



**CONSEJO INTERNACIONAL
DE LAS MADERAS TROPICALES**

**COMITÉ DE FINANZAS
Y ADMINISTRACIÓN**

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**Informe del Grupo de trabajo sobre la movilización de nuevos recursos
financieros y alianzas de cooperación para la OIMT y sus objetivos**

A. Introducción

1. El programa de trabajo bienal (PTB) de la OIMT para 2013-2014 contiene la actividad 54: "Movilizar nuevos recursos financieros y alianzas de cooperación para la OIMT y sus objetivos", que requiere que el Director Ejecutivo prepare un plan de acción /estrategia para la movilización de fondos y el establecimiento de alianzas de cooperación para la Organización. Esta actividad comprende también la creación de un grupo de trabajo *ad hoc* oficioso para asesorar al Director Ejecutivo sobre la elaboración y el lanzamiento de dicha estrategia.

Los términos de referencia de la actividad 54 del PTB figuran en el Anexo 1.

2. El grupo de trabajo se reunió en la sede de la Organización en Yokohama del 2 al 4 de septiembre de 2013 y eligió al Sr. Mario Rodríguez (Guatemala) y la Sra. Ellen Shaw (Estados Unidos de América) para copresidir la reunión. En el Anexo 2 aparece la lista de participantes del grupo de trabajo.
3. En el desarrollo de sus tareas, el grupo contó con el apoyo del Sr. Emmanuel Ze Meka, Director Ejecutivo de la OIMT, el personal de la Secretaría y el consultor (Dr. Markku Simula) como profesional especializado.

B. Metodología de trabajo

4. Las labores del grupo de trabajo se vieron facilitadas por un documento de base preparado por el consultor en estrecha colaboración con la Secretaría y distribuido por adelantado a los miembros. Este documento incluyó una descripción preliminar de los elementos de la estrategia y plan de acción. Los integrantes del grupo de trabajo consultaron asimismo los siguientes documentos:
 - Comentarios sobre el documento de base recibidos de la Unión Europea y Côte d'Ivoire
 - Declaración de Malasia sobre la "Movilización de nuevos recursos financieros y alianzas de cooperación para la OIMT y sus objetivos"
 - Informe de la reunión sobre la movilización de nuevos recursos financieros y alianzas de cooperación para la OIMT y sus objetivos celebrada paralelamente con el décimo período de sesiones del Foro de las Naciones Unidas sobre los Bosques (FNUB-10) el jueves 11 de abril de 2013 en la Sala Estocolmo del Hotel Midtown en Estambul, Turquía.
5. El Sr. Ze Meka inauguró la reunión del grupo de trabajo y subrayó las repercusiones del CIMT de 2006 que prevé el fortalecimiento de la función de la OIMT para lograr sus objetivos, lo que representa un verdadero desafío dada la reducida capacidad de la Secretaría y la difícil situación financiera de la Organización. El Director Ejecutivo informó acerca de los resultados de la teleconferencia organizada en enero para obtener asesoramiento preliminar de los miembros con respecto a la ejecución de esta actividad y la reunión del grupo de trabajo *ad hoc* organizada en abril paralelamente con el décimo período de sesiones del Foro de las Naciones Unidas sobre los Bosques (FNUB-10) en Estambul, Turquía, en la cual se estudió el documento de base preliminar preparado por la Secretaría. Informó asimismo que se había contratado a un consultor para finalizar y ampliar el documento de base, cuyo informe posteriormente había sido distribuido a los miembros para su examen. Indicó además que se habían recibido comentarios por escrito de la Comisión Europea y de Côte d'Ivoire.
6. Los integrantes del grupo de trabajo expresaron su gratitud al Gobierno de Japón por proporcionar los fondos necesarios para la ejecución de la actividad 54 del PTB.
7. El grupo de trabajo estudió el documento de base, que posteriormente fue finalizado por el consultor teniendo en cuenta los comentarios y sugerencias de todos los integrantes. El Anexo 5 contiene la versión final del documento de base.
8. El grupo de trabajo posteriormente elaboró un plan de acción /estrategia (Anexo 3) y preparó los términos de referencia para la contratación de un profesional de recaudación de fondos (Anexo 4).

C. Examen del documento de base

9. El Dr. Markku Simula presentó la versión preliminar del documento de base sobre la “Movilización de nuevos recursos financieros y alianzas de cooperación para la OIMT y sus objetivos”. Después de la presentación, el grupo de trabajo mantuvo un prolongado debate sobre el texto y concluyó que el documento de base comprendía: (i) un análisis eficaz de las fuentes posibles de recursos nuevos y existentes teniendo en cuenta las opiniones expresadas por los miembros de la OIMT y la Secretaría; (ii) consideraciones y elementos útiles para el plan de acción y la estrategia de recaudación de fondos; (iii) suficiente información sobre los puntos fuertes y débiles de la OIMT y sus ventajas comparativas; y (iv) información exhaustiva y detallada sobre las fuentes de financiación actuales y potenciales para la OIMT.

D. Fuentes de financiación

Gobiernos de los países miembros

10. El grupo de trabajo reconoció que éste no es el momento ideal para el lanzamiento del plan de acción y estrategia de recaudación de fondos ya que en muchos países miembros, los gobiernos deben aplicar importantes cortos presupuestarios en todas sus áreas de operación. Además de recaudar fondos de nuevas fuentes, es preciso abordar también la necesidad de mantener el flujo de financiación de los donantes tradicionales.
11. El grupo de trabajo observó que una de las limitaciones para la financiación de la OIMT en algunos casos es que no tiene una interacción directa con los organismos pertinentes de ayuda bilateral, una limitación que podría ser útil abordar en las futuras campañas de recaudación de fondos.

Países no miembros

12. El grupo de trabajo elogió la idea de ampliar la composición de la OIMT para incluir otros países que sean importadores significativos de maderas tropicales y productos de madera tropical y que hayan expresado interés en la conservación del medio ambiente a escala mundial. En este contexto, se identificaron como países prioritarios Qatar, Arabia Saudita y los Emiratos Árabes Unidos.

Instituciones multilaterales y regionales de financiación

13. El grupo de trabajo consideró que las instituciones multilaterales y regionales podrían representar una fuente potencial importante de financiación. El grupo felicitó a la Secretaría por sus recientes iniciativas con el BAfD y la ACB, que se deberían continuar y ampliar para cubrir también otras instituciones multilaterales y regionales de financiación. Por otra parte, el grupo señaló que podría ser muy importante para la OIMT recibir la acreditación como organismo de proyectos del FMAM, indicando que en ese sentido el apoyo de los países miembros tendría suma importancia. Tal apoyo sería significativo también con otras instituciones financieras multilaterales y regionales.

Fundaciones

14. El grupo de trabajo señaló que la mayoría de las fundaciones con interés potencial en la OIMT estaban situadas en los Estados Unidos y Europa, pero sólo un pequeño número entre ellas tenía prioridades y actividades directamente vinculadas a las de la Organización. En cuanto al volumen, el potencial de financiación de este grupo de fuentes probablemente no sea significativo, pero desde el punto de vista estratégico, su contribución podría dar lugar a innovaciones que se podrían incorporar a la OIMT.

Sector privado

15. El grupo de trabajo observó que la financiación proporcionada a la fecha por el sector privado había sido limitada y que era preciso investigar otras posibilidades, especialmente en Japón. Otros sectores posibles pueden ser los grupos industriales de bienes de consumo emergentes u otras iniciativas privadas similares y empresas de los países miembros consumidores y productores. La financiación de los proyectos de la OIMT orientados al MFS en el trópico podrían formar parte de los compromisos de estas empresas en materia de responsabilidad social corporativa. El grupo de trabajo elogió los

esfuerzos sistemáticos iniciales de la Secretaría para recaudar fondos del sector privado japonés, que se podrían extender a otros países sobre la base de la experiencia adquirida. El grupo señaló que el hecho de que la OIMT, por su condición jurídica, no dé derecho a desgravaciones fiscales para las contribuciones recibidas tiende a desalentar a las empresas a efectuar donaciones a la Organización ya que no son deducibles fiscalmente. Una posibilidad para resolver este problema sería establecer acuerdos tripartitas con una tercera parte (una fundación o una ONG) que por su condición jurídica dé derecho a desgravaciones fiscales.

E. Un entorno competitivo

16. El grupo de trabajo observó que la financiación de las actividades de la OIMT tiene lugar en un entorno sumamente competitivo donde las prioridades cambian constantemente. En este contexto, es necesario adoptar un enfoque de apertura en materia de recaudación de fondos, aprovechando los vínculos entre las funciones clave de la Organización de promover el MFS y el comercio de maderas tropicales y productos de madera tropical provenientes de fuentes legales y sostenibles. Estas funciones fundamentales se pueden vincular a las prioridades mundiales tales como la reducción de la pobreza, el cambio climático, la biodiversidad, la energía, la gobernanza, la seguridad alimentaria y la economía ecológica. Un aspecto importante para destacar en este respecto es el carácter único del papel que desempeña la OIMT en base a un acuerdo intergubernamental y un enfoque orientado a la ejecución del MFS en el terreno.
17. Los donantes necesitan saber qué resultados e impactos generan sus fondos. Por lo tanto, la visibilidad de sus contribuciones es un aspecto importante. Esto no es fácil de lograr en el caso de la financiación de los programas temáticos (PT). Por otro lado, los países miembros productores que pagan sus contribuciones también necesitan ver qué beneficios reciben a cambio.
18. Tanto para los donantes como para los países productores, es importante que los proyectos y programas estén vinculados con las prioridades nacionales y planes sectoriales de cada país.

F. La ventaja comparativa de la OIMT

19. Con respecto a la ventaja comparativa de la OIMT, el grupo de trabajo destacó el carácter único de la Organización en las siguientes áreas: (i) su capacidad para asegurar un equilibrio entre los intereses de los países productores y los de los países consumidores; y (ii) sus modalidades de trabajo que le permiten prestar apoyo a los países productores en base a la demanda. El grupo reconoció que la ampliación de los medios de financiación se debe ajustar también, de manera equilibrada, a los aspectos específicos de los donantes.
20. El grupo de trabajo reconoció que la OIMT tiene un potencial significativo para desarrollar capacidades a fin de abordar el problema del cambio climático mediante una combinación de medidas que promuevan el MFS y el consumo de maderas tropicales y sus productos derivados procedentes de fuentes legales y sostenibles como parte del trabajo de la Organización para valorizar los servicios ambientales de los bosques tropicales. Por lo tanto, se deben investigar las posibilidades de financiación de la OIMT provenientes de fuentes pertinentes que apoyen la función de los bosques para abordar el cambio climático. Sin embargo, el fin no es tratar el tema del cambio climático en el seno de la OIMT como un aspecto normativo mundial.

G. Alianzas estratégicas

21. El grupo de trabajo observó que las alianzas de cooperación de la OIMT se dividen en dos categorías: (i) alianzas estratégicas establecidas con la participación de donantes que expresan su interés en prestar apoyo, dando lugar a importantes montos de financiación; y (ii) otras alianzas cuyos objetivos primordiales son otros pero tienen la opción de buscar financiación para iniciativas conjuntas. Como ejemplos de la primera categoría se incluyen las alianzas forjadas con la CITES, el CDB y la JICA. Las alianzas del segundo grupo no han generado montos importantes de financiación para la OIMT. En el futuro, la Organización debería ser más estratégica en la creación de nuevas alianzas, especialmente de la primera categoría. El desarrollo de la cooperación Sur-Sur también se destacó como un aspecto importante.
22. Dado que la competencia por la financiación disponible es siempre muy intensa, la OIMT no debería limitar su enfoque de recaudación de fondos a las fuentes que tradicionalmente han prestado apoyo al sector forestal, sino que debería ampliar su investigación en busca de nuevos donantes más allá de

“la familia forestal”. El programa post-2015 que actualmente está preparando la ONU servirá de marco de referencia para las futuras estrategias de ayuda oficial al desarrollo (AOD) y la OIMT ya debería comenzar a prepararse para aprovechar las oportunidades de financiación que podrían surgir en el futuro a través de ese proceso. Se indicó que la Asociación de Colaboración en materia de Bosques (ACB) ya está trabajando en este tema.

H. Mensajes

23. El grupo de trabajo señaló que la estrategia de recaudación de fondos debe: (i) concentrarse en las necesidades de los clientes (tanto miembros productores como miembros consumidores); (ii) transmitir mensajes claros sobre las razones para financiar las actividades de la OIMT; y (iii) facilitar los medios de transmitir los mensajes como parte de las medidas por adoptar. El valor agregado de la OIMT se debe comunicar claramente.
24. El grupo de trabajo observó que es especialmente difícil generar un único mensaje clave para movilizar fondos, por lo que se necesitaría un enfoque más amplio que permita abordar las prioridades de diversas fuentes potenciales de financiación. Sin embargo, se debe hacer hincapié en el fomento del MFS.
25. Con respecto a las diferentes fuentes, se destacó que en muchos casos es preciso adaptar los mensajes y las actividades de recaudación de fondos conforme a las características específicas de cada fuente.

I. Comunicación

26. El grupo de trabajo subrayó la importancia crítica de mejorar la comunicación en el proceso futuro de recaudación de fondos para la OIMT, por ejemplo, con actividades de concientización sobre los objetivos y actividades de la Organización dirigidas a las nuevas fuentes potenciales de financiación, así como otras actividades relacionadas con la recaudación de fondos. Por lo tanto, la estrategia de recaudación de fondos propuesta contiene diversas actividades específicas con ese fin. El grupo de trabajo observó además que la estrategia de gestión de conocimientos actualmente en preparación se basa en un enfoque integral para mejorar las comunicaciones de la Organización y se deberían incluir elementos cruciales para la recaudación de fondos (por ejemplo, un proceso eficaz de intercambio de conocimientos derivados del trabajo de la OIMT).

J. Facilitación de la financiación futura

27. El grupo de trabajo observó que los procedimientos actuales de la OIMT relativos a la financiación del ciclo de proyectos y los programas temáticos representan una limitación para algunos donantes y se necesita una mayor flexibilidad en este respecto. El grupo solicitó a la Secretaría que preparase un proyecto de decisión para presentarlo a la consideración del Consejo en su siguiente período de sesiones. Otro tema por abordar para mejorar los procedimientos de la Organización es el largo período de espera entre la aprobación de las propuestas de proyectos y su financiación, lo que en ocasiones lleva a la pérdida del apoyo potencial previsto.
28. En el contexto de los programas temáticos, algunos donantes desearían dirigir sus contribuciones a ciertas regiones geográficas o áreas temáticas específicas, lo cual es imposible conforme a las normas actuales y puede llevar a la pérdida de apoyo potencial para los proyectos. Se deberían establecer medios que permitan mostrar la existencia de tales vínculos aun cuando las contribuciones financieras se otorguen para un programa temático en su totalidad.
29. El grupo de trabajo señaló que la OIMT debería ser más proactiva en su trabajo con los donantes potenciales para elaborar nuevos proyectos o formar alianzas estratégicas con el fin de recaudar nuevos fondos; para ello, es necesario desarrollar conjuntamente nuevas ideas y traducirlas en propuestas financiables.
30. Muchas de las nuevas fuentes de financiación exigen que las propuestas presentadas se ajusten a su propio formato, lo que supone un trabajo adicional para la Secretaría pero es inevitable.

K. Propuestas en materia fiscal y de recargo ecológico

31. El grupo de trabajo tomó nota de dos propuestas presentadas por los gobiernos de Malasia y Côte d'Ivoire para recaudar fondos de nuevas fuentes de financiación (adjuntas en el Anexo X del documento de base). La primera consiste en considerar la posibilidad de aplicar un "recargo ecológico" en el precio de la madera tropical proveniente de fuentes legales y sostenibles, mientras que la segunda se basa en la aplicación de un impuesto universal a las exportaciones e importaciones de maderas tropicales cuya recaudación sería repartida entre los países productores y la OIMT. El grupo observó que estas propuestas se relacionan con aspectos normativos del comercio, y las partes proponentes deberían prepararlas más detalladamente para permitir su correcto análisis. Se recordó asimismo que la idea de aplicar un impuesto por el etiquetado ecológico ya se presentó a la OIMT a principios de los años noventa, pero en ese momento no fue aceptada por los miembros. En el posible caso de que se desarrollen estas ideas en el futuro, se deberían considerar las repercusiones de una mayor sustitución de las maderas tropicales con otros productos y materiales, así como las reglas del comercio internacional.

L. Enfoque de la estrategia y plan de acción sobre financiación y alianzas de cooperación

32. El grupo de trabajo examinó las ambiciosas metas de movilización de fondos establecidas en el Plan de Acción Estratégico (PAE) de la OIMT para 2013-2018. Se consideró que en esta etapa del proceso no sería factible identificar las fuentes para cada prioridad estratégica del PAE, lo que se podría hacer más adelante en el momento oportuno. No obstante, se concluyó que, por lo menos en el mediano plazo, la mayor parte de la financiación para los proyectos y actividades de la OIMT deberán provenir de contribuciones voluntarias de los miembros existentes o nuevos miembros potenciales de la Organización, aunque se deberían realizar todos los esfuerzos posibles para lograr una mayor diversificación de las fuentes.

El grupo de trabajo elaboró un proyecto de plan de acción/estrategia para 2013-2014 que contiene: (i) los elementos clave de un nuevo enfoque para la recaudación de fondos; (ii) una serie de principios; (iii) los resultados esperados; (iv) las actividades principales que se deben emprender; (v) la metodología operativa; y (vi) un calendario preliminar para la fase inicial. Este plan de acción/estrategia se adjunta en el Anexo 3 del presente informe para su examen.

