentation guiding the implementation of the Thematic Programme pilot phase including Council decisions, Council reports, TP profiles, TP Documents, TP Monitoring Protocols, TP reports, selected proposals and review documentation etc., with a view to: Assess the effectiveness of the rules and procedures developed and applied during the different stages of the Thematic Programme pilot operation:

- a) Evaluate the achievements and impact (potential and actual) to date in the respective thematic areas considering the objectives, outputs and target values defined in the Thematic Programme Documents and the Monitoring protocols, also considering the funding available.
- b) Assess the member country response to and perception of the new (funding) mechanism established under the Thematic Programme
- c) Assess the donor response to the Thematic Programmes including the impact of the funding received (vs. envisaged) on the operation of the TPs, and the ability of the TPs to mobilize new funding from 'non-traditional' sources (e.g. vs competition with the ITTO regular project cycle)
- d) Draw lessons learned and recommendations to improve the effectiveness and sustainability of the Thematic Programmes under the ITTA 2006 and towards achieving the programme's purpose as set forth in Article 20.4
- e) Make recommendations on how lessons learned can help generating approaches and methods to be used for upscaling and mainstreaming the experiences gained from the implementation of the programmes beyond the immediate beneficiary countries.

IV. Approach

The task is expected to be undertaken as a desk review based on thorough review and analysis of all TP relevant documentation, questionnaires and surveys to be developed, conducted and analyzed by the consultants.

V. Reporting

- a) Preparation of a TP Evaluation Report on the effectiveness of the TP pilot operations including *inter alia* findings, lessons learned and recommendations on the further improvement of the efficiency and sustainability of the TP operation under the ITTA, 2006
- b) Preparation of a final draft Overall Executive Summary and presentation of the final draft Overall Executive summary at the next Council Session of the International Tropical Timber Council, November 2012, in Yokohama, Japan
- c) As requested, preparation of an article or a set of articles for possible publication in the ITTO Tropical Forest Update (TFU) or on the ITTO website, in consultation with the editor, containing an overview of the Thematic Programmes and the overall results of the TP evaluation.

VI. Composition of the Team

The evaluation team shall be composed of 2 independent consultants, one from a producer member country and one from a consumer member country. One consultant will be the team leader, who will also present the final draft overall executive summary to the Council. All relevant reports are to be produced in English language.

VII. Duration of the Assignment

The duration of the assignment will be 2.5 months (10 work-weeks) for the team leader and 2 months (8 work-weeks) for the second consultant. The team is expected to produce the draft report(s) within 2 months from the date of signing the contract.

ANNEX 5

QUESTIONNAIRE FOR ITTO MEMBERS ON PILOT OPERATION OF ITTO THEMATIC PROGRAMMES

RESPONDENT'S NAME, AFFILIATION, COUNTRY:

(1) Development of Thematic Programme Profiles (TPPs)

Q 1: Have the TPP elements outlined in Annex 2 Item 1 (Thematic Programme Profile) of Decision 9(XLIV) proved to be the right ones for a successful TP scoping document, or should they be revised or enhanced and if so how?

Q 2: Did the five TPPs (TFLET, REDDES, CFME, TMT, IDE) approved under Decision 10(XLIV) provide sufficient information on each element in Annex 2 Item 1 for the development of effective TPDs, or would additional information have been helpful and if so what?

(2) Development of Thematic Programme Documents (TPDs)

Q 3: Have the planning and operational elements listed in Annex 2 Item 2 (Thematic Programme Document) of Decision 9(XLIV) provided an appropriate logical framework for TPD development and implementation, or should they be revised or enhanced and if so how?

Q 4: Have the four TPDs developed thus far (TFLET, REDDES, CFME, TMT) contained sufficiently focused specific objectives and details on the types of projects and activities to be funded to provide for a fully integrated programme of work, or is further focus and specificity needed to improve coherence and meet TP objectives?

Q 5: To what extent are the TPDs complementary with the relevant programmes of ITTO partners, including members of the Collaborative Partnership on Forests (CPF), the UN-REDD Programme and the EU FLEGT Action Plan, and how can complementarity be strengthened?

(3) Review and approval of TP projects/activities

The ITTO secretariat has introduced measures to operationalize the general procedures contained in Annex 1 of Decision 9(XLIV) regarding the solicitation and appraisal of proposals. These include: (a) Issuing a call for proposals on a 6-month cycle ("fall" and "spring") once a funding threshold of USD 1 million is reached for a given TP²⁰ and (2) developing a standard TP proposal appraisal process (see the flow chart annexed to this questionnaire - **NB: flow chart included as Annex 7 to this draft report**).

Q 6: Has designation of a biannual fall/spring cycle proved meaningful and effective in the TP context given that the trigger for soliciting proposals is funding (not a 6-month timeframe) and that individual TPs may reach the USD 1 million threshold at different times? Should a more flexible cycle be considered whereby the ED may issue a call for proposals at any time after sufficient new pledges are received for a particular TP?

Q 7: Since all approved TP projects have needed revisions prior to approval, is the guidance and format contained in the ITTO Manual for Project Formulation sufficient for developing TP proposals, or should the manual be reviewed and supplemented to take into account the programmatic nature of TP activities and deliverables and the guidelines/procedures common to all TPDs?

Q 8: To what extent have the general criteria for selecting projects/activities contained in Annex 3 Item 2 of Decision 9(XLIV), together with the specific criteria contained in individual TPDs, led to a coordinated and integrated set of TP approved projects (as opposed to a collection of uncoordinated projects on a common

²⁰ The first call for proposals occurs (in spring or fall) after initial pledges to a TPP have reached USD 1 million and led to the development of a TPD. Thereafter a call for proposals is issued in spring or fall for those TPs that have received USD 1 million in additional pledges.

topic)? Can the criteria be strengthened to promote the coherence and interrelation of approved TP projects?

(4) TP project management, monitoring and evaluation

TP project management is a significant and expanding part of the Secretariat's workload. Due to budgetary constraints on hiring new staff, approved TP projects are handled much the same as traditional projects. Each approved project is designated as F (Forests), M (Markets) or I (Industry) and assigned to an ITTO project manager from within the relevant technical division.²¹ Typically, there are several project managers under one TP.

In April 2010 the ITTO Secretariat established a "monitoring protocol" for projects/activities funded under each TP, which identifies a set of "outputs, output indicators, target value and means of verification" for each TP specific objective. The monitoring protocols were recently enhanced with a web-based Online Monitoring System (OLMS) to allow for easy interaction between ITTO project managers and executing agency project coordinators and to establish an electronic database of projects and related documentation and information.

Q 9: Since TP projects are by definition thematically linked and collectively cross-cut issues related to forests, markets and industry, would it be useful to establish a new unit/division within the Secretariat to oversee TPs and TP projects holistically and build the Secretariat's programmatic expertise by reassigning existing staff from the current technical divisions and/or financing new hires through programme support charges levied on and shared across TPs?²²

Q 10: Recognizing that the individual TP monitoring protocols are a recent innovation, have they been effective thus far, or could they be enhanced and if so how?

Q 11: Should Council adopt specific guidelines on the monitoring and evaluation of TP projects and overall TP implementation based on experience to date, including use of the initial monitoring protocols and OLMS?