M. Términos de referencia para el profesional de recaudación de fondos y estrategia de contratación

33. Sobre la base del plan de acción propuesto, el grupo de trabajo preparó los términos de referencia para el profesional de recaudación de fondos (Anexo 4). El grupo calculó que se necesitaría un período mínimo de seis meses de servicio de este profesional para poner en práctica las actividades de la primera fase.
34. Para la contratación del profesional de recaudación de fondos, el grupo de trabajo identificó las siguientes opciones:
- (i) Contratación de un profesional durante un corto plazo para trabajar en la Secretaría con el fin de ayudar con la ejecución del plan de acción;
 - (ii) Contratación de un consultor para que durante un período de un año ayude periódicamente a la Organización;
 - (iii) Adscripción de un profesional competente de una organización que trabaje en el mismo ámbito que la OIMT con vasta experiencia en materia de recaudación de fondos;
 - (iv) Contratación de una empresa proveedora de servicios competente en esta materia.
35. La Secretaría debería consultar a los miembros para identificar a los candidatos posibles. Se deberá lanzar un llamado a propuestas de los candidatos por medio del sitio web de la OIMT, el servicio de información del mercado (SIM), los gobiernos nacionales y otras entidades aliadas.
36. La Secretaría debería investigar la factibilidad de las opciones indicadas más arriba, inclusive sus repercusiones financieras (remuneración, gastos de viaje y otros costos directos), teniendo en cuenta el presupuesto disponible para la actividad 54 del PTB en 2014.

37. El grupo de trabajo observó que es importante que la OIMT cuente con el apoyo de un profesional de recaudación de fondos en el largo plazo debido a la importancia de obtener financiación como una actividad fundamental de la Organización.

N. Presupuesto y otras consideraciones sobre los recursos

38. El presupuesto global de la actividad 54 asciende a US\$97.443 y de ese total, el monto asignado para 2014 es de US\$66.200. El grupo consideró que muy probablemente este monto no sea suficiente para la contratación y otros costos directos del profesional de recaudación de fondos, además de otras actividades adicionales que deberá llevar a cabo el personal. Dada esta situación y en vista de la importancia estratégica que tiene la recaudación de fondos para la viabilidad financiera futura de la Organización, el grupo estimó que la suma adicional requerida para la ejecución del plan de acción en 2014 asciende a alrededor de US\$250.000.
39. El grupo de trabajo debatió detalladamente los costos vinculados al plan de acción y, en particular, a la contratación de un profesional de recaudación de fondos. En vista de las recientes reducciones de costos realizadas en el presupuesto administrativo, el grupo destacó la necesidad de asegurar una ejecución eficiente del plan de acción pero subrayó también la importancia de garantizar su efectividad como una inversión en el futuro de la Organización.

O. Recomendaciones del grupo de trabajo

40. Se presentan las siguientes recomendaciones a la consideración del Consejo:
 - i. Adoptar la estrategia y el plan de acción propuestos por el grupo de trabajo;
 - ii. Examinar las repercusiones financieras de la ejecución del plan de acción e investigar los medios posibles para abordarlas;
 - iii. Adoptar los términos de referencia del profesional de recaudación de fondos y determinar la mejor opción para su contratación temporal;
 - iv. Aprobar una nueva decisión dirigida a facilitar nuevos medios de financiación para la Organización.

ANNEX 1

MOBILIZE NEW FUNDING AND PARTNERSHIPS FOR ITTO AND ITS OBJECTIVES

[ITTA, 2006 Article 1 (g), (j)]

I. Background

ITTO and its objectives are critical in a world where the sustainable management and conservation of tropical forests is receiving increasing attention and concern. As the organization enters a new era under ITTA, 2006, ITTO should seize the opportunity to develop and implement an innovative and proactive fundraising strategy. This will require the Executive Director, the Secretariat and ITTO's members to think creatively and learn from the successful strategies of other intergovernmental organizations, NGOs, and others. This effort should be led by an energized Secretariat, actively supported by members and partners in the NGO and private sector worlds.

II. Description

This 24-month activity will be divided into a first year of preparing and launching a funds mobilization and partnership strategy and a second year of active implementation. Specific activities will be refined in the first quarter of year one, but are expected to include, in the first year:

- a) Formation of an informal, open-ended ad hoc advisory group including producer and consumer members and stakeholders to advise the Executive Director in developing and launching the strategy
- b) Drafting of a proposal of fund mobilization and partnership strategy/action plan by the Secretariat
- c) Convening of one or more meetings of members, partners and resource persons to:
 - Refine a concise and compelling fundraising message;
 - Identify potential sources of financing and tailoring the message for different potential donors;
 - Seek the perspective of potential funders on ITTO's strengths and weaknesses;
 - Identify possibilities for co-financing activities and projects as well as for income generation from ITTO products;
 - Develop the Terms of Reference and recruitment strategy for a temporary fundraising professional to assist the Executive Director;
 - Refine the draft funds mobilization and partnership strategy/action plan.
- d) Further consultation and refinement of the strategy
- e) Submit a draft strategy and progress report to the Forty-ninth Session of the Council

Year Two activities will be defined in detail during Year One, and will be provided in a report to the Council at its Forty-ninth Session.

III. Expected Output and Outcomes

The overall expected outcome is realization of the funds mobilization targets contained in the ITTO Strategic Action Plan 2013-2018.

Specific outputs and indicators will be developed as part of the fundraising strategy, but will be oriented around the following principles:

- a) Increased funding and partnerships for achieving ITTO priorities
- b) Diversification of funding sources
- c) Sustainability of funding over time

- | | |
|-------------------------------|-------------|
| IV. Target Countries | Global |
| V. Duration and Timing | 24 months |
| VI. Budget | US\$100,000 |

ANNEX 2

Membership of the Working Group

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Forestry Attache
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ANNEX 3

Strategy/Action Plan

Part 1: Introduction

In accordance with BWP activity No. 54 on “mobilizing new funding and partnerships for ITTO and its objectives” (funded by Japan), an adhoc working group of ITTO members and the Secretariat in consultation on Sep. 2-4 in Yokohama developed the following draft strategy for consideration at the 49th Council Session in Libreville in November 2013. This fund mobilization and partnership strategy is based on recommendations from the report of the consultant that was developed under Activity 54.

The proposed strategy is aimed at achieving adequate, predictable and sustainable voluntary contributions that support the achievement of ITTO’s objectives as enshrined in the ITTA, 2006 and the effective implementation of the ITTO SAP 2013-2018.

A New Approach to Resource Mobilization

The following underpinnings should be considered to change the overall approach to resource mobilization:

- Mobilization of resources should become a proactive core activity of ITTO which needs to be supported with adequate resources.
- The Organization’s fundraising activities should have a client focus on donors involving a broad range of clients. [Donors should be understood as an important group of clients. Hence the organization’s activities should focus on a broader definition of clients.]
- There should be a targeted approach for fund mobilization for each resource partner in line with its requirements.
- ITTO’s enhanced visibility in key international fora and in particular on forest financing is critical for fundraising.
- Effective communication is a precondition for resource mobilization.
- For effective resource mobilization a concise and compelling fundraising message on why ITTO should be funded is necessary.
- The Executive Director and staff need clear understanding and know-how (including training where necessary) on resource mobilization.

Compelling messages

The ITTA, 2006 provides two overarching and closely related objectives for ITTO:

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

The ITTO SAP 2013-2018 contains the ITTO mission statement as follows:

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

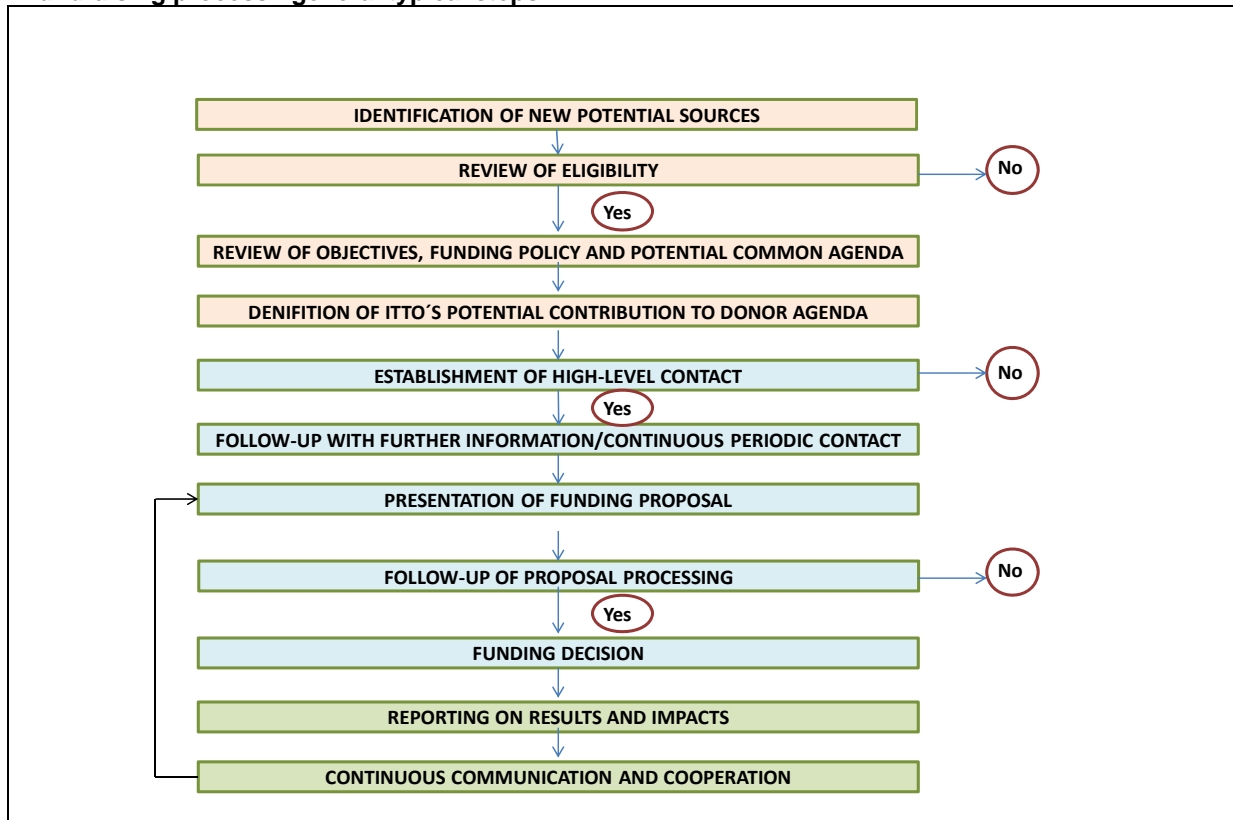
Based on these overarching objectives and mission statement, compelling messages, tailored to specific targets, should be developed to raise funds.

Drawing on the Organization’s comparative advantages, such messages could be built around the understanding of ITTO in the nexus of global priorities related to tropical forests, e.g. climate change, poverty, biodiversity, food security, energy, green economy and governance, for which ITTO’s work provides both direct and indirect contributions. In addition, the compelling messages can build on the feedback loop that is inherent in ITTO’s work from trade and markets to forest sustainability, legal compliance and environmental and social benefits covering the entire supply chain.

Donor-targeted fundraising process

Resource mobilization from new sources should be understood as a systematic process as illustrated below.

Fundraising process - general typical steps



Part 2: Fund mobilization and partnership strategy

Principles

The following guiding principles are proposed for ITTO's fund mobilization and partnership strategy:

- 1) All resources mobilized support ITTO's Strategic Action Plan being focused on achieving the goals and objectives of ITTO and its members.
- 2) Resource partnership agreements comply with the ITTA, 2006, ITTO's Standard Operating Procedures, and the other rules and regulations of ITTO.
- 3) All resources obtained are monitored and accounted for to ensure trust and mutual accountability.
- 4) All resource mobilization efforts are coordinated and supervised by the Executive Director who also plays a key role in undertaking mobilization efforts.
- 5) Potential conflicts of interest are managed transparently and proactively.

Outcomes

The fund mobilization and partnership strategy aims at the following outcomes:

- (1) Expanded and diversified funding base of ITTO's resource partners;
- (2) Greater awareness of ITTO's objectives, priority areas of work, comparative advantage and resources requirements in the competitive environment; and
- (3) Effective resource mobilization in place with new approach and instruments

Implementation approach

The above outcomes will be achieved through periodic action plans of which the first one is contained in the attached annex. Implementation of this action plan will depend on the availability of funds. The responsibility for the implementation of the plans lies with the Executive Director. The entire Secretariat staff is involved in the implementation of the activities related to their own tasks, as appropriate.

The role of the ITTC and its member countries is to (a) review and guide the implementation of the resource mobilization strategy so as to be responsive to revised directions; (b) set policy rules regarding the acceptance of tied or earmarked funds, private sector funds, or other financial instruments; and (c) identify possibilities and facilitate access for new donors, including private donors, foundations, and others.

Monitoring and reporting

The Executive Director should periodically review the progress and results of the implementation of the fund mobilization and partnership strategy. Reporting to the ITTO Committee on Finance and Administration should be provided annually to facilitate review and adjustment of the fundraising action plans.

Tentative Time Schedule for Fundraising Action Plan

Outcomes	Outputs	Key activities	Estimated Budget	Responsibility	ACTUAL 2013				PLAN							
									2014				2015 and onward			
					1	2	3	4	1	2	3	4	1	2	3	4
<i>(1) Expanded and diversified funding base of ITTO's resource partners</i>	1.1 Existing and new resource partners engaged through a variety of arrangements	1.1.1 Organize regular consultative meetings with existing resource partners in capitals and headquarters	50,000	Secretariat Fundraising consultant												
		1.1.2 Carry out consultative processes with potential new resource partners (governments, international financing institutions, foundations, and the private sector) through systematic approaches and making use of emerging opportunities		Continuous activity												
		1.1.3 Explore and pursue a full range of resources, including South-South cooperation through innovative agreements and financing mechanisms														
	1.2 Resource partners' priorities monitored with regard to the ITTO Strategic Action Plan and funding possibilities	1.2.1 Establishment of the data base on funding sources	5,000	Fundraising consultant												
		1.2.2 Periodic review of information on resource partners' priorities and update the respective data base and to identify new potential resource partners		Secretariat												
		1.2.3 Develop guidelines for partnerships with CSOs and private sector organizations		Secretariat												
<i>(2) Greater awareness of ITTO's objectives, priority areas of work, comparative advantage and resource requirements among potential sources of funding</i>	2.1 Improved communication material and means for fundraising	2.1.1 Produce specific communication material for resource mobilization	10,000	Communications & Outreach Officer												
		2.1.2 Carry out background review for substantiated key messages directed at groups of potential sources and develop ITTO's key messages for fundraising		Fundraising consultant												
		2.1.3 Prepare a communication toolkit targeted at key resource partner groups	10,000													
	2.2 Awareness raising among donors on ITTO's work	2.2.1 Participation in donor platforms on forest and related issues		ED, senior staff												
		2.2.2 Organize ad hoc meetings on resource mobilization in connection with other relevant events	5,000													

Outcomes	Outputs	Key activities	Estimated Budget	Responsibility	ACTUAL		PLAN														
					2013				2014				2015 and onward								
					1	2	3	4	1	2	3	4	1	2	3	4					
	2.3 Communication activities conducted to ensure broad recognition of the value of collaborating with ITTO among partners and which provide prominent visibility for their contributions	2.3.1 Communicate the value added of work supported by resource partners		Communications & Outreach Officer																	
		2.3.2 Ensure visibility of resource partners in all documentation and events		Fundraising consultant																	
	2.4 Members' support to mobilization of funds in relevant fora	2.4.1 Raise awareness on ITTO's activities and support ITTO's access to new funding sources		Consuming and producing members																	
		2.4.2 Invite existing and potential donors' representatives in producing member countries in events to be organized for raising their awareness on ITTO's work in the field		Producing country focal points Project managers Secretariat																	
<i>(3) Effective resource mobilization in place with new approaches and instruments</i>	3.1 Organizational arrangements developed for ensuring prioritized work for fundraising among staff	3.1.1 Review and adjust internal procedures and responsibilities related to resource mobilization		ED, Secretariat																	
		3.2 Improved and new approaches for proactive fundraising developed	3.2.1 Develop new modalities to provide necessary flexibility for facilitated funding from existing and new sources		Secretariat																
	3.3 Trained staff on fundraising	3.2.2 Revise guidelines and SOP of the project cycle in view of fundraising		ITTC																	
		3.3.1 Organize in-house staff training on fundraising and communication of the Organization's key messages	3.3.2 Analyze successful cases and failures in fundraising for lessons learned	10,000	Fundraising consultant Secretariat																
<i>(4) Other</i>		4.1.1 Recruitment of a fundraising professional	75,000-150,000	Secretariat																	
<i>Total</i>			155,000-250,000																		

Note: The implementation of the resource mobilization strategy through the action plan will be monitored and periodically reviewed and adjusted based on the accumulated experience on implementation. Detailed scheduling of individual activities will be planned by the Fundraising Professional after s/he has been recruited.

ANNEX 4

Terms of Reference for Fundraising Professional

DUTIES AND RESPONSIBILITIES

Job Title: Temporary Fundraising Professional

Responsible to: Executive Director

Job Summary: The Temporary fundraising Professional, under the general direction of the Executive Director, will assist the Executive Director in planning and especially implementing the fundraising for the Organization. All resources mobilized will support ITTO's Strategic Action Plan 2013-2018, focusing on achieving the goals and objectives of ITTO and its members.

Detailed Job Description:

Broadly, the responsibilities will include:

- (i) Based on ITTO's comparative advantages and results from field projects, develop and disseminate fact-based key messages directed at groups of potential sources of funding, including pamphlets on specific interests of different donors and on that basis prepare visiting kit, including presentations and videos on ITTO;
- (ii) Identify and highlight for the Secretariat additional funding opportunities, including additional funding mechanisms that donors make available, such as calls for proposals relevant to ITTO's work, and South-South cooperation as well;
- (iii) Assist the Executive Director to improve ITTO's visibility in donor platforms on forests and related issues;
- (iv) Raise awareness of all member countries of ITTO to support the fundraising strategy.
- (v) Organize in-house staff training on fundraising and communication of the Organization's key messages;
- (vi) Organize regular consultative meetings with existing resource partners in capitals and headquarters;
- (vii) Carry out consultative processes with potential resource partners (governments, international financing institutions, foundations, private sector and others) through systematic approaches;
- (viii) Promote ITTO Thematic Programmes as programmatic financing windows for addressing resource partners' priorities;
- (ix) Investigate the possibility of establishing joint programs/projects or co-finance with selected bilateral, multilateral and regional organizations, taking into account the comparative advantages of these institutions, their funding policies and ITTO;
- (x) Develop a data base on potential financial sources for continuous monitoring and identification of new opportunities;
- (xi) Other duties assigned by the Executive Director.