(5) TP project proposal development

To date, producers have submitted some 100 project proposals for TP funding, with three countries accounting for 30% of the submissions (Indonesia, Cameroon and Peru). A total of about USD 14 million²³ has been allocated to some 40 projects in 20 producer countries eligible to receive project funding according to ITTO's rules regarding payments of assessments to the Administrative Account. Nearly half these funds involve five countries (Indonesia, Ghana, Guatemala, Peru and Cameroon). In view of differing producer capacities to formulate projects, since 2009 3% of all new TP funding has been set aside in a pooled account to assist with proposal development, of which only a small portion has been used to date.

Q 12: Should the Secretariat and member countries strengthen communication and outreach regarding TP opportunities with a view to attracting additional proposals from a greater diversity of producers?

Q 13: Should funds generated from the 3% charge on new TP pledges be used primarily for training to help build long-term capacity within producer countries to formulate high quality TP proposals?

(6) TPAC functioning

As envisioned in Annex 3 Item 1 of Decision 9(XLIV), Thematic Programme Advisory Committees (TPACs) play an important role in TP operations, including project/activity selection, monitoring and evaluation of progress in TP implementation, and identifying potential additional sources of funding. Under Annex 3 Item 5, TPACs were expected as a general rule to meet once a year to carry out their responsibilities. However, due to funding constraints, each TPAC has met only once in 2009 or 2010 to review and approve TPDs. This has significantly limited the ability of TPACs to function as advisory bodies. In the review and appraisal of proposals, TPAC members have typically operated as individuals, rather than a coordinated team, in their

²¹ RFM currently has overall responsibility for REDDES and CFME. EIMI has overall responsibility for TFLET and TMT. Management of specific projects may be assigned to a staff person in any of the three technical divisions.

²² As with ITTO's traditionally financed projects, TPs are currently charged 8% in programme support for project management and 13% for activities implemented by the ITTO Secretariat.

²³ An additional USD 4 million has been allocated to activities implemented by the ITTO Secretariat, regional projects in Africa and the Amazon, and consumer projects in consumer countries.

communications with the Secretariat. Work has yet to be undertaken in the areas of monitoring/evaluation of TP implementation and identifying potential funding sources.

Q 14: In order to make the TPACs fully functional, would it be useful to consider:

- a) Allocating funds from TPs to cover the costs of annual TPAC meetings, which could be held in conjunction with ITTC sessions to reduce overall costs?
- b) Developing specific qualifications for TPAC members to include experience with national and international programmes related to a TP theme, including relevant new and emerging forest financing initiatives and arrangements? (Also see **Q16**)
- c) Establishing a consultative role in each TPAC for representatives of key partners, including TAG and CSAG, the World Bank, GEF and other relevant CPF members, as well as the regional development banks and other TP-related international initiatives, with a view to strengthening the complementarity of TP projects/activities with other programmes/initiatives and increase the potential for joint activities?

(7) TP funding

The four operational TPs (TFLET, REDDES, CFME, TMT) have attracted USD 18 million in voluntary contributions²⁴ toward a combined implementation target of USD 58 million. Donors include consumers which have not previously contributed to ITTO or have contributed only small amounts, suggesting that the TPs are attractive. While some regular contributors have reduced their contributions to ITTO's traditional project financing mechanism in order to contribute to TPs, others have substantially increased their contributions in order to support one or more TPs. At the same time, significant additional financing is needed to meet the specific objectives of the ongoing TPs and to launch the TP on Industry Development and Efficiency (IDE) which has not yet attracted financing.

Q 15: Could IDE be made more attractive to public and private funding sources by revising the TPP with the involvement of TAG members and taking into account relevant outcomes of Rio+20?

Q 16: In addition to fulfilling their functions under Annex 3 Item 1 of Decision 9(XLIV) should the TPACs assist the ED in securing additional funds for TP implementation? Should the potential to fund-raise be a selection qualification for some/all TPAC members?

Q 17: Should Council give consideration to establishing an ad hoc mechanism, such as an informal advisory group, to advise and assist the ED with aggressive fund raising for TPs, as well as for ITTO's regular project cycle?

(8) Other considerations for current and future TPs

Q 18: Recognizing that many approved projects are still in the early stages of implementation, are the results/impacts/outputs so far (particularly under TFLET and REDDES which have been operational for three years) making a clear and direct contribution to meeting specific TP objectives?

Q 19: How can the lessons learned in the implementation of TP projects and activities be scaled up and mainstreamed to benefit other countries? Is this an issue that can be addressed now or is more experience needed in TP implementation?

Q 20: Should ITTC give consideration to revising any of the current TPDs to enhance their programmatic inputs and outputs and complementarity with the programmes/initiatives of CPF and others partners, as well as the potential for joint work?

Q 21: Should ITTC consider a regular interval (e.g. every five years from launch) for reviewing each TP and updating TPDs as needed, as well as establishing the initial duration of each TP and a process for TP termination (whether or not target funding is reached)?

²⁴ Includes contributions to the TFLET "precursor" initiative approved under BWP 2008-09 with a budget of USD 4.3 million. Pledges totaling nearly USD 4 million had been made by the time TFLET was converted to a TP.

Q 22: Since many ITTO projects approved and financed under the regular project cycle have objectives consistent with a TP, should such projects be referenced or acknowledged in some way in the context of the relevant TP and if so how?

Q 23: Are there ongoing ITTO activities that could be considered for conversion to a TP, for example the ITTO-CITES Capacity Building Programme²⁵ or ITTO's recent work on biodiversity, including under the MOU with the Convention on Biological Diversity, and potential inputs to the Aichi Biodiversity Targets in the Strategic Plan for Biodiversity 2011-2020?

²⁵ Since it was initiated in 2005, the ITTO-CITES Capacity Building Programme has generated about USD 9 million in financing, largely from the European Community which had not previously contributed to ITTO.

ANNEX 6

QUESTIONNAIRE FOR TPAC MEMBERS ON PILOT OPERATION OF ITTO THEMATIC PROGRAMMES

YOUR NAME: _____
AFFILIATION: _____
COUNTRY: _____
TPAC: _____

(1) Thematic Programme Documents (TPDs)

The TPD for your TP was developed based on a Thematic Programme Profile (TPP) approved by the International Tropical Timber Council under Decision 10(XLIV). As outlined in Annex 2 of the Decision, the purpose of the TPD is to provide detailed information on a set of planning and operational elements which comprise the logical framework for your TP. Your TPAC met in 2009 or 2010 to approve its TPD. Based on your experience as a TPAC member since then:

- Q 1:** Would you say that the TPD for your TP contains sufficiently focused specific objectives and details on the types of projects and activities to be funded to provide for a fully integrated programme of work, or is further focus (a narrowing of scope) and specificity needed to improve coherence and meet TP objectives?
- Q 2:** To what extent have the general criteria for selecting projects/activities contained in Annex 3 Item 2 of Decision 9(XLIV) led to a coordinated and integrated set of approved projects (as opposed to a collection of uncoordinated projects on a common topic)?
- Q 3:** Similarly, to what extent have the specific criteria for project/activity selection contained in your TPD led to an integrated set of approved projects?
- Q 4:** Should steps be taken to strengthen or promote the coherence and interrelation of approved TP projects, and if so what?
- Q 5:** To what extent does your TPD complement related programmes at national, regional and international levels? Can complementarity be strengthened and if so how?