Duration: Salary, and travel expenses to be determined

Available funding: US\$66,200

Salary: (TBD in the most cost-effective level.)

Recruitment Strategy: The Fundraising Professional shall be recruited through advertisement in the ITTO Tropical Forest Update, in the ITTO website, and through national governments and partners.

ANNEX 5
Final Background Document

**MOBILIZING NEW FUNDING AND PARTNERSHIPS
FOR ITTO AND ITS OBJECTIVES**

Background report

Final draft

prepared by

Markku Simula

Consultant

15 September 2013

MOBILIZING NEW FUNDING AND PARTNERSHIPS FOR ITTO AND ITS OBJECTIVES

BACKGROUND REPORT

Executive Summary

The purpose of this report is to provide background information and propose elements for ITTO's fundraising strategy and action plan. The report includes (i) a review of the past funding history of the Organization, (ii) an analysis of the aid policies of key potential donors and other resource partners, (iii) analysis of ITTO's comparative advantages, (iv) identification of the potential for income generation from ITTO products and services, and (v) recommendations for the elements of a fund raising strategy and an action plan.

The report is based on analysis of available information in the Secretariat, staff interviews, literature review, webpages of partner organizations, consultations with stakeholders, and an email survey among the focal points of consumer member countries.

FINANCING HISTORY OF ITTO

There has been a long-term declining trend in voluntary contributions to ITTO bottoming out at US\$3.4 in 2004. In the past five years the average funding volume has been around US\$10 million per year ranging from US\$7.2 to 14.4 million. The main financing instrument is the Special Account as the Bali Partnership Fund is presently virtually depleted.

Of the funds available during the period of 1987 to 2012, more than half has been used for reforestation and forest management, one third for trade and industry development, and the remaining eight per cent for cross-cutting activities.

Voluntary contributions have mainly come from member countries, with only less than 2 per cent from other sources, including the Common Fund for Commodities (CFC), the private sector, two NGOs and two intergovernmental organizations. Japan has been the most important source of funding accounting for more than two thirds of the total. Switzerland has been the second largest source (12%), followed by the USA (7.6%), Norway (3.2%), the Netherlands (2.2%), the European Union (1.6%) and the United Kingdom (1.0%). The EU and its Member States combined have provided about US\$21 million to ITTO, representing less than 7% of the total.

The funding volume has varied extensively over years and among donors. Contributions of the USA and Switzerland have demonstrated the kind of stability and predictability desired to enable ITTO to fulfill its challenging mandate provided that other sources can be mobilized in the same way in adequate volumes. The declining contributions from Japan have not been offset by contributions from other member countries and sources as only Norway and Australia have scaled up their support. The Organization has not been able to attract funds from regional and international financial institutions, and very little has been secured from other sources.

Partnerships and enhanced cooperation with other organizations have proved, in some cases, to be a vital source of funding for ITTO's activities. Some strategic initiatives have attracted new donors and generated new opportunities for funding from traditional donors as well, such as the Joint ITTO/CBD Collaborative Initiative for Tropical Forest Biodiversity, the ITTO/JICA partnership, and the cooperation between ITTO and CITES.

PRESENT AND POTENTIAL FUNDING SOURCES AND PARTNERS

Traditional donors

The aid environment of ITTO has changed significantly during the last two decades with an increasing emphasis on budget support and sectoral approaches shifting emphasis away from the traditional project focused funding. ITTO has taken several measures to respond to these changes but project financing is still its main means of intervention in supporting producing member countries.

The review of donor policies revealed that there are significant linkages between the financing objectives and policies of most present and potential donors, and the ITTA, 2006 objectives. A strong common agenda on SFM in tropical forests and associated trade can be identified with many potential partners including (i)

poverty, (ii) governance, (iii) sustainable forest management, (iv) green economy, (v) capacity building, (vi) industry, (vii) biodiversity, (viii) REDD+/payments for environmental services, (ix) market transparency, (x) trade development, (xi) indigenous peoples and forest communities, and (xii) civil society. OECD's recent initiative on Policy Dialogue on Aid for Trade is reflected in the strategies of many donors emphasizing the role of trade in sustainable development which has strengthened the link between the overarching objectives of the ITTA, 2006 and many donor policies.

A high degree of matching between ITTO's objectives and the priorities of the ITTO Strategic Action Plan (SAP) with those of donor countries helps but does not necessarily ensure voluntary contributions to the Organization. Additional factors to be taken into account include prioritization between bilateral and multilateral channels, and choices made on which multilateral organizations are chosen for aid delivery. Nevertheless, the compatibility of objectives and priorities is an important starting point for approaching donors in resource mobilization.

Potential emerging donors among member countries

China is an important potential non-traditional donor to ITTO as it is presently the biggest importer of tropical timber and its exports of tropical timber and timber products (including Secondary Processed Wood Products) in value terms were in 2012 more than those of all the ITTO producer member countries combined. As a major beneficiary of ITTO's direct and indirect support and a key member of the Organization, there is a strong reason to explore modalities and possibilities of voluntary contributions from China. In view of the legality and sustainability requirements of all types of timber and timber products being placed in the EU, North America, Japan and Australia, there is significant potential for ITTO to support the Chinese Government and private sector in ensuring access to these key markets. This can provide another important justification for financial support to the Organization, including within China's Asia-Pacific Network for Sustainable Forest Management and Rehabilitation (APFNet) initiative.

The Republic of Korea has provided limited voluntary contributions to ITTO in the past. In 2012, Korea was the fifth largest importer of tropical primary wood products. In view of the significant imports of tropical timber and timber products (including SPWPs) amounting to about US\$232 million, the Republic of Korea is one of the key indirect beneficiaries of ITTO's efforts in promoting supply from legal and sustainable sources. Expanded support could also be linked with Korea's ASEAN Forest Cooperation Organization (AFoCO) initiative.

There are also other countries which could over time provide voluntary contributions to ITTO. For instance, Mexico is both an exporter and importer of tropical timber and timber products and the country has developed significant scientific and technical knowledge which could be shared with other Latin American countries, including through voluntary contributions to ITTO.

Non-member consumer countries

Several non-member consumer countries have a significant interest in the trade of tropical timber and timber products through their imports. The four largest ones are Saudi Arabia, the Republic of South Africa, the United Arab Emirates, and the Russian Federation. In addition, some oil-rich countries like Qatar are giving a high priority to addressing global environmental issues thereby representing another target group for broadening ITTO membership. Consultations with these countries could open new financial sources for ITTO, including contributions to both the Administrative Account and the Special Account.

International and regional financing institutions

There are strong common elements in the agendas of ITTO and the multilateral and regional financing institutions. However, for a variety of reasons, several past attempts to cooperate have not been successful. Barriers to overcome include lack of communication, wrong perceptions on ITTO's work among staff and stakeholders, and difficulties in finding suitable financing modalities for support. The pursuit of common objectives provides a basis for a cooperative effort to clarify how these barriers can be removed to open up space for mutually beneficial cooperation with the World Bank, the African Development Bank, the Asian Development Bank and the Inter-American Development Bank.

The Global Environment Facility has invested over US\$1.6 billion in more than 300 forest projects but there have been institutional barriers preventing ITTO in having access to GEF funding. GEF is in the process of preparing its 6th Replenishment which will include Sustainable Forest Management Strategy. The planned objectives of the Strategy are compatible with those of the ITTA, 2006. In order to be able to fully contribute

to GEF's future objectives, ITTO should become a GEF Project Agency to assist recipient countries in preparing and implementing GEF-financed projects. Becoming a GEF Project Agency is likely to be of major importance for ITTO's future mobilization of financial resources.

Partnerships with international and regional institutions

Apart from partnership arrangements with CBD, CITES and JICA, ITTO's other partnerships have not achieved the intended objectives of enhanced cooperation. Many MOUs have been primarily based on the interest of the other partners in getting access to funding from ITTO rather than joint fundraising. On the other hand, close cooperation with FAO and IUCN, two key ITTO partners, has been mainly based on project-level agreements.

ITTO's future partnerships should be strategic and contain concrete activities and explicit provisions for resource mobilization and be supported by donor interests from the beginning.

South-South Cooperation

ITTO has potential in serving as an intermediate partner in South-South cooperation through triangular cooperation involving institutions in two ITTO producer member countries. The idea is broadly supported but practical application is still lacking. ITTO could add value to cooperative arrangements through its impartiality, accumulated experience in the technical field, and its knowledge on participating countries. The focus could be given to facilitating transfer of technology and providing technical assistance in capacity building. For the providing country, triangular cooperation could be justified e.g., based on longer-term export possibilities for domestic technology. Such a technology can be found, for instance, in Brazil and China which have well developed machine manufacturing industries for wood processing. Potential thematic areas for South-South cooperation include e.g., genetic material and techniques for management of planted forests for production and protection, industrial utilization of planted species, production of joinery and furniture, utilization of industrial residues, bioenergy, NTFPs, PES schemes, and others. From the perspective of resource mobilization, South-South cooperation is, however, unlikely to become a significant new source of funding for ITTO but it is an important element of its partnership strategy.

Partnerships with the private sector

Public-private partnerships have so far not been fully exploited for funding of ITTO's activities. There is therefore, a need to intensify efforts to secure more funds from the private sector but it is unlikely to become a significant predictable source of funding. Private sector is often opportunistic and therefore adequate guidelines by ITTO would be useful to facilitate agreement on contributions. Based on previous involvement, action should be taken especially in Japan and selected corporations elsewhere which are significant users or traders of tropical timber, or which have recognized the tropical forest footprint of their activities in their CSR policies.

The Trade Advisory Group (TAG) of ITTO could possibly play a more active role in promoting partnerships between tropical timber sector enterprises and ITTO. However, TAG members are almost entirely from trade associations, not from companies involved in forestry activities that might be interested in CSR activities through ITTO. There is a need to directly interact with the companies which would have a better chance of success for resource mobilization.

Foundations

Many foundations provide grant funds for environmental conservation at the international level. Most are based in the United States and Europe. Foundations have specific missions and interests often looking for increased leverage by investing in experimental ideas that have a high chance of success and replication. Foundations are at the forefront of many new movements often being helpful donors in meeting, for example, upfront transaction costs of promising new approaches.

A review of the priorities and policies of 15 selected foundations showed that some of them have a close fit with ITTO's main work areas. However, the available information suggests that in the short run ITTO would have only limited prospects for securing funding from these sources. It is therefore proposed that 3-5 most likely foundations with strongest compatibility with ITTO be selected for exploring their potential interest. Attractive innovative projects could be proposed for funding, possibly in partnership with a well-recognized NGO with experience in dealing with the foundation in question.

COMPETITIVE ENVIRONMENT AND ITTO'S COMPARATIVE ADVANTAGE

Fundraising environment and competition

Many organizations and institutions have objectives that are close to those of ITTO, very often targeting at the same donors for funds. The competitive environment in which ITTO operates involves (i) other intergovernmental and international organizations which are funded through the same financing windows as ITTO by bilateral and multilateral donors, and (ii) civil society organizations which are funded by the same sources but also by philanthropic foundations and private donations. In general, the demand grossly exceeds the available resources and therefore competition in both segments is stiff.

Many of the other members of the Collaborative Partnership on Forests (CPF) are both ITTO's collaborators and competitors for resources. For its part, ITTO focuses exclusively on tropical forests and addresses all issues pertaining to tropical forests, ranging from conservation and management to processing, value addition and marketing. Another difference is the mode of operation: ITTO's policies are developed in a consensual manner, following discussions among its producer and consumer member countries, and both parties finance the core activities of the Organization. These policies are then translated into action in the field or other levels where the needed change can be produced.

ITTO's main comparative advantage

ITTO is unique in its structure and focus on strengthening of SFM for legal and sustainable trade of tropical timber and timber products which is its core competence. From the perspective of resource mobilization, ITTO's main comparative advantage is drawn from the fact that it works in the nexus of biodiversity conservation, climate change, poverty, food security, green economy, energy and governance which are the global priorities of bilateral and multilateral funding agencies as well as national governments. These priorities are also increasingly being mainstreamed by the private sector. Without addressing SFM in the tropical forests (including production, protection and multiple-use areas) and associated trade, the global objectives related to biodiversity conservation, climate change and poverty reduction may not be achieved, and the potential of tropical forests to contribute to green economic development cannot be tapped.

The other main source of ITTO's comparative advantage is drawn from the fact that the Organization focuses on the entire supply chain of tropical timber and timber products in a unique way. This enables comprehensive efforts to be taken to encourage both demand and supply side measures to reduce deforestation and forest degradation and to promote sustainability in the management of tropical forests.

POTENTIAL FOR INCOME GENERATION FROM ITTO'S PRODUCTS AND SERVICES

ITTO's products and services have been public goods being mostly available free of charge for members and stakeholders. In view of the critical financial situation of the Organization there is, however, a need to look into this option to generate financial resources. The following means were considered: (i) subscriptions of the Market Information Service (MIS) and (ii) the Tropical Forest Update (TFU) and advertisements in these publications, (iii) sales of ITTO's publications, (iv) participation fees of technical conferences, seminars and workshops organized by ITTO, and (v) project management and consultancy services

A review of these options based on available information revealed that the potential for income generation is likely to be limited, not least because of the relatively high transaction costs. In addition, charging prices for products in the current IT environment would also be counterproductive for ITTO's efforts to share knowledge and create broader impacts. The MIS is likely to offer some prospects worth considering in the future for which a readership survey would be necessary

CONSIDERATIONS FOR ITTO'S RESOURCE MOBILIZATION

Fund mobilization targets

The medium-term target for resource mobilization is outlined in the ITTO Strategic Action Plan (SAP) 2013-2018. In order to meet the objectives of the Plan, an investment of about US\$33 million/year would be needed during the implementation period. This is a tremendous challenge, as the total voluntary contributions to ITTO currently average at less than US\$10 million a year. At least in the short run, the proposed targets appear to be unrealistically high. Furthermore, the Plan does not consider the resource needs of the Organization to operate at the level of activities implied by the funding targets. The current size

of the Secretariat staff does not seem to be adequate in raising the necessary financial resources and implementing the SAP.

A tentative assessment of potential funding sources suggests that about 80% of total resources will have to continue to come from voluntary contributions by the members of the Organization (including prospective new members). The balance would have to come mainly from multilateral, international and regional financing institutions (14%) and the rest from various partnerships, foundations, and other sources.

Change of approach to resource mobilization

ITTO's past resource mobilization strategy has focused on consultations with members and actions taken under their guidance. These consultations have resulted in significant resources being mobilized in the past but which, however, did not meet the funding targets set by the members. The following underpinnings should be considered to change the overall approach to resource mobilization:

- Mobilization of resources should become a proactive core activity of ITTO which needs to be supported with adequate resources;
- Providers of funding should be understood as another group of clients of the Organization; voluntary contributions are made with the expectation of clear measurable results which should be delivered on time and in an accountable manner.
- A high dependence on few funding sources is vulnerable to policy changes by key donors calling for a broad financing basis for ITTO.
- ITTO's visibility in the key forums on forest financing (e.g., the European Tropical Forestry Advisors' Group -ETFAG, UNFCCC-REDD+ related meetings, etc.) has been limited. Yet, such a visibility is a precondition for fundraising.
- The perception of many external stakeholders is that ITTO's approach has been inward looking, reactive and lacking innovation in its fields of operation and that ITTO works in a too conventional way to attract their interest in providing funding.
- Communication has not been implemented as a systematic targeted activity to serve fundraising and has not responded to continuing changes in the media and IT technology environment.
- For effective fundraising a clear and convincing case statement on why ITTO should be funded is necessary.
- While the Executive Director is ultimately accountable for raising the necessary resources for the Organization, all the staff members should be involved to support him.

Case statement

The case statement could be built on the nexus of global priorities related to tropical forests, i.e. climate change, poverty, biodiversity, food security, energy, green economy and governance for which ITTO's work provides both direct and indirect contributions. In addition, the case statement can build on the feedback loop that is inherent in ITTO's work from trade and markets to sustainability, legal compliance and environmental and social benefits. The case statement should be supported by compelling messages that can be appropriately used depending on the context. All the statements should be substantiated with facts and their elaboration requires a review of the current state of knowledge and know-how.

Strategic partnerships

As there are strong synergies to be harnessed with some of the other CPF members and, as collaboration tends to improve prospects for donor investments, cooperative efforts in targeted fundraising can be extremely useful. These could address the concern on fragmentation of aid delivery and leverage the capacities and resources of participating organizations. It is important to strategically select key partners to achieve benefits for all participants. Engaging potential donors in the early phase for joint initiatives would be useful.

There are also other potential partners that could be considered strategic such as AFoCO and APFnet which are linked with bilateral funding sources (Republic of Korea and China, respectively) as well as ACTO and COMIFAC which are important partners in implementing sub-regional projects.

Many donor countries have their own institutions for development cooperation which are involved in the areas of work of ITTO, such as JICA, AUSAID, DFID, USAID, SIDA, AFD, NORAD, GIZ, KfW, the Finnish Development Cooperation, etc. The possibility of developing innovative initiatives with these and other selected bilateral institutions should be investigated, taking into account the comparative advantages of these institutions and ITTO.

Communication in resource mobilization

According to some stakeholders, ITTO's communication approach has been traditional, inward looking lacking in topical interest, not interactive facilitating feedback from the target groups, and based on a website that is not state-of-the-art for an international organization.

ITTO faces an image problem as many stakeholders perceive its work to be against conservation and contributing to forest destruction through logging. An important aspect of the image problem stems from the Organization's name as it is often perceived that ITTO's work is only about promoting timber production without due consideration to social development and environmental conservation. It is clear that ITTO is not adequately known and understood by many stakeholders, including potential sources of funding.