(2) Review and appraisal of proposed TP projects, pre-projects and activities

As you are aware, in order to facilitate your review of proposals for potential approval and funding, the ITTO Secretariat “pre-appraises” each proposal (including its own proposals) through an in-depth review by two staff members. The Secretariat then forwards the proposals and pre-appraisals to you, together with a review form with instructions for scoring and rating proposals, as well as other relevant documentation (e.g. the TPD and Monitoring Protocol).²⁶

- Q 6:** Have the pre-appraisals been technically sound and helpful for your review of proposed projects and activities? What improvements would you suggest?
- Q 7:** Is it a good procedure for the Secretariat to pre-appraise its own proposals, or should such proposals only be evaluated by TPAC members? Would you recommend alternative mechanisms for pre-appraisal of ITTO projects?
- Q 8:** Has the review form, including the scoring and rating system, allowed for an effective review and appraisal process? Do you have suggestions for improving the form and/or the scoring/rating system?

²⁶ The TP review form is a modified version of the form used by the ITTO Expert Panel on the Technical Appraisal of Projects and Pre-Projects funded under ITTO's regular project cycle. The Expert Panel's review form 'weights' each review criterion by a certain factor and also includes certain minimum “thresholds”.

- Q 9:** Would it be useful to introduce a system for weighting the review criteria for your TP in order to recognize relative importance and priority among criteria (see footnote 1)?
- Q 10** What (if any) additional measures would you introduce to improve the current process for reviewing and appraising proposals? Would further guidance/instructions from the ITTO Secretariat be beneficial, and if so what?

(3) TP project proposal formulation

The number of proposals received in response to a TP call for proposals -- and the number of calls issued -- differs significantly across TPs based on donor funding available and producer interest. Consequently the number of proposals assigned to each TPAC member for review differs as well. As an example, under the Spring Cycle 2011, 42 proposals were received under REDDES, while 5 proposals were received under TMT. Each member of the TMT TPAC reviewed all five proposals received, while members of the REDDES TPAC were assigned 10 to 13 proposals so as not to overburden TPAC members but also to ensure that each proposal was reviewed by at least two TPAC members.

- Q 11:** Could you cope with the number of proposals you had to review within the timeframe available (usually approximately 3 weeks)?
- Q 12:** Considering current procedures and the timeframe for your review, could you indicate a maximum number of proposals you could realistically review under any given call for proposals?
- Q 13:** Would a longer review timeframe be helpful, and if so what would you suggest?
- Q 14:** Based on your experience with and impression of the proposals you have reviewed thus far, how would you assess the overall quality of the proposals? Is further training or assistance needed to help build long-term capacity within producer countries to formulate high quality TP proposals?
- Q 15:** Is there a need to strengthen communication and outreach regarding project funding priorities and opportunities under your TPD with a view to attracting additional proposals from a greater diversity of producers? If so how?

(4) TPAC functioning

The purpose of each TPAC as set forth in Decision 9(XLIV), Annex 3, Item 1 is to assist the Executive Director in: (a) selection of activities, pre-projects and projects for financing under the TP, (b) monitoring and evaluation of progress in implementing the TP, and (c) identification of potential additional sources of financial contributions to the TP. To date, your role as a TPAC member has been mainly or exclusively limited to (a). This has been due to various reasons, primarily lack of funding for TPACs to meet annually (as envisioned in Annex 3, Item 5) following your initial meeting in 2009 or 2010 to approve your TPD.

- Q 16:** How can your TPAC better assist the ED in all three areas, and in particular regarding (b) monitoring and evaluation and (c) potential financing sources?
- Q 17** Would annual meetings improve the effectiveness of your TPAC by providing an opportunity for members to work as a committee on TP project selection, monitoring and financing issues and strategies?
- Q 18:** Are there other ways the functioning of your TPAC and communication among members could be improved?
- Q 19:** To what extent are you familiar with or using the Monitoring Protocol established for your TPD?
- Q 20:** To what extent are you familiar with the progress, outputs and impacts to date of projects and activities financed under your TP? In your view are these clearly contributing to the TP's objectives?
- Q 21:** What experience have you had with national, regional and international programmes related to your TP, including the programmes of members the Collaborative Partnership on Forests (CPF)?

Q 22: Which new and emerging forest financing initiatives and arrangements relevant to your TP are you familiar with? Which would you recommend as potential sources to strengthen the flow of funds to your TP?

(5) TP project implementation

Because of their programmatic nature, TPs provide an opportunity to share and scale up project implementation experiences, information and learning between ITTO members and within ITTO member countries.

Q 23: How can positive lessons and knowledge learned thus far in the implementation of TP projects/activities be scaled up and mainstreamed to benefit other countries? Is this an issue that can be addressed now or is more experience needed with implementation of your TP?

Q 24: Would it be useful to establish specific knowledge management outcomes for your TP, perhaps as an addendum to your TPD, which might include, for example, learning modules based on best practices or other topics arising from project implementation?

Q 25: Although the Monitoring Protocol for your TP is a recent innovation, has it proved effective and efficient thus far (e.g. considering that proponents now are requested to address their conformity with the TP deliverables and the Monitoring Protocol), or could it be enhanced and if so how?

(6) Other considerations

Q 26: Please provide any additional comments you may have on the TPs and/or TPACs.

ANNEX 7

**ITTA, 2006 PROVISIONS ON THEMATIC PROGRAMMES
(ARTICLES 20, 24, 25)**

CHAPTER VI. FINANCE

Article 20

SPECIAL ACCOUNT

1. The Special Account shall comprise two sub-accounts:
 - (a) The **Thematic Programmes Sub-Account**; and
 - (b) The Project Sub-Account.
2. The possible sources of finance for the Special Account shall be:
 - (a) The Common Fund for Commodities;
 - (b) Regional and international financial institutions;
 - (c) Voluntary contributions from members; and
 - (d) Other sources.
3. The Council shall establish criteria and procedures for the transparent operation of the Special Account. Such procedures shall take into account the need for balanced representation among members, including contributing members, in the operation of the **Thematic Programmes Sub-Account** and the Project Sub-Account.
4. The purpose of the **Thematic Programmes Sub-Account** shall be to facilitate unearmarked contributions for the financing of approved pre-projects, projects and activities consistent with Thematic Programmes established by the Council on the basis of the policy and project priorities identified in accordance with articles 24 and 25.
5. The donors may allocate their contributions to specific **Thematic Programmes** or may request the Executive Director to make proposals for allocating their contributions.
6. The Executive Director shall report regularly to the Council on the allocation and expenditure of funds within the **Thematic Programmes Sub-Account** and on the implementation, monitoring and evaluation of pre-projects, projects and activities and the financial needs for the successful implementation of the **Thematic Programmes**.
7. The purpose of the Project Sub-Account shall be to facilitate earmarked contributions for the financing of pre-projects, projects and activities approved in accordance with articles 24 and 25.
8. Earmarked contributions to the Project Sub-Account shall be used only for the pre-projects, projects and activities for which they were designated, unless otherwise decided by the donor in consultation with the Executive Director. After the completion or termination of a pre-project, project or activity, the use of any remaining funds shall be decided by the donor.
9. To ensure the necessary predictability of funds for the Special Account, taking into consideration the voluntary nature of contributions, members shall strive to replenish it to attain an adequate resource level to fully carry out the pre-projects, projects and activities approved by Council.
10. All receipts pertaining to specific pre-projects, projects and activities under the Project Sub-Account or the **Thematic Programmes Sub-Account** shall be brought into the respective Sub-Account. All expenditures incurred on such pre-projects, projects or activities, including remuneration and travel expenses of consultants and experts, shall be charged to the same Sub-Account.

11. No member shall be responsible by reason of its membership in the Organization for any liability arising from any actions by any other member or entity in connection with pre-projects, projects or activities.

12. The Executive Director shall provide assistance in the development of proposals for pre-projects, projects and activities in accordance with **articles 24 and 25** and endeavour to seek, on such terms and conditions as the Council may decide, adequate and assured finance for approved pre-projects, projects and activities.

CHAPTER VII. OPERATIONAL ACTIVITIES

Article 24

POLICY WORK OF THE ORGANIZATION

1. In order to achieve the objectives set out in article 1, the Organization shall undertake policy work and project activities in an integrated manner.

2. The policy work of the Organization should contribute to achieving the objectives of this Agreement for ITTO members broadly.

3. The Council shall establish on a regular basis an action plan to guide policy activities and identify priorities and the **thematic programmes** referred to in article 20, paragraph 4, of this Agreement. Priorities identified in the action plan shall be reflected in the work programmes approved by the Council. Policy activities may include the development and preparation of guidelines, manuals, studies, reports, basic communication and outreach tools, and similar work identified in the Organization's action plan.

Article 25

PROJECT ACTIVITIES OF THE ORGANIZATION

1. Members and the Executive Director may submit pre-project and project proposals which contribute to the achievement of the objectives of this Agreement and one or more of the priority areas for work or **thematic programmes** identified in the action plan approved by the Council pursuant to article 24.

2. The Council shall establish criteria for approving projects and pre-projects, taking into account *inter alia* their relevance to the objectives of this Agreement and to priority areas for work or **thematic programmes**, their environmental and social effects, their relationship to national forest programmes and strategies, their cost effectiveness, technical and regional needs, the need to avoid duplication of efforts, and the need to incorporate lessons learned.

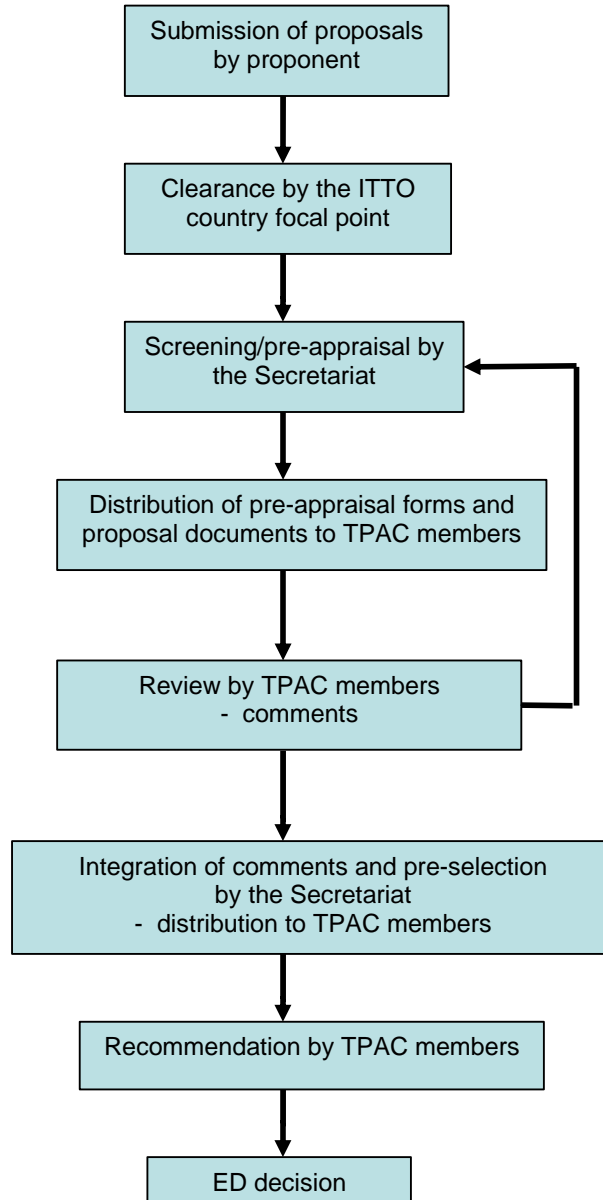
3. The Council shall establish a schedule and procedure for submitting, appraising, approving and prioritizing pre-projects and projects seeking funding from the Organization, as well as for their implementation, monitoring and evaluation.

4. The Executive Director may suspend disbursement of the Organization's funds to a pre-project or project if they are being used contrary to the project document or in cases of fraud, waste, neglect or mismanagement. The Executive Director will provide to the Council at its next session a report for its consideration. The Council shall take appropriate action.

5. The Council may establish, according to agreed criteria, limits on the number of projects and pre-projects that a member or the Executive Director may submit in a given project cycle. The Council may also take appropriate measures, including suspension or termination of its sponsorship of any pre-project or project, following the report of the Executive Director.

ANNEX 8

THEMATIC PROGRAMME PROPOSAL APPRAISAL PROCESS



ANNEX 9

REDDES MONITORING PROTOCOL

ASSOCIATION OF PROJECT ACTIVITIES TO THE REDDES MONITORING PROTOCOL

REDDES General Objective is: Reduce deforestation and forest degradation, enhance environmental services and help improve forest dependent livelihoods through sustainable management of tropical forests, forest restoration and other related activities.

The Specific Objective of the Programme is to strengthen the capacity of ITTO developing member countries and their stakeholders to:

- a) Reduce unplanned deforestation
- b) Reduce forest degradation
- c) Maintain and enhance climate change mitigation and other environmental services of tropical forests
- d) Contribute to the social and economic sustainability and well-being of forest-dependent communities by increasing forest values through forest restoration and rehabilitation, as well as payments for forest-based environmental services
- e) Enhance adaptation and resilience of tropical forests to negative effects of climate change and human-induced impacts

Outputs	Output Indicator	Target Value	Means of Verification	Associated activities implemented/in progress
Avoided deforestation, restoration or conservation initiatives established to combat deforestation and degradation	<p><u>Increased area under SFM, restoration or conservation</u></p> <p><u>Number of initiatives on avoided deforestation:</u> Delineated land and forest tenure and user rights Monitor forest cover and landuse change Establishment of permanent forest estate</p> <p><u>Number of initiatives addressing restoration:</u> Forest landscape restoration Demonstration projects on restoration</p> <p><u>Number of initiatives on conservation</u> Trans-boundary Conservation Area (TBCA) Buffer zone management</p>	6 countries (2 per region)	Projects funded Reports on initiatives	<ul style="list-style-type: none"> • RED-PD 005/09 Rev.2 (F) – Guyana. Support of SFM and resource utilization at community level to maintain forest resources and prevent deforestation and degradation • RED-SPD 009/09 Rev.2 (F) – Indonesia. Reduction of emissions from deforestation and forest degradation through promotion of conservation and restoration of peat swamp forest • RED-PD 026/09 Rev.1 (F) – Ghana. Reduced emissions from deforestation and forest degradation through collaborative management with local communities • RED-PD 029/09 Rev.1 (F) – Brazil. Coordination of participatory processes for development and implementation of Forest Cover National Monitoring Systems in 8 Amazon countries • RED-PA 056/11 Rev 1 (F) • RED-PD 031/11 Rev.1 (F) • RED-PD 064/11 Rev. 2 (F) • RED-SPD 055/11 Rev.1 (F)
Integration of climate change mitigation/ adaptation and other environmental services in the ITTO guidelines on	Revised/updated versions of ITTO guidelines and other relevant policy documents incorporating new approaches on climate change and environmental services	2 guidelines/ policy documents reviewed/updated	New/updated versions of ITTO guidelines	