Communication should be a core activity as ITTO is operating in a highly competitive environment. The experience of other international organizations has shown that investing in effective communication can generate significant funding. Unfortunately, ITTO has had no products (brochures, leaflets, videos, etc.) that are specifically targeted at mobilizing resources and this weakness needs to be urgently addressed. The work to revamp ITTO's communication function has already been started by the recently established Communications & Outreach Officer.

ELEMENTS FOR ITTO'S RESOURCE MOBILIZATION STRATEGY

Principles

The following guiding principles are proposed for ITTO's Resource Mobilization Strategy (RMS): (i) All resources mobilized support ITTO's Strategic Action Plan being focused on achieving the goals and objectives of ITTO and its members; (ii) resource partnership agreements comply with the ITTA, 2006, ITTO's Standard Operating Procedures, and the other rules and regulations of ITTO; (iii) All resources obtained are monitored and accounted for to ensure trust and mutual accountability; (iv) All resource mobilization efforts are coordinated and supervised by the Executive Director who also plays a key role in undertaking mobilization efforts; and (v) Potential conflicts of interest are managed transparently and proactively.

Objectives

The proposed Strategy should be aimed at achieving adequate, predictable and sustainable voluntary contributions that support the achievement of ITTO's objectives as enshrined in the ITTA, 2006 and the effective implementation of the ITTO SAP 2013-2018.

Outcomes

The strategy aims at the following three main outcomes:

- (1) Expanded and diversified funding base of ITTO's resource partners
- (2) Greater awareness of ITTO's objectives, priority areas of work, comparative advantage and resources requirements in the competitive environment
- (3) Effective resource mobilization in place with new approach and instruments

In addition, the Organization needs to have in place adequate measures for resource planning and effective use of funds to provide good-value-for-money services to donors and producing countries. These measures include improved monitoring and reporting of voluntary contributions and other resources, as well as provision of adequate resources for fundraising and communication under the core operational costs of the Administrative Account.

Implementation of the strategy

The strategy should be implemented through annual fundraising action plans. The outputs and key activities have been identified in the report of the Working Group on Mobilizing New Funding and Partnerships for ITTO and Its Objectives. In this report detailed action by each potential funding source has been identified. The following categorization is applied for the 70 individual sources analyzed: (1) High priority/short-term action (1-2 years): existing active and potentially active members, selected potential new members, international development financing organizations, GEF, selected strategic partners among international and regional organizations, foundations and private sector corporations; and (2) medium term action (3-4 years): other members, other potential strategic partners, South-South cooperation, the private sector and other sources. However, fundraising is always also opportunistic and responsive. The prioritization is therefore only indicative to be reviewed during systematic implementation of the resource mobilization strategy.

In the initial phase a short-term fundraising professional should be recruited for establishing data bases, staff training, developing communication products for fundraising, and making necessary contacts to achieve concrete results in the short term. The Secretariat should have available professional support to fundraising also in the long run as deemed necessary.

The role of the ITTC should be to (a) review and guide the implementation of the resource mobilization strategy so as to be responsive; (b) set policy rules to facilitate funding and regarding the acceptance of tied or earmarked funds, private sector funds, or other financial instruments; and (c) identify possibilities for new donors, including private donors, foundations, and others.

Monitoring and reporting

The Executive Director should periodically review the progress and results of the implementation of the Resource Mobilization Strategy. Reporting to the ITTO Committee on Finance and Administration should be provided annually to facilitate review and adjustment of the fundraising action plans.

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ABBREVIATIONS AND ACRONYMS

ABC	Agência Brasileira de Cooperação (Brazilian Cooperation Agency)
ACTO	Amazon Cooperation Treaty Organization,
ADB	Asian Development Bank
ADC	Austrian Development Cooperation
ADF	United States African Development Foundation
AECID	Spanish Agency for International Development Cooperation
AFD	Agence Française de Développement (French Development Agency)
AfDB	African Development Bank
AFF	African Forest Forum
AFoCO	ASEAN Forest Cooperation Organization
APF	Asian Forest Partnership
APFNet	Asia Pacific Network for Sustainable Forest Management and Rehabilitation
ATIBT	Association Technique Internationale des Bois Tropicaux
AUS	Australian dollar
AUSAID	Australian Agency for International Development
AWF	African Wildlife Foundation
BMZ	German Federal Ministry for Economic Cooperation and Development
BOAD	Banque Ouest Africaine de Développement/West African Development Bank
BPF	Bali Partnership Fund
BTC/TDC	Belgian Development Agency /Technical Development Cooperation
BWP	Biennial Work Programme
CAF	Banco de Desarrollo de América Latina (Latin American Development Bank)
CBD	Convention on Biological Diversity
CBFF	Congo Basin Forest Fund
CBI	Dutch Centre for the Promotion of Imports from developing countries
CFC	Common Fund for Commodities
CFME	ITTO Thematic Programme on Community Forest Management and Enterprises
CGIAR	Consultative Group on International Agricultural Research
CI	Conservation International
CIFOR	Centre for International Forest Research
CIRAD	Centre de coopération internationale en recherche agronomique pour le développement
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CMS	Convention on Migratory Species of Wild Animals
CO ₂	Carbon dioxide
COMIFAC	Central African Forest Commission
CPF	Collaborative Partnership on Forests
CSAG	Civil Society Advisory Group
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
DANIDA	Danish International Development Agency
DBSA	Development Bank of Southern Africa
DDC	Direction du développement et de la coopération (Directorate of Development and Cooperation of the Swiss Government)
DFID	UK Department for International Development
EC	European Commission
ECOWAS	Economic Community Of West African States
EFI	European Forest Institute
ERM	Environmental Resources Management
EU	European Union
EUTR	European Union Timber Regulation

EUR	Euro
FAO	Food and Agriculture and Organization
FECO	Foreign Economic Cooperation Office of the Government of China
FFEM	Fonds Français pour l'Environnement Mondial (French Global Environment Facility)
FFI	Fauna & Flora International
FIP	Forest Investment Program
FLEG	Forest Law Enforcement, Governance and Trade Action Plan
FONAM	National Environment Fund - Peru
FUNBIO	Fundo Brasileiro para a Biodiversidade (Brazilian Biodiversity Fund)
FYAP	Five-Year Action Plan
GEF	Global Environment Facility
GFTN	Global Forest Trade Network
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (German Corporation for International Development Cooperation)
GRIF	Guyana REDD Investment Fund
IBRD	International Bank for Reconstruction and Development
ICRAF	World Agroforestry Centre
IDA	International Development Association
IDB	Inter-American Development Bank
IDE	ITTO Thematic Programme on Industry Development and Efficiency
IDH	Sustainable Trade Initiative
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFRC	International Federation of Red Cross
IIED	International Institute for Environment and Development
IMM	Independent Market Monitor
INTERPOL	International Criminal Police Organization
IsDB	Islamic Development Bank
ISME	International Society for Mangrove Ecosystems
IT	Information technology
ITC	International Trade Centre
ITTA	International Tropical Timber Agreement
ITTC	International Tropical Timber Council
ITTO	International Tropical Timber Organization
IUCN	International Union for Conservation of Nature
IUFRO	International Union of Forest Research Organizations
JFA	Japanese Forest Agency
JFGE	Japan Fund for Global Environment
JICA	Japan International Cooperation Agency
JLIA	Japan Lumber Importers' Association
KFS	Korea Forest Service
KfW	Kreditanstalt für Wiederaufbau (German Development Bank)
KNCF	Keidanren Nature Conservation Fund
KOICA	Korea International Cooperation Agency
m ³	cubic meter
MAF	Ministry of Agriculture and Forestry of Finland
MFA	Ministry of Foreign Affairs
MFA/NL	Dutch Ministry of Foreign Affairs and Ministry of Economic Affairs
MIS	Market Information Service
MNS	Market News Service
MOEJ	Ministry of Environment of the Government of Japan
MOFA	Japan Ministry of Foreign Affairs, Official Development Assistance
MOFCOM	China Ministry of Commerce (Department of Foreign Aid)
MOU	Memorandum of Understanding
NGO	Non-Governmental Organization
NORAD	Norwegian Ministry of Foreign Affairs
NZAid	New Zealand Agency for International Development
NTFP	Non-Timber Forest Product

ODA	Official Development Assistance
OFID	<i>OPEC Fund for International Development</i>
OPEC	<i>Organization of the Petroleum Exporting Countries</i>
PCI	Principles, Criteria and Indicators
PCM	Permanent Committee on Economic Information and Market Intelligence
PR	Public relations
PROFOR	Program on Forests
R&D	Research Development
REDD	Reduced Emissions from Deforestation and Forest Degradation
REDDDES	ITTO Thematic Programme on Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests
RMS	Resource Mobilization Strategy
RRI	Rights and Resources Initiative
SAP	Strategic Action Plan
SDC	Swiss Agency for Development and Cooperation
SECO	Secrétariat d'Etat à l'économie (State Secretariat for Economy of the Swiss Government)
SFM	Sustainable Forest Management
SIDA	Swedish International Development Cooperation Agency
SPREP	Secretariat of the Pacific Regional Environment Programme
SPWP	Secondary Processed Wood Products
SWOT	Strengths Weaknesses, Opportunities and Threats
TAG	Trade Advisory Group
TFAP	Tropical Forest Action Plan
TFF	Tropical Forest Foundation
TFLET	ITTO Thematic Programme on Tropical Forest Law Enforcement, Governance and Trade
TFT	The Forest Trust (previously Tropical Forest Trust)
TFU	Tropical Forest Update
TMT	ITTO Thematic Programme on Trade and Market Transparency
TNC	The Nature Conservancy
TP	Thematic Programme
TTMR	Timber Trade Market Report
UNCCD	United Nations Convention to Combat Desertification
UNCTAD	United Nations Conference on Trade and Development
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNFCCD	Secretariat of the United Nations Convention to Combat Desertification
UNFF	United Nations Forum on Forests
UNIDO	United Nations Industrial Development Organization
US\$	United States dollar
USA	United States of America
USAID	United States Agency for International Development
USFS	United States Forest Service
WB	World Bank
WCS	Wildlife Conservation Society
WRI	World Resources Institute
WWF	World Wide Fund for Nature

1. INTRODUCTION

1.1 Background and objectives

The International Tropical Timber Organization was created to administer the provisions of the International Tropical Timber Agreement (ITTA) of 1983. The organization became operational in 1986, with the establishment of its Headquarters in Yokohama, Japan. Subsequent agreements were concluded in 1994 and 2006.

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

With the entry into force of the ITTA, 2006 on 7 December 2011, a broader mandate has been provided for the organization to achieve its objectives. The current priorities of ITTO are set out in the Strategic Action Plan 2013-2018 (ITTC(XLVIII)/19). At the same time, the funding situation has gradually deteriorated due to declining trends in voluntary contributions in spite of the fact that several regular activities are now being carried out with the resources of the Administrative Budget under the new Agreement.

Under of the ITTO Biennial Work Programme (BWP) for the years 2013-2014 (document ITTC(XLVIII)/18) Activity 54 *Mobilize new funding and partnerships for ITTO and its Objectives* (Annex I) was approved in accordance with the ITTA, 2006 Article 1 (g), (j).

This BWP Activity recognizes that

ITTO and its objectives are critical in a world where the sustainable management and conservation of tropical forests is receiving increasing attention and concern. As the organization enters a new era under ITTA, 2006, ITTO should seize the opportunity to develop and implement an innovative and proactive fundraising strategy. This will require the Executive Director, the Secretariat and ITTO's members to think creatively and learn from the successful strategies of other intergovernmental organizations, NGOs, and others. This effort should be led by an energized Secretariat, actively supported by members and partners in the NGO and private sector worlds.

The purpose of this draft report is to provide background information and propose elements for fundraising strategy and action plan. Specifically, the report includes

1. a review of the past funding history of the Organization and the sources which have contributed to ITTO's work
2. an analysis of the aid policies of key potential donors, their implementing agencies and other resource partners from the perspective of resource mobilization for ITTO
3. an analysis of ITTO's strengths, weaknesses, opportunities and threats (SWOT) highlighting ITTO's comparative advantages and how these advantages could be transformed into compelling messages to attract donors' interest, particularly new donors and revitalizing the interests of traditional donors
4. identification of potential for income generation from ITTO products and services; and
5. recommendations for the elements of a fund raising strategy and an action plan.

1.2 Methodology and sources of information

1.2.1 Methodology

Resource mobilization is the process by which resources are solicited and provided by donors and partners. Resource mobilization is to be understood in the organizational context of ITTO and not as a broad-based activity to mobilize financing resources from all possible sources (including domestic and external) for all actors working towards achieving the goals of the ITTA, 2006.¹

For ITTO the resource mobilization process is crucial as the bulk of funding are contributions from donor member countries. In addition, due to its mandate, the Organization has had little capacity to earn income from its own resources. Most activities are public sector projects or programmes, which typically provide goods and services (including financial resources) to beneficiaries on a grant or in-kind basis.

¹ This interpretation is in line with the text of Activity 54 of the BWP

Preparation of elements for a financial resource mobilization strategy included the following steps:

- 1) review of the Organization's funding history
- 2) identification of 70 potential sources of funds and other partners, and their priorities
- 3) identification of the match of priorities and objectives of the potential funding sources and partners with those of ITTO
- 4) clarification of ITTO's comparative advantage in the highly competitive funding environment
- 5) assessment of the Organization's potential to generate income from its products and services
- 6) identification principles and targets for resource mobilization
- 7) identification of the strategic interventions to achieve the targets
- 8) elaboration of a preliminary short-term action plan to implement the strategy

The focus in the implementation of the strategy and action plan is expected to be on a comprehensive approach towards enabling active soliciting of pledges to obtain funds. The process is to be governed by ITTO's rules and legal agreements throughout its various stages.

1.2.2. Data collection

Background information for the report was collected from the following sources : (i) the Secretariat's paper² containing relevant statistics, ITTO's funding history, and some potential funding sources; which was the basis of Chapter 2 of this report, (ii) literature review of forest and conservation financing, (iii) staff interviews, (iv) an email enquiry sent to all the focal points of the consumer member countries, (v) consultations with the members of ITTO's Trade Advisory Group (TAG) and the Civil Society Advisory Group (CSAG), and (vi) interviews with selected representatives of present and potential donor agencies and other stakeholder organizations. In addition, analyses were carried out on funding and related activities of other organizations which can serve as a reference for ITTO's funding strategy. The list of people who provided an input to the paper is given in Annex II.

Lessons learned by other organizations were derived from their plan documents, evaluation reports and staff interviews. The following organizations were included in this review: CBD, CIFOR, CGIAR; FAO, ICRAF, ITC, and the World Bank.

1.2.3 Members' submissions and review of the draft report

In the Meeting on Mobilizing New Funding and Partnerships for ITTO and its Objectives held in Istanbul, 11 April 2013, the Government of Malaysia submitted a proposal for establishment of a Green Premium for legally and sustainably produced tropical timber as an element of the fundraising strategy.

In its comments on the draft background report (dated 10 June 2013), the Government of Côte d'Ivoire proposed to investigate the option of a "universal tax" on tropical timber imports and exports, as well as to assign to ITTO the role of Deputy-Contracting Authority (Maître d'Ouvrage Délégué) for certain large projects funded by multilateral donors. The European Commission (EC) submitted extensive comments of the draft report (25 July 2013). All these submissions are included in Annex XI of this report. The Malaysian and Ivorian proposals were innovative but related to trade policy issues. As these innovative ideas would need further elaboration to assess their fundraising potential and other implications, they are not discussed in this report.

The draft report was reviewed by the Working Group on the Mobilization of New Funding and Partnerships for ITTO and Its Objectives which met in Yokohama, 2 to 4 September 2013. The comments received from the Working Group and the EC were duly considered in the finalization of this report.

2. FINANCING HISTORY OF ITTO

2.1 ITTO's financing instruments and use of funds

In general, and for the purpose of its operation, the Organization has three major Accounts. The first is the Administrative Account which caters for paying the costs related to personnel and some of its basic functions. Payment of contributions to the Administrative Account is compulsory for members and is regulated by criteria and procedures stipulated in the Agreement. This report does not therefore analyze members' contributions to the Administrative Account.

² ITTO. 2013. Mobilizing new funding and partnerships for ITTO and its objectives. Secretariat background report. 25 March 2013.

The second is the Special Account to which voluntary contributions from members, in particular consumer members, and other donors, are made with a view to supporting the Organization in implementing field projects and other activities not covered by the Administrative Account. Several financing windows have been established through decisions of the Council for the operation of the Special Account including:

- Projects and pre-projects under the ITTO project cycle
- Projects and pre-projects under the ITTO Thematic Programmes (TPs)
- Activities under the ITTO Biennial Work Programme (BWP)
- Special Programmes, such as CITES and the ITTO/CBD Programme
- *Ad hoc* decisions by Council with budget provisions

According to the ITTA, 2006, funds in the Special Account can be provided by:

- A. The Common Fund for Commodities
- B. Regional and international financial institutions
- C. Voluntary contributions from members; and
- D. Other sources

Figure 1 shows the evolution of the voluntary contributions received into the Special Account over the last 15 years. There has been significant short-term variation which indicates that the resources are partly unpredictable, making planning of many operations difficult. On the other hand, some donors have frontloaded their contributions to strategic multi-annual programmatic activities significantly facilitating their implementation (e.g. the EU support to ITTO-CITES programme and Norway's initial support to the REDDES Thematic Programme).

There has also been a long-term declining trend but since 2004 when the funding volume bottomed out at US\$3.4 million, the trend has been upwards. This may be partly credited to the adoption of the ITTA, 2006. In the past five years the average funding volume has been around US\$10 million per year ranging from US\$7.2 to 14.4 million.

Practically all the resources of the Special Account have come from ITTO's member countries. Voluntary contributions from other sources have varied from US\$0.1 to 0.6 million per year during the past fifteen-year period.