C&I, SFM, certification, valuation, as appropriate to manage forest area sustainably				
Income generation based on forest related environmental services and other forest outputs by local communities	<p>Increased income resulting from forest-related environmental services and other forest products by local communities of participating countries</p> <p>Increase of women participation in the community forest-related environmental services of participating countries</p>	<p>10% increase from the baseline information in income in at least 30 communities</p> <p>Increase of women participation in at least 30 communities of participating countries</p>	<p>Reports on the demographic and socio-economic situation in the area of influence of the projects supported by the Thematic Programme</p>	<ul style="list-style-type: none"> • RED-PPD 006/09 Rev.2 (F) – Guatemala. Facilitation for participatory development of a programme to generate payment for environmental services through forest resource management and conservation • RED-PD 018/09 Rev.1 (F) – Peru. Strengthening of forest management to generate additional income for local communities • RED-PD 031/11 Rev.1 (F) • RED-PD 033/11 Rev.2 (F) • RED-PPD 051/11 Rev.1 (F) • RED-SPD 055/11 Rev.1 (F)
Increased recognition of the values of tropical forests and their environmental services	<p>Increased public awareness</p> <p>Existence of appropriate methodology to value Environmental Services and ability to apply</p> <p>Increased forest value and market opportunities for forest products and services</p> <p>Incorporation of the value of forest environmental services in national accounting</p>	<p>2 countries</p> <p>1 country</p> <p>2 countries</p> <p>2 countries</p>	<p>Number of awareness campaigns at community/country level</p> <p>Report on appropriate valuation and methodology available</p> <p>National accounting reports</p> <p>Report on study on actual payments for environmental services</p>	<ul style="list-style-type: none"> • RED-A 004/09 Rev.1 (F) – ITTO. Feasibility study for the establishment of a mechanism in ITTO to capture funds, to fund voluntary forest related carbon offsetting schemes, including REDD and PES projects • RED-PD 026/09 Rev.1 (F) – Ghana. Determination of the financial value of environmental services in the project area • RED-PD 037/11 Rev.2 (F) • RED-PD 038/11 Rev.3 (F) • RED-SPD 058/11 Rev.2 (F)
Quantification of carbon stocks performed using reliable monitoring and assessment technologies and/or valuation techniques	National forest carbon assessment and monitoring systems	2 national forest carbon inventories supported by the programme	<p>National forest carbon inventory reports</p> <p>National forest monitoring systems</p>	<ul style="list-style-type: none"> • RED-PD 007/09 Rev.2 (F) – Indonesia. Initiation of multi-stakeholder processes in support of the development of a national strategy to maintain and increase forest carbon stock • RED-A 023/09 Rev.1 (F) – DRC. Technical support for a carbon inventory on national forest land in the DRC • RED-PD 026/09 Rev.1 (F) – Ghana. Development of appropriate methods for measurement, assessment reporting and

				<ul style="list-style-type: none"> verification (MARV) of forest carbon <i>RED-PA 069/11 Rev.1 (F)</i> <i>RED-SPD 039/11 Rev.1 (F)</i>
Value of biodiversity assessed and surveys conducted on land with potential for biodiversity PES schemes	National/regional studies conducted on assessment of value of biodiversity on land with potential for biodiversity PES schemes.	3 studies	Report of the national/regional studies	<ul style="list-style-type: none"> <i>RED-PD 026/09 Rev.1 (F)</i> – Ghana. Estimation of the financial value of environmental services (incl. biodiversity) in the project area <i>RED-PA 056/11 Rev 1 (F)</i>
Assessments are made in an attempt to ‘bundle’ environmental services, to maximize forest related revenues	Assessment of National forest finance strategies	1 country	Assessment reports	
Community initiatives taken to identify opportunities to increase productive capacity of forests, including by implementing SFM schemes	<p>Increased area of community forest protected against fire, pest and disease</p> <p>Improved silvicultural systems in community forests</p>	<p>30 communities</p> <p>3 countries</p>	<p>Fire, pests and disease incident reports</p> <p>Project reports</p>	<ul style="list-style-type: none"> <i>RED-SPD 009/09 Rev.2 (F)</i> – Indonesia. Mobilization of relevant stakeholders and local community participation in the preparation of activities and direct involvement in field activities such as fire protection <i>RED-PPD 051/11 Rev.1 (F)</i>
Capacity building initiatives undertaken to implement policy reforms and/or clarify land/forest tenure arrangement	National policy reforms and clear forest and land tenure arrangements in place, integrating climate change mitigation/adaptation and other environmental services	3 countries	Evidence on policy and legislative reforms processes on forest and land tenure in at least three countries covered by the programme	<ul style="list-style-type: none"> <i>RED-PD 018/09 Rev.1 (F)</i> – Peru. Legal rights for the use of forest resources in the community territory and ecotourism concession area are endorsed and secured <i>RED-PPD 041/11 Rev.2 (F)</i>
Information sharing and knowledge management systems operational	<p>Learning network on forest landscape restoration focusing on benefits of environmental services</p> <p>Information on REDDES results available on ITTO website</p>	<p>Establishment of one global network supported</p> <p>Regularly updated website</p>	Website and links to the network; information made available	
PES incentive mechanisms assessed and established	<p>PES incentive mechanisms developed or undergoing implementation</p> <p>Studies on the assessment of willingness to pay for environmental services</p>	<p>3 countries</p> <p>3 studies</p>	<p>Evidence on PES mechanisms developed or undergoing implementation</p> <p>Reports</p>	<ul style="list-style-type: none"> <i>RED-A 004/09 Rev.1 (F)</i> – ITTO. Feasibility study for establishment of a mechanism in ITTO to capture funds, to fund voluntary forest related carbon offsetting schemes, including REDD and PES projects <i>RED-PD 005/09 Rev.2 (F)</i> – Guyana. Completion of a feasibility study of targeting remuneration systems for environmental services

				<ul style="list-style-type: none"> • RED-PD 033/11 Rev.2 (F) • RED-PD 037/11 Rev.2 (F) • RED-PD 038/11 Rev.3 (F) • RED-PPD 051/11 Rev.1 (F) • RED-SPD 055/11 Rev.1 (F) • RED-SPD 058/11 Rev.2 (F)
Countries with improved capacity to implement SFM, forest restoration and rehabilitation.	<p>Forestry stakeholders trained in the implementation of restoration and rehabilitation activities, PES schemes and the implementation of policy reforms and/or land/forest tenure arrangements</p> <p>National criteria and indicators for SFM, forest restoration and rehabilitation developed</p>	<p>300 forestry stakeholders in 3 countries (100 each)</p> <p>3 countries (on per region)</p>	<p>Training Reports</p> <p>National C&I reports</p>	<ul style="list-style-type: none"> • RED-SPD 009/09 Rev.2 (F) – Indonesia. Enhancement of SFM and conservation of peat-swampy forest through involvement of stakeholders and local communities in conservation and rehabilitation • RED-SPD 020/09 Rev.1 (F) – China. Assessment report on environmental services and development of PES schemes jointly with local communities and other stakeholders • RED-PD 064/11 Rev. 2 (F) • RED-PPD 041/11 Rev.2 (F) • RED-PPD 050/11 Rev.1 (F)
<p>Demonstration areas established</p> <p>Operational practices for community involvement in development of environmental services</p>	<p>Demonstration projects on community involvement in avoided deforestation and degradation, development of environmental services, SFM, restoration and rehabilitation of secondary and degraded forest areas.</p> <p>Communities trained and assisted in development and implementation of PES mechanisms</p> <p>Communities directly involved in PES mechanisms developed and /or undergoing implementation with the support of the programme</p>	<p>3 demonstration projects</p> <p>Communities in 3 countries trained</p> <p>Communities in 3 countries involved in PES mechanism</p>	<p>Project reports. Visit reports of demonstration projects.</p> <p>Report of the training workshops</p> <p>Activity Report</p>	<ul style="list-style-type: none"> • RED-PD 005/09 Rev.2 (F) – Guyana. Support of SFM and resource utilization at community level to prevent deforestation and forest degradation • RED-SPD 009/09 Rev.2 (F) – Indonesia. Restoration of ecosystem functioning in degraded peatland through plantation involving stakeholders including local communities • RED-PD 018/09 Rev.1 (F) – Peru. Support for local communities in formalization of rights to trade ecosystem services • RED-PD 018/09 Rev.1 (F) – Peru. Communities trained in planning and development of PES schemes • RED-SPD 020/09 Rev.1 (F) – China. Development and implementation of PES schemes together with local communities and other stakeholders in project area • RED-PD 026/09 Rev.1 (F) – Ghana. Participatory development and implementation of good governance and management systems in the project area • RED-PD 033/11 Rev.2 (F) • RED-PD 037/11 Rev.2 (F) • RED-PD 038/11 Rev.3 (F)

				<ul style="list-style-type: none"> • RED-PD 045/11 Rev.2 (M) • RED-PD 064/11 Rev. 2 (F) • RED-PPD 050/11 Rev.1 (F) • RED-PPD 051/11 Rev.1 (F) • RED-SPD 055/11 Rev.1 (F)
Stakeholder consultations/ dialogues undertaken for awareness raising and to encourage cooperation among interested parties	<p>Participatory systematization of lessons learned</p> <p>(Sub-) National working groups</p> <p>Forest dependent communities sensitized on adaptation options to climate change</p>	<p>30 communities</p> <p>3 countries</p> <p>3 countries</p>	<p>Report of the multi-stakeholder partnerships</p> <p>Workshop and training Reports</p>	<ul style="list-style-type: none"> • RED-SPD 058/11 Rev.2 (F)
Information sharing mechanisms in place	<p>Issues of the TFU and number of hits on the ITTO website for the information sharing and knowledge management systems</p> <p>International seminar on REDDES to share experiences and lessons learned</p>	<p>3 issues of TFU (one per year) and more than 5,000 hits on the ITTO web page for REDDES information sharing</p> <p>1 international seminar</p>	<p>Report of the establishment of network and the operation of the website including usage matrix</p> <p>Proceedings of the international seminar on REDDES and PES</p>	<ul style="list-style-type: none"> • TP website operational and updated

ANNEX 10

CURRENT TPAC MEMBERS

TFLET

1. Cameroon: Mr. Samuel Ebia Ndongo, Ministry of Forestry and Wildlife
2. Mexico: Mr. Carlos Enrique Gonzalez Vicente, Private Forestry Consultant
3. Indonesia: Dr. Hadi S. Pasaribu, Ministry of Forestry
4. China: Mr. Zhang Zhongtian, State Forestry Administration
5. Netherlands: Ms. Antje van Driel, Ministry of Foreign Affairs
6. USA: Ms. Ellen Shaw, US Department of State (replaced Dr. David Brooks)
7. ITTO Secretariat: ED or his designee

REDDDES

1. Brazil: Ms. Thais Linhares Juvena, UN-REDD secretariat²⁷
2. Ghana: Dr. Ernest Foli, Forestry Research Institute of Ghana
3. Malaysia: Dr. Norini Haron, Forestry Research Institute of Malaysia
4. Peru: Ing. Rocio Malleux Hernani, Ministry of Agriculture
5. Canada: Dr. William de Groot, Canadian Forest Service, Natural Resources Canada
6. Japan: Mr. Takuo Sato, Ministry of Foreign Affairs (replaced Mr. Kazuyuki Morita)
7. Switzerland: Dr. Carmenza Robledo, Swiss Intercooperation (until March 2012, replaced France)
8. FAO/UN-REDD: Ms. Mette Loyche Wilkie (replaced Dr. Jose Antonio Prado)
9. ITTO Secretariat: ED or his designee

CFME

1. CAR: Mr. Theodore Mbaro, Ministry of Water and Forests
2. Philippines: Mr. Juan Magboo Pulhin, University of the Philippines, Los Banos
3. Venezuela: Mr. Ernesto Arends Rodriguez, Latin American Forest Institute
4. Spain: Dr. Pablo Manuel Martinez de Anguita, University Rey Juan Carlos
5. Japan: Mr. Koji Hattori, Ministry of Agriculture, Forestry and Fisheries (replaced Mr. Kazuyuki Morita)
6. ITTO Secretariat: ED or his designee

TMT

1. Ghana: Dr. Beatrice Darko Obiri, Forestry Research Institute of Ghana
2. Guyana: Ms. Pradeepa Bholanath, Guyana Forestry Commission
3. Malaysia: Mr. Sim Wah Loke, Malaysian Timber Industry Board
4. Korea: Dr. Rin Won Joo, Korea Forest Research Institute
5. Switzerland: Mr. Stefano Guidese, Woodtrade GM AG
6. ITTO Secretariat: ED or his designee

²⁷ Ms. Linhares Juvena joined the UN REDD secretariat after being invited to participate as a Brazilian expert on the REDDES TPAC.

ANNEX 11

PROPOSED REFINEMENTS TO ANNEXES 1-3 OF DECISION 9(XLIV)

DECISION 9(XLIV)
ANNEX 1

PROCEDURES FOR PILOT OPERATION OF
THEMATIC PROGRAMMES (TPs) FOR APPROVED THEMATIC PROGRAMME AREAS

ACTION AND SEQUENCE	RESPONSIBILITY
8. Development of a Thematic Programme Profile (TPP)	Executive Director (ED) in consultation with interested donors and Members
9. Approval of the TPP	Council
10. Preparation of a Thematic Programme Document (TPD) based on the approved TPP	ED with assistance of donors, other interested Members, and as appropriate, other partners
11. Development and submission of proposals for financing under the TP	Members and ED
12. Assessment and selection of proposals for financing under the TP	ED based on the advice of the Thematic Programme Advisory Committee (TPAC)
13. Monitoring & evaluation of TP implementation	Secretariat, implementing agencies, TPAC
14. Reporting on TP implementation	Annual reporting to Council by ED Bi-annual reporting by implementing agencies and Secretariat
8. Revision/amendment of the TPD as needed	Council

DECISION 9(XLIV)
ANNEX 2

GUIDELINES FOR THEMATIC PROGRAMME PROFILES
AND THEMATIC PROGRAMME DOCUMENTS

1. Thematic Programme Profile (TPP)

A TPP is a concise scoping document that provides an initial description of the Thematic Programme (TP) and covers the following elements:

- h) Rationale statement, including problem to be addressed and international context
- i) General objectives, **including a description of what constitutes programme success**
- j) ITTO's comparative advantage and value-added in the thematic area**
- k) Strategy to be employed
- l) Anticipated outputs/outcomes and benefits
- m) Potential partners/collaborating agencies **and anticipated means of cooperation**
- n) Indicative budget and timeframe
- o) Potential donors

2. Thematic Programme Document (TPD)

A TPD further develops the TPP and provides detailed information on the following planning and operational elements. These elements comprise the logical framework for the TP:

Planning elements

- n) Rationale statement and problem analysis, including relevant international and regional processes and value-added of the programme
- o) Specific objectives, including intermediate targets
- p) Strategies for achieving objectives, **including through knowledge management**
- q) **Research inputs and methods, as appropriate**
- r) Outputs/outcomes/deliverables and expected impact/benefits
- s) Other partners and stakeholders
- t) Activities, **including priority activities, as appropriate, and regional activities**
- u) Work plan, including budget estimates and donor contributions

Operational elements

- a) Composition of the Thematic Programme Advisory Committee and expert profiles
- b) General selection criteria for proposed activities/projects/pre-projects outlined in paragraph 2 of Annex 3
- c) TP-specific selection criteria for proposed activities/projects/pre-projects
- d) Administrative arrangements
- e) Monitoring and evaluation procedures
- f) Technical and financial reporting procedures

3. **To the extent possible, new TPDs will be developed in close consultation with TAG and CSAG, as well as ITTO partners within the Collaborative Partnership of Forests with significant mandates and activities in the thematic area.**

DECISION 9(XLIV)
ANNEX 3

TERMS OF REFERENCE FOR
THEMATIC PROGRAMME ADVISORY COMMITTEES

6. Each ITTO Thematic Programme (TP) will have a Thematic Programme Advisory Committee (TPAC) to assist the Executive Director with the implementation of the TP as follows:
 - d) Selection of activities/pre-projects/projects for financing under the TP;
 - e) Monitoring and evaluation of progress in implementing the TP; and
 - f) Identification of potential additional sources of voluntary financial contributions to the TP.
7. In selecting activities/pre-projects/projects for financing, all TPACs will consider the following general criteria, in addition **to the requirements identified in the ITTO Manual for Project Formulation**, and the specific criteria identified in the relevant TPD:
 - k) Conformity with the specific objectives and **deliverables** contained in the TPD;
 - l) Linkages or relevance to other activities/pre-projects/projects under the programme;
 - m) **Mechanism for knowledge management and** applicability/extension of results **to other countries**, regionally or globally;
 - n) Clear quantitative and qualitative indicators to evaluate progress towards achieving TP objectives;
 - o) Measures to verify the coherence and effectiveness of activities/pre-projects/projects funded under the TP.
8. The membership of a TPAC and its functions will be identified in the TPD. As a general rule, each TPAC will not exceed **eight** members, taking into account the need for balanced representation among members. They will include:
 - e) Three producer member representatives;
 - f) One non-donor consumer member representative;
 - g) Representatives of interested donors;
 - h) **Representatives** of collaborating institutions;
 - i) One representative of TAG and/or CSAG depending on the nature of the TP; and**
 - j) Executive Director or his designated representative.
9. **All TPAC members will have recognized expertise on the TP, including experience relevant to the functions contained in paragraph 1.**
10. The Executive Director will invite individuals to participate on TPACs **for a three-year term based on nominations by Members, as well as TAG and CSAG, which are included on a roster of TP experts.**
11. As a general rule, TPACs will coordinate **regularly** through electronic **and internet means, including voice and video internet communications (e.g. Skype), and will meet as needed to fulfill their functions, subject to the availability of funds. TPAC chairpersons and TPAC focal points within the Secretariat will consult closely on TPAC operations.**

ANNEX 12

ILLUSTRATIVE BWP 2014-2015 ACTIVITY ON MID-TERM EVALUATIONS OF ITTO THEMATIC PROGRAMMES²⁸

*ITTA, 2006, Articles 20, 24 25
Relevant ITTC 48 Decisions
ITTC Decisions 8, 9 and 10(XLIV)
ITTO Strategic Action Plan: 2013-2018*

I. Background

In November 2008, through Decisions 8, 9 and 10(XLIV), the Council launched the pilot operation of ITTO Thematic Programmes (TPs) for the following five thematic areas.

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

TFLET and REDDES TPs became operational in 2009 and have sufficient completed or ongoing projects/pre-projects/activities to warrant a comprehensive assessment of progress and achievements to date in meeting TP objectives. CFME and TMT became operational in 2010 and are expected to have sufficient projects/pre-projects/activities completed or underway in the near future to support a similar assessment of efforts and impacts to date.

II. Description

Conduct mid-term evaluations of TFLET and REDDES in 2014 and CFME and TMT in 2015 to evaluate progress and achievements in meeting TP objectives and identify further actions needed. Each evaluation will assess:

1. The extent to which funded projects/activities have contributed to meeting TP objectives
2. The coherence of funded projects/activities
3. Any gaps in projects/activities relative to specific TP objectives and outputs
4. Lessons learned and opportunities for upscaling lessons and best practices to other countries/regions
5. TP complementarity with significant ongoing programmes/initiatives in the thematic area
6. New and emerging issues and institutional arrangements relevant to the TP
7. Opportunities for new and additional funding from public and private sources

The TP Monitoring Protocols will provide a framework for the TP evaluations which will consider, *inter alia*, the results of ex-post and/or mid-term project evaluations and consultations with representatives of organizations with significant TP-related mandates. The evaluations will be undertaken with the involvement of TPACs, and a meeting of each TPAC will be organized at a key juncture in the evaluation process.

III. Expected Outputs

1. Comprehensive mid-term evaluation reports on progress and achievements under each TP.
2. Identification of potential sources of additional funding and ways to approach them.
3. Recommendations to strengthen TPs, revise/update TPDs and enhance coordination with partners.

²⁸ This activity is illustrative only and of necessity cannot reflect the status of TPs and TP operations as of ITTC 49 when Council will consider the proposed BWP 2014-2015.



INTERNATIONAL TROPICAL TIMBER COUNCIL

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10 November 2012

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Yokohama, Japan

DECISION 4(XLVIII)

STRENGTHENING ITTO THEMATIC PROGRAMMES

The International Tropical Timber Council,

Recalling Decision 8(XLIV) establishing the Thematic Programmes Sub-Account under the Special Account, Decision 9(XLIV) on operational procedures and guidelines for Thematic Programmes on a pilot basis, and Decision 10(XLIV) approving Thematic Programme Profiles for five thematic areas;

Welcoming the subsequent launch of ITTO Thematic Programmes on Forest Law Enforcement, Governance and Trade (TFLET), Reducing Deforestation and Forest Degradation and Enhancing Environmental Services (REDDES), Community Forest Management and Enterprises (CFME), and Trade and Market Transparency (TMT);

Recalling that the International Tropical Timber Agreement (ITTA), 2006, the Successor Agreement to the ITTA, 1994, entered into force definitively on 7 December 2011;

Also recalling the provisions of Articles 20, 24 and 25 of the ITTA, 2006 on the establishment and implementation of Thematic Programmes;

Noting the Draft Report on the Effectiveness of Pilot Operation of ITTO Thematic Programmes;

Considering experiences gained in developing and implementing Thematic Programmes during the pilot phase;

Decides to:

1. Adopt the procedures and guidelines for Thematic Programmes contained in Annexes 1 and 2 of this decision, and the terms of reference for Thematic Programme Advisory Committees (TPACs) contained in Annex 3 of this decision;
2. Utilize the Thematic Programme procedures, guidelines and terms of reference for the continued implementation of TFLET, REDDES, CFME and TMT and for any new Thematic Programmes that may be established;
3. Initiate a process to review and, as needed, update or supplement existing ITTO project-related manuals to ensure their full relevance to Thematic Programmes;
4. Urge Members to contribute to the Thematic Programmes Sub-Account in order to fully implement ongoing Thematic Programmes as soon as possible;
5. Urge Members to submit high quality, well-focused Thematic Programme proposals and, as needed, seek assistance from the Secretariat in this regard;