The third is the Bali Partnership Fund (BPF), which was established under the ITTA, 1994 and maintained under the ITTA, 2006. The BPF Account operates like the Special Account, but with stricter criteria for the selection of projects, pre-projects and activities. The BPF is intended to assist members to make investments necessary to achieve the objective of Article 1 (d) of the Agreement "*Enhancing the capacity of members to implement strategies for achieving exports of tropical timber and timber products from sustainably managed sources*".

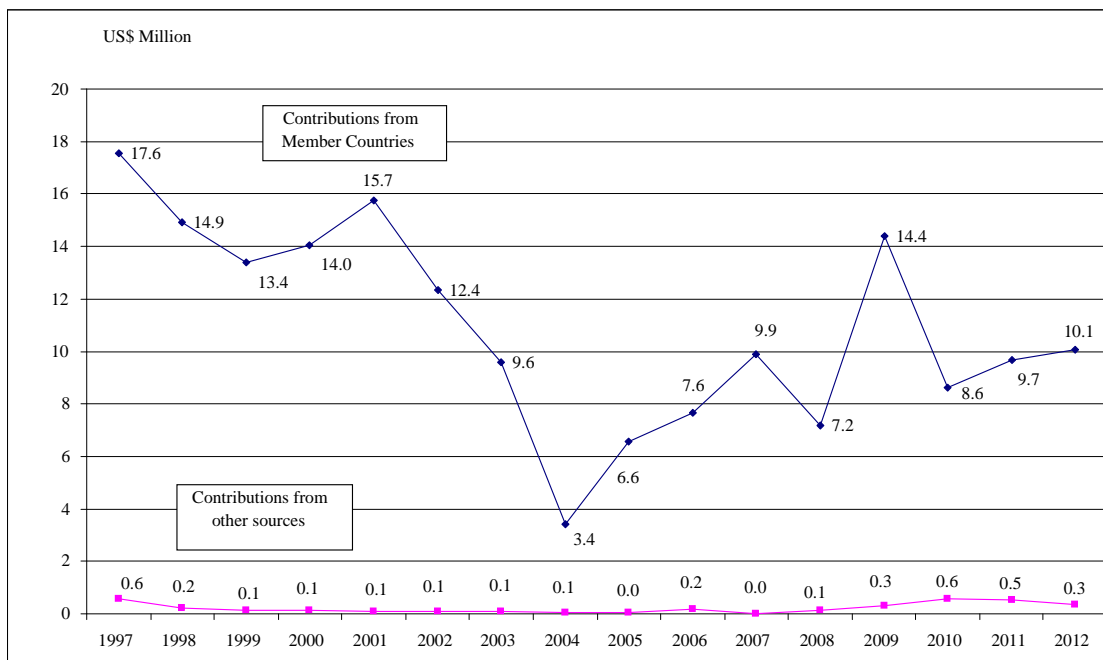
There are two sub-accounts under the BPF: Sub-Account A for country specific actions, pre-projects and projects; and Sub-Account B for non-country specific actions, pre-projects and projects. The Council, through Decision 8(XXV), and Article 21 of ITTA, 1994, and pursuant to Article 21 of ITTA, 2006, has established specific criteria for the selection of projects, pre-projects and activities to be financed through the BPF. The total allocations of the BPF since its inception amounted to US\$37.9 million. Figure 2 shows the annual expenditures under the BPF, which, as of the end of 2012, was virtually depleted.

According to the ITTA, 2004 and 2006, funds for the BPF shall be constituted by:

- A. Contributions from donor member countries;
- B. Fifty percent of income earned as a result of activities related to the Special Account;
- C. Resources from other private and public sources which the organization may accept consistent with its financial rules; and
- D. Other sources approved by the Council.

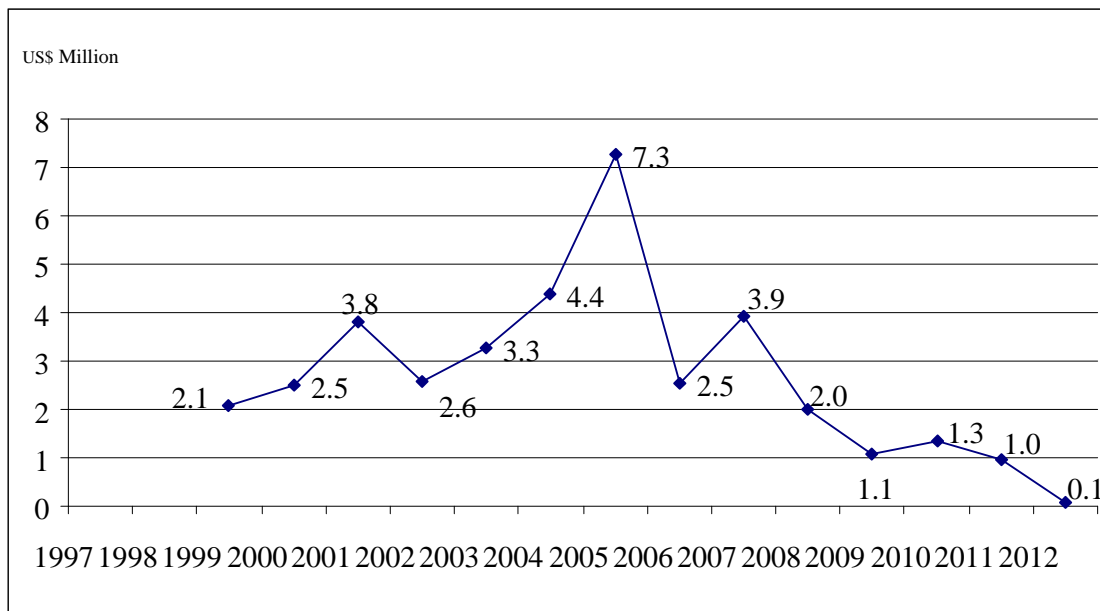
The fundraising strategy being developed will seek to increase the inflow of funds into the Special Account and the BPF. The allocation of financial inputs (Table 1) shows the recent decline in project work through the ITTO project cycle which has been partly compensated by allocations to the TPs.

Figure 1 Voluntary contributions received in the Special Account



Source: ITTO Secretariat

Figure 2 Allocations made from the Bali Partnership Fund - Unearmarked funds



Source: ITTO Secretariat

Table 1 Funding Available for Project and Policy Work in 1998-2011

Action Plan	Period covered	Project funds ^{a)}	Thematic Programmes ^{b)}	Policy/other ^{c)}	Total	Average per year
US\$ million						
Libreville Action Plan	1998-2001	44.5	N.a.	9.00	53.50	13.4
Yokohama Action Plan	2002-2007	52.0	N.a.	26.20	78.20	13.0
ITTO Action Plan	2008-2011	28.39	14.47	13.65	56.51	14.1

a) Projects funded through the ITTO project cycle

b) Thematic Programmes began to be implemented on a pilot basis in November, 2008; funds are allocated to projects under the TPs.

c) Includes thematic work programme elements in the ITTO Action Plan 2008-2011, such as ITTO-CITES cooperation

Source: Brooks & Attah 2012

Of the funds available during the period of 1987 to 2012, more than half has been used for reforestation and forest management, one third for trade and industry development, and the remaining eight per cent for cross-cutting activities (Table 2). It is also important to take note of what has not been funded. Table 3 presents a summary of sunset projects indicating that a total of 224 projects have successfully passed the project cycle and were approved for funding by ITTC but did not receive adequate financing. They represent 32% of the total value of the approved projects. The highest frequency of lack of funding has been in the area of industry development and efficiency, and the respective Thematic Programme also remains unfunded for the time being.

Table 2 Funding of ITTO's work by area during the period 1987-2012

Reforestation and Forest Management	US\$ 1000	%
- Forest management	134,178	32.57
- Biodiversity conservation	35,823	8.70
- Rehabilitation and restoration of degraded forest; planted forests	34,616	8.40
- Environmental services	22,529	5.47
- Mangrove forests	10,857	2.64
Subtotal	238,003	57.78
Trade and Industry Division		
- Forest law enforcement and governance	21,679	5.26
- Industry development and efficiency	71,488	17.35
- Forest information systems	25,245	6.13
- Trade and market transparency	13,920	3.38
- CITES implementation	9,373	2.28
Subtotal	141,705	34.40
Cross-cutting activities	32,230	7.82
Grand total	411,938	100.00

Source: ITTO Secretariat, data on pledges for pre-projects, projects and activities

Table 3 **Sunset projects in 1997-2012**

Thematic area	US\$ million	%	Number of projects	Of which after 2000	%
Forest management	64	48,7	79	26	32,9
Biodiversity	2,6	2,0	5	2	40,0
Environmental services	0,4	0,3	2	1	50,0
Plantation development	12,6	9,6	24	7	29,2
Rehabilitation & restoration	8,3	6,3	15	7	46,7
Mangroves	4,4	3,3	7	6	85,7
Sub-total	92,3	70,2	132	49	37,1
Industry development and efficiency	19,4	14,8	50	23	46,0
Trade and market transparency	4,9	3,7	16	6	37,5
Forest information systems	8,4	6,4	12	8	66,7
Subtotal	32,7	24,9	78	37	47,4
Others	6,4	4,9	14	8	57,1
Grand total	131,4	100,0	224	94	42,0

Source: ITTO Secretariat

2.2 Overview of the funding sources

Voluntary contributions have mainly come from member countries, with only less than 2 per cent obtained from other sources, including the Common Fund for Commodities (CFC), the private sector, two NGOs and two intergovernmental organizations (FAO and UNEP) (Table 4). Japan has been the most important source of funding accounting for more than two thirds of the total. Switzerland has been the second largest source (12%), followed by the USA (7.6%), Norway (3.2%), the Netherlands (2.2%), the European Union (1.6%) and the United Kingdom (1.0%). The EU and its Member States combined have provided about US\$21 million to ITTO, representing less than 7% of the total.

The trend has been changing significantly following the declining contributions from Japan that have not been offset by contributions from other member countries and sources as only a few member countries like Norway and Australia, have scaled up their support.

As a conclusion, the major source of funds to the Special Account to date has been from the voluntary contributions made by members. The level of individual contributions has been varying in magnitude and annually. The Organization has not been able to attract funds from regional and international financial institutions, and very little has been secured from other sources, apart from modest contributions from the private sector. The following subsections present the situation in the donor countries and other sources. A summary review of their funding policies is given in section 3.1.

Table 4 Voluntary contributions received to the Special Account during 1985-2012

Donors	Cumulative amount US\$1000	%
Japan (MOFA & JFA)	211,004	68.72
Switzerland	33,741	10.99
United States of America	23,319	7.59
Norway	9,913	3.23
Netherlands	6,853	2.23
European Union	5,078	1.65
United Kingdom	3,145	1.02
Denmark	2,024	0.66
Australia	1,805	0.59
France	1,060	0.35
Sweden	952	0.31
Germany	842	0.27
Finland	784	0.26
Korea	740	0.24
Austria	170	0.06
Canada	126	0.04
China	100	0.03
Belgium	97	0.03
New Zealand	81	0.03
Subtotal (Members):	301,835	98.27
CFC	1,714	0.56
Private	3,466	1.13
TNC	70	0.02
Friends of Iwokrama, USA	10	0.00
FAO	10	0.00
UNEP	17	0.00
Subtotal (Others):	5,286	1.73
Grand Total:	307,122	100.0

1) Based on cash receipt
Source: ITTO Secretariat

2.3 Voluntary contributions from members

Japan

By far, the biggest contributor has been the Government of Japan, providing more than US\$211 million (Table 4). However, its contributions have been declining since the establishment of the Organization, and in particular during the period under the ITTA, 1994.

During the period of the ITTA, 1983, the total voluntary contributions to the Special Account amounted to US\$128 million, of which US\$103 million was provided by Japan, accounting for about 80% of the total, averaging about US\$10 million/year. During the 15-year period under the ITTA, 1994, Japan provided US\$101 million representing about US\$6.7 million/year. A thorough analysis of the trend of Japanese contributions shows a sharp decline since the entry into force of the ITTA, 1994 in 1997. That year the Japanese contribution was of US\$13.6 million dropping to about US\$3.2 million in 2011 when the ITTA 2006, entered into force. In 2004 the Japanese contribution was at a record low of only \$1 million. However, in 2012, the first year of the entry into force of the ITTA, 2006, Japan provided US\$6.1 million, representing about 59% of the total contributions received of that year.

Due to the fact that the Japanese contributions have become more erratic, in particular since 2012, ITTO's overall financing has become unpredictable. In addition, the support of the Government of Japan has recently focused on larger projects and thus has reduced the number of countries benefitting from this support.

Japan's declining contributions may be attributed to the following factors:

- During the inception of ITTO, Japan was the world's largest consumer of tropical timber products. Hosting ITTO which promotes the sustainable management of tropical forests was perceived as a responsible move by the world's leading consumer in the wake of the international outcry prevailed then regarding deforestation in the tropics and the fate of people living in and dependent on these forests. The situation has changed as important new importers, such as China and India, have become the major actors in the international tropical timber trade.
- Although the issue of the management of tropical forests is still important for the Government and people of Japan, particularly in combating illegal logging, the focus of Japan's ODA has shifted towards other priorities, in particular climate change and biodiversity for which the Rio Conventions and numerous emerging initiatives are available for channeling international support.
- There has probably been a degree of disappointment with other donors to increase their contributions leaving Japan still as the largest funding source to ITTO.

Switzerland

Switzerland is the second largest contributor to ITTO's Special Account. During the period under the ITTA, 1983, Switzerland accounted for more than US\$8.5 million of the total contribution of US\$128 million, or close to 7%. Under the ITTA, 1994, Switzerland substantially increased its contribution to more than US\$25 million, or an average of US\$1.6 million/year. The amount contributed was, in general, stable throughout the ITTA, 1994, with contributions to its ITTO trust fund made on average every three years.

The Government of Switzerland is, however, in a process of reviewing its contributions to some international organizations and its "tropical forest strategy". Switzerland is insisting that ITTO should undertake the following actions to ensure her continuous support:

- Improve the quality of project proposals;
- Ensure strict monitoring of project implementation, and effective dissemination of project outputs, and develop and implement a strategy of knowledge management.

Switzerland is also an important supporter of strategies to mitigate climate change and promote environmental services from tropical forests, both through ITTO and other fora.

USA

The USA has been the third largest contributor to ITTO's Special Account. During the period under the ITTA, 1983, the USA provided close to US\$6 million, or about 5% of total funding, contributions averaging about US\$500,000/year. During the period under the ITTA, 1994, the USA increased its contributions providing more than US\$16 million, averaging more than US\$1 million/year. The US contribution has been stable over the years (except in 1997 when there was a reduction).

Although it appears difficult to expect a major increase in the US contribution, the key priorities related to legality of timber trade (for which there is strong national legislation), market transparency and forest law enforcement may offer possibilities for expanded contributions to ITTO.

Contributions of the USA and Switzerland have demonstrated the kind of stability and predictability desired to enable ITTO to fulfill its challenging mandate provided that other sources can be mobilized in the same way in adequate volumes.

Norway

Norway has been the fourth largest contributor to ITTO. Although only a minor contribution (US\$930,000) was provided during the period under the ITTA, 1983, Norway subsequently surged to become the fourth largest contributor during the ITTA, 1994, with a total contribution of US\$8.9 million. Norway began making modest contributions in 2003 but its support surged in 2009 and 2011 (about US\$4 million each year). These major inputs were facilitated by the introduction of the TPs in November 2008, a strategy advocated by Norway.

The two large contributions were targeted at climate change and environmental services, an issue that is being addressed under the REDDES. However, no further contribution has been received from Norway, since 2011. Most of the REDDES projects are still in the initial stage of implementation and only limited concrete results are available to be shared at the moment.

European Union

The European Union is the fifth largest contributor to ITTO. During the period under ITTA, 1983, the EU made only a minor contribution of US\$84,770. However, during the period under the ITTA, 1994, the EU made a substantial contribution to the organization through the ITTO-CITES Programme (EUR 2.4 million or about US\$3 million), while other donors provided US\$2 million. The success of this programme, harnessed by the strong synergy between ITTO and CITES, has triggered another commitment from the EU to provide another grant of EUR 5 million (about US\$7.5 million), with EUR 2.5 million to be provided by other donors. This second grant also includes a sum of about US\$1 million to support market transparency through the TMT Thematic Programme.

The focus of the EU's support has been on forest law enforcement in the context of its Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan and its accompanying legal instrument, the European Union Timber Regulation (EUTR). The support to the CITES Programme and the improvement of market transparency is directly linked to these objectives.

Many EU countries seem to be more or less relinquishing their individual support for ITTO to the EU as has been mentioned by some countries, such as Denmark and Finland. This seems to also apply to some extent to traditional donors such as the Netherlands.

Netherlands

The Netherlands has been the sixth largest funding source to ITTO, with a contribution of more than US\$2.7 million during the period under the ITTA, 1983 and US\$4 million during the period under the ITTA, 1994. The contribution of the Netherlands surged in 2007 following an important agreement on the precursor to TFLET Thematic Programme which was established in November 2008, and which later absorbed the activities under the precursor agreement. Since this important initial support, the Netherlands has provided smaller contributions in 2008 (US\$23,000), 2011 (US\$315,000), and 2012 (US\$250,000), with the last one geared towards the implementation of activities under the BWP 2013-2014.

The focus of the Dutch contribution has mainly been on forest law enforcement, enhancement of civil society to contribute to forest law enforcement, market transparency and poverty alleviation.

United Kingdom

The UK has been an intermittent donor to ITTO. During the period under the ITTA 1983, the country contributed about US\$1.2 million. During the period under the ITTA, 1994, the UK support amounted to US\$1.8 million, including about US\$1 million to TFLET in 2009. The focus of the UK's contribution has been mainly on the issue of legality and forest law enforcement.

Australia

The Government of Australia has in the past been a regular but small contributor to ITTO. During the period under the ITTA, 1983, Australia contributed an amount of about US\$500,000. It raised its contribution during the period under the ITTA, 1994 to US\$900,000 by fairly regularly providing modest amounts. It resumed contributing in 2012, with an amount of US\$386,000 and subsequently concluded a grant aid agreement with ITTO at the end of 2012 amounting to about AUS\$2 million. The latest grant under the TFLET Thematic Programme focuses on legality and implementation of due diligence, with emphasis on Asia-Pacific region reflecting Australia's aid policy priorities.

Other bilateral donors

The other bilateral donors contributing to ITTO's work include Denmark (US\$2,023,655), France (US\$1,060,106) Sweden (US\$952,136), Germany (US\$842,292), Finland (US\$784,160), the Republic of Korea (US\$740,000), Austria (US\$170,000), Canada (US\$126,109), China (US\$100,000), Belgium (US\$97,037) and New Zealand (US\$81,295).

2.4 Common Fund for Commodities

The Common Fund for Commodities (CFC) is identified as a donor to ITTO under the ITTA. The contributions of the CFC in the past have been quite irregular. CFC has provided funding for 13 projects

amounting to US\$6.5 million since the establishment of the Organization. However, majority of these funds were managed directly by CFC and not channeled through ITTO. ITTO's share of the total CFC funding is negligible. CFC regularly notifies ITTO and other commodity bodies concerning its calls for proposals.

The main barrier faced by ITTO in attracting more funds from CFC has been its criteria, particularly the focus on regional projects. Themes and organizations to be supported do not necessarily coincide with those of ITTO.

Recently, there has been a further dwindling of funds provided by the CFC and changes in their funding criteria. Financing will increasingly be in the form of loans to improve the funding base. Only small grants may be provided for capacity building to support the loan financing. CFC's main donor in providing voluntary contributions has been the OPEC Fund (more than 50%), with the balance comprising about a dozen bilateral donors.³ The prospects for future funding to ITTO by CFC look more limited than in the past.

2.5 Regional and international financial institutions

ITTO has not been successful in attracting funds from international financial institutions. Attempts have been made in the earlier stages of ITTO to work with the World Bank on forest harvesting technologies but this collaboration did not continue because of the lack of interest by the Bank. An investment forum was jointly organized with the World Bank in 2006. In spite of being considered a success, it did not lead to follow-up activities. Some attempts have been made to work with regional financial institutions. However, no concrete results were achieved due to the lack of practical alignment of interests and the focus of these institutions on innovative initiatives and loan financing. As an example, the efforts of the Asian Development Bank to work with ITTO on forest certification did not take off due to reservations by some Council members.

2.6 Private sector

During the period under the ITTA, 1983, the private sector contributed an amount of about US\$1.2 million, coming mainly from the Japan Lumber Importers' Association (JLIA) and a few companies (Ito-Yokado Co., Ltd., Asahi Pretec Corp., etc). The focus of these contributions was in general on supporting SFM in the tropics, while probably serving the communication interests of the participating companies.

During the period under the ITTA, 1994, pledges from the private sector reached more than US\$2.2 million. The main contributors were Seven & i Holdings Co., Ltd. (which is now the parent company of Ito-Yokado and 7-Eleven) and Marubeni Corporation, whose interest in climate change resulted in initial support being provided for REDD+ pilot projects in Brazil and Indonesia (cf. section 2.7.5). Three pharmaceutical companies (Indena, Abbott-Solvay and Euromed) have supported the ITTO-CITES Programme in line with their interest in exploiting *Prunus africana*, a species listed in the CITES Appendices (see section 2.7.4). JLIA has also provided a small contribution to the ITTO-CBD Programme. Overall, the contributions of the private sector have been ad hoc by nature, focusing on specific projects.

2.7 Funding through ITTO's partnerships

2.7.1 Partnerships with other international and regional bodies

In some cases, partnerships and enhanced cooperation with other organizations, initiatives, and the private sector have proved to be a vital source of funding for ITTO's activities. Some of these partnerships and initiatives have attracted new donors for the Organization and generated new opportunities for funding from traditional donors, as well.

ITTO has established MOUs with several organizations (Box 1). Three of them have been strategic with significant funding potential, i.e., the ITTO-CITES programme, the ITT/CBD Collaborative Initiative for Tropical Forest Biodiversity, and the ITTO/JICA Partnership. In these cases there has been indication of donor interest and support for funding from the beginning from their conception and development. This kind of strategic partnerships have significant potential for resource mobilization. The three partnerships are analyzed in detail in the sub-sections below.

Among the other partnerships which have potential for project funding, two MOUs are identified, i.e., the Asia Pacific Network for Sustainable Forest Management and Rehabilitation (APFNet) coordinated by China and ASEAN Forest Cooperation Organization (AFoCO) coordinated by the Republic of Korea.

³ CFC. 2007. Draft Third Five-Year Action Plan (FYAP) 2008 to 2012. CFC/GC/19/3. 22 October 2007.

Partnerships with the other members of the Collaborative Partnership on Forests (CPF) are strategic but their main purpose has been to strengthen cooperation between ITTO and them (UNFF, IUFRO, ICRAF, UNCCD, etc.) even though the MOUs usually have a clause for possible joint fundraising. ITTO has been working closely in cooperation with FAO and IUCN but there is no formal long-term arrangement with them which indicates that mutual agreements on executing joint activities or projects can also be effective. However, an MOU can ensure regular joint reviews of common interests and potential cooperative activities to coordinate efforts and avoid unnecessary duplication. Another example of this group is ITTO's intensifying cooperation with the Amazon Cooperation Treaty Organization (ACTO).

Most of the other MOUs were signed by partners with the primary intent of accessing ITTO funding but also including provisions for the possible development of joint projects/activities and joint fundraising. Unfortunately, such joint fundraising has not materialized.

The cooperative MOUs with financing institutions include CFC (cf. section 2.4) and the Asian Development Bank. Unfortunately, the latter could not evolve due to refusal from ITTO members to accept funding from ADB even though the Bank indicated their interest in implementing joint projects (cf. section 3.4.2).

Box 1 Partner organizations with Memorandums of Understanding or other cooperation arrangements with ITTO

- Secretariat of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
- Japan International Cooperation Agency (JICA)
- ASEAN Forest Cooperation Organization (AFoCO)
- Asia Pacific Network for Sustainable Forest Management and Rehabilitation (APFNet)
- Secretariat of the United Nations Convention to Combat Desertification (UNCCD)
- World Agroforestry Centre (ICRAF)
- International Union of Forest Research Organizations (IUFRO)
- United National Forum on Forests (UNFF)
- Convention on Migratory Species of Wild Animals (CMS) Secretariat
- BirdLife International
- African Forest Forum (AFF)
- WWF International
- Common Fund for Commodities (CFC)
- Asian Development Bank (ADB)*

Source: ITTO Secretariat

ITTO/CBD Collaborative Initiative for Tropical Forest Biodiversity

In March 2010, the Secretariats of ITTO and the Convention on Biodiversity (CBD) signed an MOU to strengthen collaboration in the pursuit of their common objectives of conserving and sustainably managing tropical forest resources. The main purpose is to identify, develop and implement targeted joint activities on tropical forests and biodiversity, including the development of an ITTO support programme for the implementation of the CBD Programme of Work on Forest Biodiversity in ITTO producer member countries. This subsequently became known as the Joint ITTO/CBD Collaborative Initiative for Tropical Forest Biodiversity.

The Initiative is geared toward the achievement of the following four key outputs:

- Enhanced local capacity for biodiversity conservation in production forests and for the rehabilitation of degraded and secondary forests;
- Improved conservation and management of protected areas, especially in buffer zones around protected areas, and transboundary conservation areas;
- Biodiversity in forest interventions, including in REDD+ related projects, safeguarded; and
- Improved welfare of local communities and indigenous groups through biodiversity conservation and sustainable use of natural resources.

The budget for implementing the Initiative has been estimated at US\$15 million for the initial period of four years covering the three tropical regions of ITTO. As a strategic framework, the Initiative is comparable to

ITTO's TPs even though its modality is based on the procedures applied to ITTO regular project cycle under the Special Account.

The ITTO/CBD Collaborative Initiative was launched with a financial contribution to ITTO from the Government of Japan under its Grant Aid Programme. The funding commitment was formalized through the exchange of notes between the ITTO and the Government of Japan followed by the signing of the Grant Agreement between the ITTO and JICA which took place during the 10th Meeting of the Conference of the Parties to CBD (CBD COP 10) held in November 2010 in Nagoya, Japan (see below for details on JICA's role).

To date, five projects with a total value of US\$11.5 million have been financed of which 24% was contributed by the implementing countries. Out of the total donor contributions of US\$8.7 million, Japan accounted for 87%, Switzerland for 11%, and Belgium, the USA and the Japan Lumber Importers' Association collectively for the remainder (Table 5). The budget allocation by the Japanese Government has contributed to the achievement of the outcomes specified in the ITTO/CBD MOU and is considered additional to its voluntary contributions made to the regular project cycle in 2011-2012.m This is a significant achievement in mobilizing funding for ITTO producer member countries through a partnership approach.

The major factors which have contributed to this successful mobilization of resources from Japan are:

- Strong commitment of the Government of Japan to the conservation of global biodiversity, including acting as the host government of the CBD COP 10;
- Close linkage established through the ITTO/CBD MOU with one of the Rio Conventions and the International Year of Biodiversity 2010;
- Global level communication on the main donor's contribution to the achievement of the Millennium Development Goals;
- JICA's involvement through the ITTO/JICA MOU in the implementation of projects, particularly those funded under the Japanese Grant Aid Programme, has contributed to the continued support of Japan to the ITTO/CBD Initiative together with the successful initial implementation of the projects; and
- Linking of ITTO's relevant project portfolio/pipeline to the objectives of the ITTO/CBD MOU

ITTO-JICA Partnership

In September 2010, ITTO signed an MOU with the Japan International Cooperation Agency (JICA) in order to facilitate the implementation of joint activities targeted at the conservation and sustainable use of tropical forest resources within the framework of the ITTO Action Plans, BWPs and the TPs, and JICA's programme of work in the field of natural resources and forestry.

The key purposes of the ITTO/JICA MOU are to:

- Identify, develop and implement targeted joint activities on the sustainable use and conservation of tropical forests in support of the overall sustainable development of ITTO's developing member countries which are assisted by JICA and in accordance with their national development policies; and
- Promote capacity building in ITTO developing member countries and facilitate information exchange between ITTO, JICA and interested countries, to advance the implementation of sustainable forest management in the tropics.

Support from JICA under the ITTO-JICA MOU has so far focused mainly on technical cooperation through the provision of experts to assist project implementation under the ITTO/CBD Collaborative Initiative. However, in 2012, the Government of Japan had also decided to finance another project which is not listed the ITTO/CBD Collaborative Initiative, namely PD 419/06 Rev.3 (F) Rehabilitation and Restoration of Forests with the Involvement of Local Communities under its Grant Aid Programme.

The Government of Japan has further decided on JICA's involvement also in the project formulation stage under its Grant Aid Programme from its 2013 fiscal year onwards. There are, therefore, opportunities for further resource mobilization under the ITTO/JICA MOU.

Table 5 Sources of finance for the ITTO/CBD Collaborative Initiative by project

Project title US\$1000	Pledged by donors						Project country	Total
	Japan	Switzerland	Belgium	USA	JLIA	Sub-total		
Management of the Emerald Triangle Protected Forests Complex to Promote Cooperation for Transboundary Biodiversity Conservation between Thailand, Cambodia and Laos (PD 577/10 Rev.1 (F))	2,051					2,051	568	2,619
Capacity Building for Sustainable Management of Tropical Rainforest and Biodiversity Conservation in the ITTO Congo Basin Countries (RIFFEAC Project) (PD 456/07 Rev.4 (F))	3,524	270	97			3,891	110	4,001
Building Capacities in ACTO Member Countries in Ecology Responsible Forest Management and Biodiversity Conservation in Managed Forests of the Amazon (PP-A/47-266)	1,320					1,320	969	2,289
Promoting Biodiversity Conservation in Betung Kerihun National Park (BKNP) as the Trans-boundary Ecosystem between Indonesia and State of Sarawak Malaysia (PD 617/11 Rev.3 (F))	435	503		3		941	273	1,214
Development of Guidelines for Buffer Zone Management for Pulong Tau National Park and Involvement of Local Communities in Management, Sarawak Malaysia (PD 635/12 Rev.2 (F))	243	225			50	518	904	1,422
Total	7,572	998	97	3	50	8,721	2,825	11,546

Source: ITTO Secretariat

Cooperation between ITTO and CITES

The ITTC has adopted a number of Decisions to enhance its cooperation with CITES.⁴ In addition, the BWP 2006–2007 contained the Activity: “To provide for enhanced collaboration and synergies between ITTO and CITES” targeted at (a) improving the capacity of Members to implement CITES listings of timber species; and (b) providing for enhanced cooperation on CITES matters related to tropical timber among governments (including CITES authorities), the private sector, and the civil society.

This activity formed the first phase of the ITTO-CITES Programme which commenced in 2006. ITTO has since continued its collaborative capacity building activities till early 2012 with a total funding of around US\$4 million. The main source of funding has been the EU (75%) with the balance provided by the USA, Switzerland, Japan, Norway, and New Zealand. Multi-donor participation was an important aspect for the EU in providing the core funding of the Programme.

Since the demand for the programme substantially exceeded available resources under the first phase, ITTO submitted a second grant application to the EC covering a four-year period (2012-2015) for a total amount of EUR 7.5 million (about US\$10 million), one-third of which was to come from other donors. This grant application was approved by the EC and complementary funds, totaling almost US\$700,000, have been received to date from USA, Norway, Germany, the Netherlands and the private sector.

Factors contributing to donor interest in this Programme include

- active involvement of, and collaboration with, the CITES Secretariat in programme implementation building on competences of both organizations;
- sharp focus on activities targeted at key CITES listed tropical tree species;

⁴ Council Decisions 6(XII), 3(XVI), 5(XVIII), 7(XX), 7(XXXIV), 2(XXXVII), and 5(XLVI).

- clear evidence of the Programme resulting in CITES-listed tropical tree species being removed from (or not subjected to) trade bans;
- close link with the donor priorities related to reduction of illegal logging and associated trade which strengthened during the implementation of the Programme through new legislation and initiatives to limit access of illegal products to the European and US markets (FLEGT Action Plan, Voluntary Partnership Agreements and the European Union Timber Regulation, and the revision of the Lacey Act), and more recently in Australia; and
- ITTO being the only international organization entrusted with the responsibility for capacity building in tropical timber trade.

2.7.2 Partnerships with the private sector

Most of the private sector financial contributions to ITTO have been earmarked for specific projects through the Special Account. Two examples having broader partnership objectives are presented as follows:

Partnership with Seven & i Holdings Co., Ltd.

Launched in 2009 this partnership was targeted at strengthening the conservation of Indonesia's tropical forests with financing (US\$814,590) from Seven & i Holdings Co., Ltd. in Japan as a pilot public-private partnership towards global efforts to reduce emissions from deforestation and degradation (REDD) in Indonesia.

Together with the commitment of the Ministry of Forestry of Indonesia, this four-year partnership (2009-2013) has been implemented with the aim of reducing emissions and enhancing forest carbon stocks through community participation in the Meru Betiri National Park as an integral part of the larger landscape. The main activities included improving the livelihoods of local communities living inside the park and in surrounding areas. A credible, measurable, reportable and verifiable system is being developed for monitoring emission reductions from avoided deforestation and forest degradation, and enhancement of forest carbon stocks.

For ITTO the partnership has enabled (i) the development of pioneering work in community participation in the REDD and biodiversity contexts with possibilities for replication elsewhere, and (ii) the mobilization of new funding. For the private sector partner, the cooperation builds on previous successful experiences through (i) generation of verifiable results on protecting the global environment and reducing poverty, (ii) production of reliable information on how the corporate social responsibility is being implemented that can be communicated to Japanese consumers and other stakeholders, and (iii) reliance on a neutral, internationally recognized organization with a strong track record in project implementation mitigating risks involved in this kind of projects.

Partnership with Marubeni Corporation

Under the bilateral offset crediting mechanism of the Japanese Government (Ministry of Economy, Trade and Industry/Ministry of Environment), ITTO is working with the Marubeni Corporation to facilitate the implementation of REDD+ feasibility studies in Indonesia and Brazil. To date, ITTO has received an amount of US\$627,583 from the Marubeni Corporation and ERM, a consulting company in Japan. Under the partnership, the Marubeni can rely on the field-level experience and technical expertise of ITTO in developing plans which can lead to implementation of large-scale forest-based carbon offset projects in similar conditions elsewhere. ITTO's role as an impartial partner during the first phase of the two field projects is also important for Marubeni to facilitate discussions with the host governments at the national and sub-national levels.

3. PRESENT AND POTENTIAL FUNDING SOURCES AND PARTNERS

3.1 ODA context and donor funding of ITTO

During the ITTO's existence there have been significant changes in general donor policies which have influenced the ways of how aid has been delivered. The changes have been targeted at improving the efficiency and impact of ODA which earlier focused on delivery through individual projects. It was recognized that usually individual projects only provide fragmented improvements which cannot be sustained after project termination and draw disproportionately on scarce human capacity and funds. As a response, sector-wide approaches (SWAp) emerged in the mid-1990s.

The Millennium Development Goals agreed in 2000 by the Earth Summit put poverty reduction into the focus of aid policies. There has been intense debate on the failure of projects to address poverty in a systematic way, and around aid effectiveness generally. In addition, the importance of government ownership and government leadership has been increasingly recognized while the roles of non-government actors have been emphasized in implementation.

The resulting change in the aid environment has been characterized by a greater consensus on goals and the need to focus efforts on reducing poverty, with more emphasis on results and new mechanisms and initiatives to channel resources rapidly and effectively to countries in need. In general, this has led to increased emphasis on programme type support (budget support and sector programme support), stronger partnerships, and strengthening the role of governments.

The Paris Declaration on Aid Effectiveness (2005) contained five main thrusts which have since then guided individual aid policies. They include

- Ownership. Partner countries exercise effective leadership over their development policies, and strategies and co-ordinate development action.
- Alignment. Donors base their overall support on partner countries' national development strategies, institutions and procedures.
- Harmonization. Donors' actions are more harmonized, transparent and collectively effective.
- Managing for results. Managing resources and improving decision-making for results.
- Accountability. Donors and partners are accountable for development results and donor-government relationships are increasingly based on Government ownership and leadership, broad participation, partnership, mutual accountability and long-term commitment.