6. Urge ITTO Focal Points to ensure that proposals submitted to the Secretariat are complete, properly-formatted and contribute to national priorities in the thematic area;
7. Review and evaluate the effectiveness of individual Thematic Programmes when decided by Council; and
8. Request the Executive Director to:
 - a) Include activities in the Biennial Work Programme to implement paragraph 3 of this Decision and encourage Members to make voluntary contributions for this purpose;
 - b) Update existing Thematic Programme Profiles and Thematic Programme Documents and adjust the composition of TPACs, as needed, to reflect paragraph 2 above;
 - c) Identify reasons for the lack of donor interest in the Thematic Programme on Industry Development and Efficiency (IDE), consider ways to address these issues, and report to Council at its Forty-ninth Session on options for moving forward;
 - d) Utilize a flexible Thematic Programme project cycle calendar based on the level of funding available and the number of proposals received;
 - e) Facilitate the effective functioning of the TPACs in accordance with Annex 3;
 - f) Work with the TPACs, ITTO Focal Points and implementing agencies to seek opportunities to maximize synergies within each Thematic Programme, particularly during the appraisal stage;
 - g) Establish a weighting system for Thematic Programme proposal selection criteria to reflect their relative importance to programme success, drawing on the weighting system used by the Expert Panel on Technical Appraisal of Projects and giving due consideration to the criteria contained in Annex 3 (paragraph 2) of this decision;
 - h) Screen all proposals submitted for funding under the Thematic Programmes Sub-Account and identify for appraisal only those proposals that meet the formatting and basic information requirements set out in the Manual for Project Formulation and other requirements outlined in calls for proposals;
 - i) Refine, in consultation with TPACs, the Thematic Programme Monitoring Protocols to identify key indicators which can signal early successes or problems and, as needed, better align target values with the issues the Thematic Programme seeks to address;
 - j) Raise awareness on lessons learned and best practices from the implementation of Thematic Programme projects, pre-projects and activities as part of ITTO's knowledge management strategy; and
 - k) Report at each Council session on progress in implementing and managing Thematic Programmes, including impacts and outcomes, and keep Members informed inter-sessionally through the ITTO website.

ANNEX 1

**PROCEDURES FOR OPERATION OF
THEMATIC PROGRAMMES (TPs) FOR APPROVED THEMATIC PROGRAMME AREAS**

ACTION AND SEQUENCE	RESPONSIBILITY
15. Development of a Thematic Programme Profile (TPP)	Executive Director (ED) in consultation with interested donors, Members and relevant stakeholders
16. Approval of the TPP	Council
17. Preparation of a Thematic Programme Document (TPD) based on the approved TPP	ED with assistance of donors, other interested Members and to the extent possible the Trade Advisory Group and the Civil Society Advisory Group
18. Development of proposals for financing under the TP	Members, ED
19. Submission of proposals	ITTO Focal Points, ED
20. Proposal screening (for compliance with basic requirements)	Secretariat
21. Proposal appraisal	Thematic Programme Advisory Committee (TPAC), Secretariat
22. Selection of proposals for financing under the TP based on appraisals	ED
23. Notification of Members of the ED's selection two weeks prior to the endorsement by the TPAC	Secretariat
24. Review and endorsement of selection of proposals	TPAC
25. Financing decision	ED
26. Implementation of financed projects, pre-projects, activities	Implementing agencies, Secretariat
27. Monitoring & evaluation of TP implementation	Secretariat, implementing agencies, TPAC
28. Reporting on TP implementation	Annual reporting to Council by ED Bi-annual reporting by implementing agencies and Secretariat
15. Revision/amendment of a TPP or TPD as needed	Council

ANNEX 2

GUIDELINES FOR THEMATIC PROGRAMME PROFILES AND THEMATIC PROGRAMME DOCUMENTS

1. Thematic Programme Profile (TPP)

A TPP is a concise scoping document that provides an initial description of the Thematic Programme (TP) and covers the following elements:

- p) Rationale statement, including problem to be addressed and international context
- q) General objectives,
- r) ITTO's comparative advantage and value-added in the thematic area
- s) Strategy to be employed
- t) Anticipated outputs/outcomes and benefits
- u) Potential partners/collaborating agencies and anticipated means of cooperation
- v) Indicative budget and timeframe
- w) Potential donors

2. Thematic Programme Document (TPD)

A TPD further develops the TPP and provides detailed information on the following planning and operational elements. These elements comprise the logical framework for the TP:

Planning elements

- v) Rationale statement and problem analysis, including relevant international and regional processes and value-added of the programme
- w) Specific objectives, including intermediate targets
- x) Strategies for achieving objectives, including through knowledge management
- y) Measures to verify the coherence and effectiveness of activities/pre-projects/projects funded under the TP
- z) Outputs/outcomes/deliverables and expected impact/benefits
- aa) Other partners and stakeholders
- bb) Indicative list of activities
- cc) Work plan, including budget estimates

Operational elements

- g) General selection criteria for proposed activities/projects/pre-projects contained in paragraph 2 of Annex 3
- h) TP-specific selection criteria for proposed activities/projects/pre-projects
- i) Administrative arrangements
- j) Monitoring and evaluation procedures
- k) Technical and financial reporting procedures

3. To the extent possible, new TPDs will be developed in close consultation with Trade Advisory Group (TAG) and Civil Society Advisory Group (CSAG), as well as ITTO partners within the Collaborative Partnership on Forests with significant mandates and activities in the thematic area.

ANNEX 3

**TERMS OF REFERENCE FOR
THEMATIC PROGRAMME ADVISORY COMMITTEES**

12. Each ITTO Thematic Programme (TP) will have a Thematic Programme Advisory Committee (TPAC) to assist the Executive Director in the:
- g) Selection of activities/pre-projects/projects for financing under the TP;
 - h) Monitoring and evaluation of progress in implementing the TP; and
 - i) Identification of potential additional sources of voluntary financial contributions to the TP.
13. When appraising, reviewing and endorsing activities/pre-projects/projects for financing, TPACs will consider the requirements identified in the ITTO Manual for Project Formulation. In addition, TPACs will consider any specific criteria identified in the relevant Thematic Programme Document (TPD), as well as the following general criteria:
- p) Conformity with the specific objectives and deliverables contained in the TPD;
 - q) Linkages or relevance to other activities/pre-projects/projects under the programme;
 - r) Clear quantitative and qualitative indicators to evaluate progress towards achieving TP objectives;
14. As a general rule, each TPAC should not exceed 10 members and should take into account the need for balanced representation among members. Each TPAC will include:
- k) Three producer member experts, representing the three producer regions;
 - l) One non-donor consumer member expert;
 - m) Representatives of interested donors;
 - n) Representatives of collaborating institutions, as appropriate;
 - o) One representative of Trade Advisory Group (TAG) and/or Civil Society Advisory Group (CSAG)
- The Secretariat will facilitate the work and operation of the TPACs.
15. All TPAC members will have expertise on the topic covered by the TP, including experience relevant to the functions contained in paragraph 1.
16. The Executive Director will invite individuals under 3(a), (b) and (c) to participate on TPACs for a three-year term based on nominations by Members. The Executive Director will also invite nominations from collaborating institutions, as well as TAG and CSAG.
17. As a general rule, TPACs will coordinate regularly through electronic means and will meet as needed to fulfil their functions, subject to the availability of funds. TPAC members and TPAC focal points within the Secretariat will consult closely on TPAC operations.

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