Together with budget support, SWAps have been used as an instrument to implement commitments of the Paris Declaration for improved effectiveness and efficiency. A SWAp is a form of Programme Based Approach (PBA) applied at the sector level which engages partners of development cooperation based on the principle of coordinated support for a locally owned programme of development, such as a national poverty reduction strategy, a sector programme, a thematic programme, or a programme of a specific organization". These approaches are characterized by (i) leadership by the host country or organization; (ii) a single comprehensive programme and budget framework; and (iii) a formalized process for donor coordination and harmonization of donor procedures.⁵ In the forest sector, national forest programmes and similar policy frameworks have been used as a framework for SWAps and PBAs with varying degrees of success.

It is, however, recognized that continued project finance can and should be compatible with the relevant sector programmes. To ensure this, demonstration is needed that the project goals and activities contribute to sectoral objectives, project support is preferable to other forms of assistance, and government systems are used where possible (e.g., procurement systems and sector review mechanisms). A clear justification would be necessary when this is not the case.

These fundamental changes have reduced the donors' earlier emphasis on project-based support which has been the principal mechanism applied by ITTO in supporting its producing member countries. On the other hand, ITTO has responded to the new aid environment through adjusting its project formulation requirements which explicitly call for clarity on the contribution of the project to national goals, linkages with sectoral programmes, and broad stakeholder participation in project formulation and implementation. The proposals should conform with the host government's policies and strategies and complement other efforts towards their implementation.⁶ Other important aspects are the principles in all ITTO projects to maximize the impact of the project in the country or region concerned and to promote actions that have wider value meaning that project benefits should reach beyond those institutions and people directly involved in a project.

Another ITTO's response to the new aid environment has been the introduction of five Thematic Programmes (TP) as instruments to improve (i) effectiveness through a strategic programmatic approach and (ii) efficiency through a more agile project cycle than applied for projects funded under the Special Account. The design of TPs has built on producer and donor country priorities which have been jointly negotiated. For producer countries TPs provide a useful strategic framework in addressing key issues in

⁵ OECD-DAC. 2005.

⁶ ITTO. 2009.

SFM and developing trade from legal and sustainable sources. The requirements to link TP proposals prepared by country stakeholders with national goals and sectoral programmes have been maintained.

In spite of these efforts, the response in donor funding to ITTO has fallen short of expectations. Consultations with donor representatives suggest three possible reasons:

- lack of direct link between ITTO and donor agencies in most consuming member countries
- inadequate understanding among donor agencies on what ITTO is, does and could do as a major actor in capacity building for SFM and associated trade in tropical timber
- perceptions that ITTO's projects provide "easy financing" for producers with limited effectiveness and efficiency

The first two issues are related to inadequate communication. The third issue is related to accountability which ITTO ensures by effective monitoring, auditing and ex-post evaluations.⁷ Projects are proposed by country stakeholders and executing agencies are in most cases national bodies to ensure full country ownership. Government leadership and compatibility with national policies and programmes are ensured by the provisions of the ITTO project cycle through the endorsement of project proposals by the ITTO focal point of the country in question.

As one donor has pointed out, in an increasingly competitive environment, ITTO needs to be able to demonstrate its ability to design and deliver high-quality projects in line with the expectations of both donors and beneficiary countries as well as the added value of its activities (e.g. impact multiplier in terms of knowledge management).

There is also a common perception among many donors that the Secretariat needs to increase its capacity to undertake effective monitoring of projects and programmes, communicate effectively, build partnerships, and reach out directly to development cooperation agencies of donors. With ITTO's dwindling financial and human resources, it is difficult to see how such an increase in capacity can be achieved.

3.2 Traditional donors

Resource mobilization is facilitated through close partnerships which can be built on good working relationships which often generate opportunities for raising funds. It is important that ITTO and its present and potential partners share similar objectives and priorities. For the purpose of this study, fact sheets were prepared on 69 existing and potential sources of funding or partners which were grouped as follows (i) bilateral donors, (ii) international organizations and financing institutions, (iii) foundations, and (iv) other potential partners. The factsheets are included in Annex III to VI and the analysis of the sheets is summarized in matrices from the perspective of identifying linkages in the priorities and financing policies with the objectives of the ITTA, 2006 and the strategic priorities as spelled out in the ITTO SAP (Annex VII).

The review of donor policies revealed that there are significant linkages between the financing objectives and policies of most present and potential donors, and the ITTA, 2006 objectives. The aid policies of the following countries have the broadest match with the ITTA, 2006 objectives and the SAP strategic priorities: Austria, EU, Finland, France, Germany, Japan, Spain, Sweden, Switzerland, the UK and the USA. However, as explained in section 2.3, most of these countries have provided only sporadic voluntary contributions to the Organization.

Annex VIII reduces the compatibility analysis of objectives and strategic priorities into 12 components of potential common agenda including (i) poverty, (ii) governance, (iii) sustainable forest management, (iv) green economy, (v) capacity building, (vi) industry, (vii) biodiversity, (viii) REDD+/payment for environmental services, (ix) market transparency, (x) trade development, (xi) indigenous peoples and forest communities, and (xii) civil society. If aspects (iii), (vi), (xi) and (x) are taken as areas in which ITTO has unique comparative advantage, the following donor countries have at least three of these referred to in their policies: Austria, EU, Finland, France, Germany Japan, the Netherlands, New Zealand, Norway, Sweden, Switzerland, the UK and the USA.

As a general observation, there are significant linkages between the financing objectives and policies of most present and potential donors and the ITTA, 2006 and the priorities of the ITTO SAP. A strong common agenda on SFM in tropical forests and associated trade can be identified with many potential partners of

⁷ ITTO. 2012. Meta-evaluation of ex-post evaluated projects.

ITTO. In addition, OECD's recent initiative on Policy Dialogue on Aid for Trade⁸ is reflected in the strategies of many donors emphasizing the role of trade in sustainable development. This has strengthened the link between the overarching objectives of the ITTA, 2006 and many donor policies.

A high degree of matching between ITTO's objectives and strategic priorities with those of donor countries helps but does not necessarily ensure voluntary contributions to the Organization. Additional factors to be taken into account include prioritization between bilateral and multilateral channels by donors, and choices made on which multilateral organizations are chosen for aid delivery. Nevertheless, the compatibility of objectives and priorities is an important starting point for approaching donors in resource mobilization.

In the context of preparing this Background Study, the focal points of all the consumer countries were sent by email a list of five questions as a follow-up of the first meeting of the Ad Hoc Open-ended Working Group established under the BWP activity 54 held January 2013. Only five countries replied and their responses are given in Annex IX. The highlights are summarized below:

- ITTO's objectives are generally considered compatible with donor policies (Finland, Portugal, Sweden); particularly those related to reduction of illegal logging and associated trade were considered closely related to donor policies (Japan) but not necessarily adequately understood by decision makers (Korea).
- The broad geographic coverage of ITTO is an advantage as it allows cooperating with those developing countries with which a donor does not have bilateral development cooperation (Finland, Japan).
- Thematic Programmes provide a useful framework for possible future financing (Portugal, Sweden).
- ITTO's pipeline of approved projects which have not received adequate financing facilitates choosing specific projects which address topical issues such as illegal logging (Japan).
- ITTO's capacity to implement transboundary projects is a particular strength (Japan).
- Environmental and social aspects in ITTO's work are an advantage improving donor policy compatibility (Finland, Sweden).
- Partnerships with other international organizations working in the same fields are an advantage (Finland, Japan).
- Weak communication capacity (including to other international bodies and stakeholders) was considered a weakness leading to lack of recognition of the results achieved (Japan).
- Donor countries often have actors working in development cooperation and partnering with them could facilitate access to funding (Finland, Japan, Korea).
- Private sector could be a useful partner for ITTO (Japan, Korea, Portugal, Sweden).
- With the exception of Japan, the responding countries did not consider managing projects on their behalf a feasible option for resource mobilization.
- Suggestions for resource mobilization included improved communication (Japan, Korea) and linking with the Aid for Trade strategies as well as clarification of complementarity with other key agencies such as FAO, WB and IUCN (Finland, Japan).
- ITTO should attempt to make use of the bilateral donors' trust funds in international financing institutions such as WB, ADB (Japan).
- ITTO should also seek for closer cooperation with Multilateral Environmental Agreements to open new sources of funding (Japan).

While these are extremely valuable points, it is unfortunate that only five of ITTO's consumer member countries provided an input to the survey.

3.3 Potential emerging donors among member countries

3.3.1 China

In 1994, China was the third biggest importer of primary tropical timber products (logs, sawnwood, veneer and plywood) behind Japan and the EU. By 1999, China had overtaken Japan and become the biggest importer representing 35% of the ITTO members' total imports of primary tropical timber products in 2012 (Figure 3 and Figure 4).

At the same time, China has become the second largest exporter of Secondary Processed Wood Products (SPWP) behind the EU, with 26% of the world total in 2011 (Figure 5). Between 2007 and 2011, the Chinese

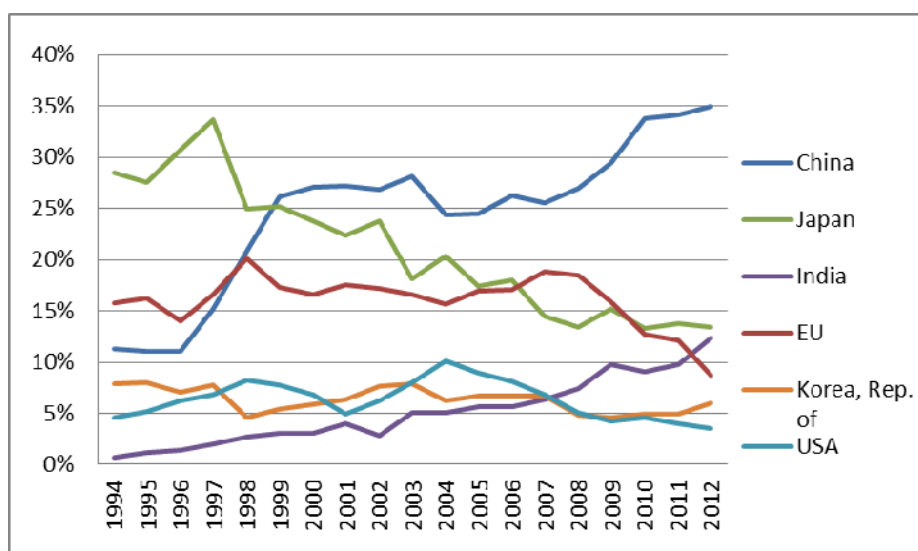
⁸ <http://www.oecd.org/dac/aft/agendaoftheaidfortradepolicydialogue.htm>

exports of SPWPs boomed from US\$16.1 billion to US\$23.7 billion while the global trade remained relatively stable at around US\$90 billion.

China is presently the largest importer of tropical timber and probably one of the largest exporter of tropical timber and timber products as illustrated in Figure 6 in which the export shares of primary and secondary processed wood products of the ITTO producer countries and China combined are given.⁹ The Figure shows that China's exports of tropical timber and timber products in value terms were more than all the ITTO producer member countries combined.

With regard to ITTO's work, China has benefited from the Organization's projects and activities in developing (i) its own tropical timber production, (ii) its imports of logs and primary processed wood products from producing member countries, (iii) its exports and re-exports of primary and secondary processed tropical timber products, (iv) the forest information systems, and (v) investments of Chinese companies in a number of ITTO's producer member countries.

Figure 3 Shares of major countries in the total imports of tropical timber from ITTO producing member countries, 1994-2012



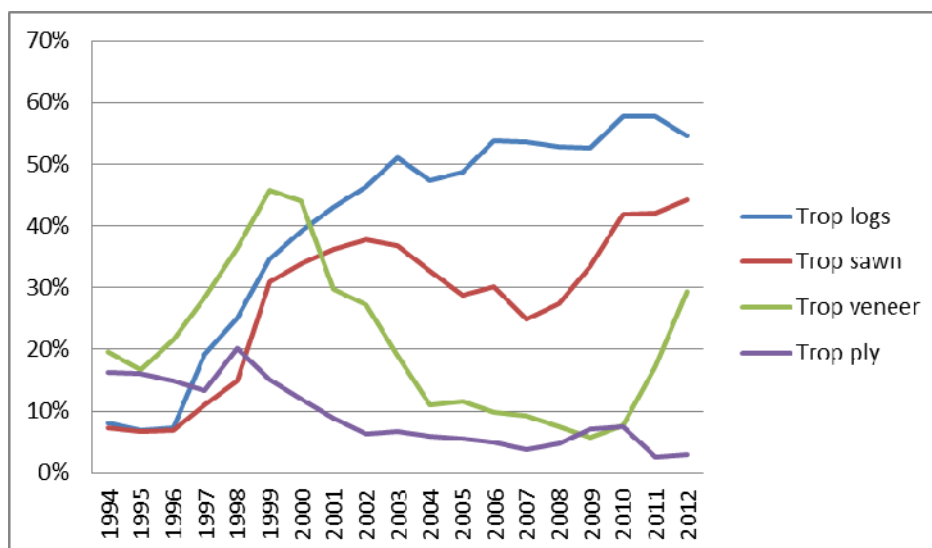
Source : ITTO trade data base, calculated based on wood raw material equivalent

At the same time, China has provided economic and technical aid to more than 120 Asian, African and Latin American developing countries in the context of South-South cooperation focusing on economic and social development such as industrial and agricultural production, infrastructure construction, education and people's livelihood. By 2011, more than 2,200 foreign aid projects had been implemented, about 140,000 officials and technicians had been trained, among other types of support.¹⁰ In addition, China has also made voluntary contributions to many international and regional organizations. Chinese bilateral foreign aid is managed mainly by the Ministry of Commerce (MOFCOM) (see factsheet in Annex III) and multilateral funding is the responsibility of relevant line ministries and other government agencies.

⁹ Note that the SPWPs in China's exports include also those products which have been produced based on non-tropical wood raw materials.

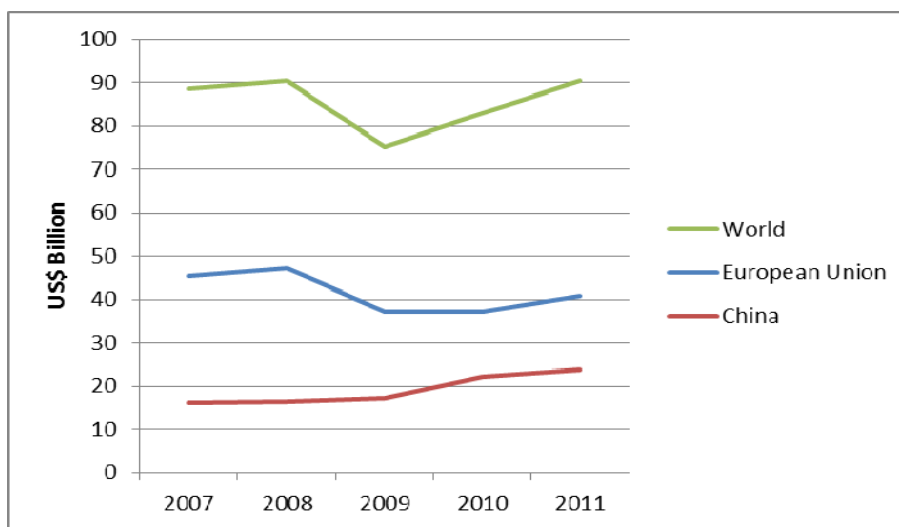
¹⁰ Based on the statistics of MOFCOM

Figure 4 China's share of the ITTO total import volumes of tropical primary wood products, 1994-2012



Source : ITTO trade data base, based on volume

Figure 5 World exports of Secondary Processed Wood Products, 2007-2011

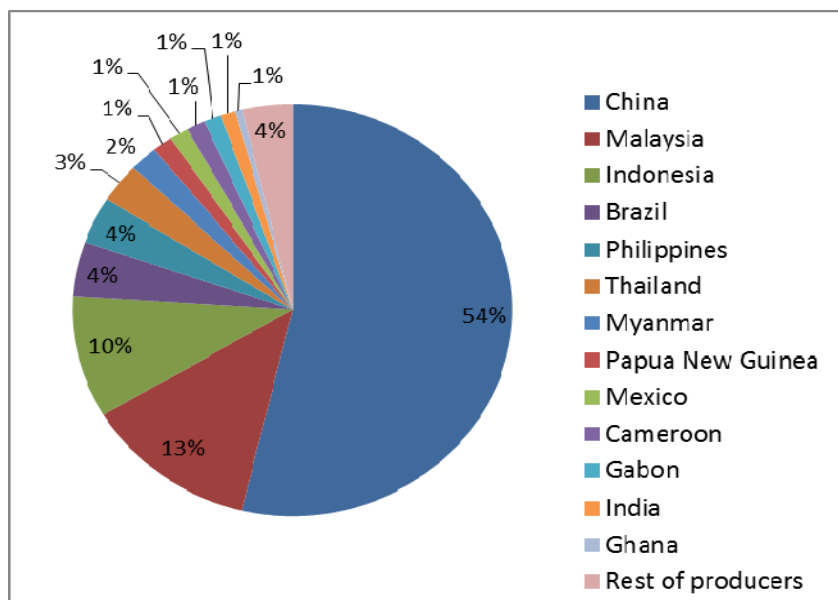


Source : ITTO trade data base

As a major beneficiary of ITTO's direct and indirect support and a key member of the organization, there is a strong reason to explore modalities and possibilities of voluntary contributions from China. The country has already become a donor to ITTO in 2011 when it contributed US\$100,000 as partial financing for the implementation of Phase III of the project PD 124/01 Rev. 2 (M) "Promotion of sustainable management of African forests"¹¹ which was a promising initial move toward this direction. There is probably also scope for triangular cooperation involving ITTO, recipient countries, and the Government of China.

¹¹ This project was designed to assist ITTO's African member producer countries to implement the harmonized ITTO/ATO Principles, Criteria and Indicators (PCI) for the Sustainable Management of African Natural Tropical Forests. It involves extensive capacity building in African producer member countries to enable them to use the PCI as a tool for improved management of, and reporting on, forests.

Figure 6 Country shares of the total exports of tropical timber and secondary processed wood products of ITTO producers and China combined, 2011



Source : ITTO trade data base

In view of the legality and sustainability requirements of all types of timber and timber products being placed in the EU, North America and Australia, there is significant potential for ITTO to support the Chinese Government and private sector in ensuring access to these key markets. This can provide another important justification for financial support to the Organization. China has adopted several measures to crack down on domestic illegal harvesting and international trade in illegal timber. Measures adopted include enacting laws and regulations and improving import monitoring, setting up administrative agencies to strengthen enforcement and initiating special action to control illegal timber logging and trade. At the same time, the Chinese government is improving its regulatory and certification systems for timber and adopting a timber legality verification system. As the country is also working with other international organizations on joint action to eliminate illegal logging and trade in illegal timber, it would be logical that close cooperation is developed with ITTO with comparative advantage and experience in this field.

The aid policy of MOFCOM (see factsheet in Annex VII) is compatible with the ITTA, 2006 objectives and emphasizes the same agenda as ITTO including SFM, capacity building, industry and trade. China's APFnet initiative offers possibilities for enhanced cooperation with ITTO (see factsheet in Annex III).

3.3.2 Republic of Korea

From the inception of ITTO in 1986, the total amount of voluntary contributions received from the Republic of Korea for the implementation of projects, pre-projects and activities has amounted to US\$730,000.

The country's official development assistance (ODA) has been increasing rapidly and is expected to do so. Korea is one of the few countries which have successfully transformed from a recipient to a donor. It became a member of OECD and its DAC (Development Assistance Committee), in November 2009. Korea's ODA amounted to US\$1.3 billion in 2011 of which 26% was channeled through multilateral organizations, with US\$228 million through multilateral development banks and US\$110 million through other international organizations.¹² The aid policy, along with its growth in quantity, is at a crossroads in the enhancement of its quality. South Korea has emerged as the thirteenth largest economy in the world and a major donor country.

In 2012, Korea was the fifth largest importer of tropical primary wood products (Figure 3). The Korean share of tropical wood imports in value terms has slightly decreased from 8% to 6% between 1994 and 2012. In volume terms, Korea's imports of tropical roundwood have decreased amounting to 178,000 m³ in 2012. For tropical plywood, Korea was the third biggest importer after Japan and the 27 EU countries in 2011 and the country is expected to overtake the EU in 2012 with imports of 1 million m³.

¹² Data source: Korea Ministry of Strategy and Finance; November 2012

In view of the significant imports of tropical timber and timber products (including SPWPs) amounting to about US\$232 million, the Republic of Korea is one of the key indirect beneficiaries of ITTO's efforts in promoting supply from legal and sustainable sources.

It would be opportune to explore possibilities for enhanced cooperation with the Ministry of Foreign Affairs and Trade, its key implementing agency for the country's grant aid, the Korea International Cooperation Agency (KOICA), the Korean Forest Service, and ASEAN Forest Cooperation Organization (AFoCO) initiative coordinated by Korea (see factsheets in Annex III and IV).

3.3.3 Other countries

There are also other countries which could over time provide voluntary contributions to ITTO. For instance, Mexico is both an exporter and importer of tropical timber and timber products and the country has developed significant scientific and technical knowledge which could be shared with other Latin American countries, involving voluntary contributions to ITTO. India has become the third largest importer of tropical timber and has well developed skills and technology applicable in small and medium-scale processing which could be shared with other producer member countries. (see also section 3.5 on South-South cooperation).

3.4 Non-member countries

The current ITTO membership does not include several countries which are substantial producers of tropical timber and timber products, Brazil being the most important and a long-time member under the previous ITTAs.

Table 6 Non-ITTA member countries with significant trade in tropical timber and timber products (imports in 2011)

Country	Imports 2011 US\$ million
Saudi Arabia	264.8
Republic of South Africa	173.9
United Arab Emirates	106.8
Russian Federation	83.5
Jordan	69.4
Morocco	35.6
Kuwait	33.1
Yemen	29.5
Qatar	28.2
Oman	26.2
Algeria	22.8
Bahrain	21.1
Total 12 countries	894.9

Note : Only countries with imports of tropical timber and timber products including SPWPs from ITTO countries worth more than US\$20 million in 2011 are included in the table.
Source: COMTRADE

Non-member consumer countries having a significant interest in the trade of tropical timber and timber products through their imports are listed in Table 6. The four largest non-member importing countries are Saudi Arabia, the Republic of South Africa, the United Arab Emirates, and the Russian Federation. Russia was a member under the ITTA, 1983 but it has arrears in their contributions¹³. Qatar is an example of other potential new-member countries even though it is not a significant importer of tropical timber and timber products. The Qatari government is giving a high priority to environmental issues, notably climate change. The country could, therefore, be interested in joining ITTO as part of its global strategy in contributing to climate change mitigation.

Consultations with these countries could open possibilities for resource mobilization for ITTO and should be considered, not least because, as new members, they would contribute to both the Administrative Account and the Special Account of ITTO. Furthermore, there could be improved possibilities for mobilizing funding

¹³ The Russian Federation never became a member under the ITTA, 1994.

from associated sources such as e.g., the OPEC Fund for International Development (OFID) and the Islamic Development Bank (see factsheets in Annex IV).

3.5 International financing institutions

3.5.1 The World Bank Group

The World Bank has the largest single source of financial resources for forests among the multilateral development banks (CPF 2012). The Bank's IBRD/IDA loans and grants are directed only to the Bank's members and there is no possible window for these to be directed to ITTO. Other opportunities could be explored through the Bank's various global partnerships such as the Program on Forests (PROFOR), the climate-related forestry programmes or initiatives (the Forest Investment Program (FIP), the Bio-Carbon Fund, the Community Carbon Fund, the Forest Carbon Partnership Fund) and the Bank-supported programmes like the Growing Forest Partnership. Under these initiatives, there is a strong innovation component and one of the strategic areas for the Bank is maintenance and enhancement of global public goods, including those from forests. In this area, the Bank is doing pioneering work to mainstream systems for the payment for environmental services. (see the WB factsheet in Annex IV).

ITTO's funding mechanisms may not, however, be suitable in having access to the mentioned windows in spite of the fact that both organizations are working in pursuit of the same objectives. In addition, there is a perception among some key Bank staff that ITTO is relying on too traditional approaches and is lacking in innovation to be of potential interest to the Bank for a suitable partner. This is partly due to the fact that there has been inadequate information on ITTO's activities being made available in a suitable form and that contacts between ITTO and the Bank have not been sufficient. Another aspect is the Bank's limited scope of working in tropical production forests which has been a controversial issue for key stakeholders having influence on the Bank's activities.

In spite of these barriers, the pursuit of common objectives could provide a basis for a cooperative effort to clarify how these can be removed and space for mutually beneficial cooperation can be opened between the two organizations. This would require targeted communication efforts by ITTO to the Bank management and key staff which could lead to development of joint activities.

There are also possibilities for ITTO to cooperate with the International Finance Corporation (IFC), the Bank's private sector arm, particularly in the development of wood industries in Africa and investments in other activities based on tropical forests (see the IFC factsheet in Annex IV).

3.5.2 Asian Development Bank

In the early 1990s, there was good relationship between ITTO and the Asian Development Bank (ADB). Senior officials of the Bank attended the sessions of the International Tropical Timber Council. In 1993, the Asian Development Bank financed project PD 149/91 "Technical Workshop to Explore Options for Global Forest Management (The Follow-up Workshop)". Unfortunately at its Fourteenth Session, the ITTC decided to terminate the project following concerns expressed by the Committee on Reforestation and Forest Management in light of developments arising from the United Nations Conference on Trade and Development (UNCED).¹⁴ In 1994, the ADB also sought to collaborate with ITTO on the activity on "Certification of All Timber and Timber Products" and indicating that it had budgeted an amount of US\$600,000 for this activity. However, some member countries expressed reservation on the issue of certification resulting in the activity not being implemented. In retrospect, these unfortunate incidents resulted in no ADB funding for ITTO.

ADB has recently invested significantly in the region's forests and the trend can be expected to continue.¹⁵ The Bank is also benefiting from the resources of FIP, thereby increasing its potential as a donor. There is, therefore, an urgent need for ITTO to renew contact and collaboration with ADB (see factsheet on in Annex IV).

¹⁴ Source: Report of the Fourteenth Session of the ITTC. Document ITTC(XIV)/14 page 88

¹⁵ As an example, in February 2013, the Bank announced that it is providing financial support of nearly US\$4.5 million to help conserve threatened forest areas in the Indonesian portion of the island of Borneo. The project will provide support to strengthen policies and institutions for improved sustainable forest and biodiversity management, and it will help raise the capacity of government agencies to develop sustainable livelihood opportunities, with measures such as pilot schemes for local communities to be paid for ecosystem services.

3.5.3 African Development Bank

The African Development Bank (AfDB) is a major source of financing for forests in the region through their conventional instruments (CPF 2012; Simula 2008). In February 2008, AfDB, in partnership with the Central Africa Forests Commission (COMIFAC) and the United Kingdom Department for International Development (DFID), agreed to reinforce their coordination and dialogue efforts through the Congo Basin Forest Partnership (CBFP) and to support COMIFAC and its sub-regional partner institutions by establishing the Congo Basin Forest Fund (CBFF)¹⁶ for the mobilization of resources to finance activities and projects aimed at promoting equitable and sustainable use, conservation and management of the Basin forests and ecosystems for poverty alleviation, sustainable social-economic development, regional cooperation and environmental conservation.

The areas of intervention for CBFF grant funding have mainly been those aimed at slowing the rate of deforestation, reducing poverty amongst forest dwellers, and contributing to a reduction in greenhouse gas emissions while maximizing the storage of carbon. Within the context of its objectives, the CBFF has identified a number of key thematic areas, namely (i) forest management and sustainable practice, (ii) livelihoods and economic development, (iii) monitoring, assessment and verification, (iv) benefits from carbon markets and payment for ecosystem services, and (v) capacity building in REDD; in monitoring, assessment and verification of forest carbon; and in sustainable forest management.

In August 2007, ITTO organized a conference on “West and Central African Tropical Forest Investment Forum: Issues and Opportunities for Investment in Natural Tropical Forests”, in Accra, Ghana. AfDB participated in this conference and presented a paper on “Harmonizing sub-regional investment packages for growth: Opportunities for forestry”. There is a potential role for ITTO to contribute to the design and implementation of such packages. There is, therefore, an opportunity for further collaboration between ITTO and AfDB which should be explored as a matter of priority. (see factsheet in Annex IV).

3.5.4 Inter-American Development Bank

The Inter-American Development Bank (IADB) is helping the Latin America and Caribbean region in implementing measures to reduce emissions from deforestation and forest degradation by reducing open access to natural forests; fostering sustainable rural development; promoting economic activities to foster forest protection and conservation and research, impact evaluations, and capacity building to improve understanding of policies that seek to reduce emissions from deforestation. IADB's forest investments have trended downward but recent developments suggest that this could change.¹⁷

To support the region on the REDD agenda, IADB is expanding its role as an implementing agency for climate change-related funds. The Bank is also an implementing body of FIP and works with the Guyana REDD Investment Fund (GRIF). IADB is leading FIP in Peru, and co-leading the programme in Brazil. FCPF is working with 15 countries in the region, and IADB is leading its programme in Peru and Guyana.

IADB has participated in several ITTO events, including the International Tropical Forest Investment Forum organized in 2006 by ITTO in Cancun, Mexico. Under the new strategy, consultations should be carried out to explore possible further collaboration with IADB (see the factsheet on IADB in Annex IV).

3.5.5 Global Environment Facility

The Global Environment Facility (GEF) is the financial mechanism of the three Rio Conventions (CBD, UNFCCC and UNCCD). GEF has been one of the largest sources of multilateral funding for forests. Since its inception in 1991 GEF has invested over US\$1.6 billion in more than 300 forest projects (CPF 2012). There have been institutional barriers preventing ITTO in having access to GEF funding but this could be overcome.

GEF is in the process of preparing its 6th Replenishment and its draft Sustainable Forest Management Strategy is being developed. The draft emphasizes on multiple global benefits of forests including (a) reduction in forest loss and forest degradation; (b) maintenance of the range of environmental services and

¹⁶ Financial contributors of the CPFF include Norway (about US\$90 million) and the UK (about US\$80 million).

¹⁷ In April 2013, IADB approved a credit line of US\$144 million to the State of Acre, Brazil to modernize the environmental management in the state. The government aims to attract investors to a private equity fund, which acquires interests in companies, in the amount of US\$ 60 million. The raised funds shall be invested in planting forests over areas held by both small and medium-sized local producers, who will become partners of the fund shareholders of the company that will be constituted to perform the investments. (Source: Valor Econômico, São Paulo, 22 de abril de 2013)

products derived from forests; and (c) enhanced sustainable livelihoods for local communities and forest-dependent peoples (GEF 2013). The goal of the GEF-SFM Program would be to achieve these multiple environmental benefits from improved management of all types of forests and trees outside forests. Four objectives driving the SFM portfolio are:

- 1) Maintained forest resources: Reduce the pressures on high conservation value forests by addressing the drivers of deforestation.
- 2) Enhanced forest management: Maintain flows of forest ecosystem services and improve resilience to climate change through sustainable forest management.
- 3) Restored forest ecosystems: Reverse the loss of ecosystem services within degraded forest landscapes.
- 4) Increased regional and global cooperation: Enhance regional and global coordination of efforts to maintain forest resources, enhance forest management and restore forest ecosystems through the transfer of international experiences and know-how.

These objectives are compatible with those of the ITTA, 2006 and there is a particularly close link between with the objectives 2) to 4) and ITTO's work.

In order to be able to fully contribute to GEF's future objectives, ITTO should become a GEF Project Agency. GEF Project Agencies will, like the existing GEF Agencies¹⁸, assist recipient countries in preparing and implementing GEF-financed projects. These agencies would follow the same procedures as the existing GEF Agencies by signing financial procedures agreements (FPAs) with the Trustee. GEF Project Agencies will also sign MOUs with the GEF Secretariat in the same way as what has been done by the seven GEF Agencies which have been granted direct access to GEF resources since 1999. GEF Project Agencies will be responsible for disbursing project funds and for appraising and supervising projects in accordance with the agencies' policies and procedures (GEF 2012). The expansion of the GEF Partnership aims at enhancing country ownership within the GEF and giving recipient countries greater choices in terms of agencies to work with.

In 2012, ITTO intended to apply for GEF accreditation during the second round established solely for international organizations by the previously announced June 30, 2012 deadline. However, the GEF Council at its June 2012 meeting had decided to approve on a pilot basis eleven, rather than the originally established five, regional and civil society agencies during the first round (which included eight regional and national development banks/funds¹⁹ and three NGOs²⁰), to progress onto Stage II of the accreditation process and invited them to submit their Stage II applications to the GEF Secretariat for review by the GEF Accreditation Panel. The GEF Council also announced at this meeting that it had decided to postpone until further notice the second round at which ITTO was already prepared to apply.

Becoming a GEF Project Agency is likely to be of major importance for ITTO's future mobilization of financial resources. There is a possibility of ITTO being awarded GEF accreditation at the next round of applications for which ITTO should carefully monitor and be prepared fully (see the factsheet on GEF in Annex IV).

3.5.6 Other sources

There are many other potential international sources of funding for ITTO which are not mentioned in the previous sections. Information on them can be found e.g., in Simula (2008), CPF (2012), Global Canopy Programme (2012), and PricewaterhouseCoopers (2011). Annex IV contains factsheets of some of these organizations.

3.6 Partnerships with international and regional institutions

Apart from partnership arrangements with CBD, CITES and JICA resulting in resource mobilization and joint implementation of projects (cf. section 2.7.1), ITTO's other partnership MOUs have not achieved the intended objectives of enhanced cooperation as regards fundraising. As they have been primarily based on the interest of the other partners in getting funding from ITTO, concrete action was taken only in those cases in which the MOUs were signed to implement specific projects or activities identified in the MOUs (e.g., with the Asia-Pacific Network for Sustainable Forest Management and Rehabilitation, ICRAF). Some MOUs

¹⁸ WB, ADB, AfDB, IDB, IFAD, FAO, UNEP, UNDP and UNIDO

¹⁹ Development Bank of Southern Africa (DBSA), Fundo Brasileiro para a Biodiversidade- Brazil (FUNBIO), Foreign Economic Cooperation Office – China (FECO), National Environment Fund - Peru (FONAM), VTB Bank – Russian Federation, Banco de Desarrollo de América Latina (CAF), and Banque Ouest Africaine de Développement (BOAD)

²⁰ World Wide Fund (WWF), Conservation International (CI), International Union for Conservation of Nature (IUCN), International Federation of Red Cross (IFRC)

contain specific provisions for resource mobilization to implement activities under the work programmes of both organizations or joint projects (e.g., with BirdLife International, IUFRO, UNCCD) but no results have come forward as yet.

Since many years cooperation with FAO has been close in the field of statistics on production and trade and more recently on forest resource assessments. In addition, joint activities have been taken in forest governance and several other fields. The recent practice of annual programming of joint activities is new and will hopefully reinforce mutual cooperation

ITTO's close relationship with IUCN has been important for policy work and capacity building in biodiversity and forest restoration. It is not yet, however, based on a formal arrangement allowing expansion mutually beneficial cooperation.

ITTO's future partnerships should be strategic and contain explicit provisions for resource mobilization, if appropriate. In addition, these should be followed up to the implementation of concrete activities engaging also potential donors starting from the conception and development phase (cf. section 2.7.1). Several new parties could be included as ITTO's potential strategic partners. Two examples, CIFOR and EFI, are given in Box 2 and Box 3. Annexes IV and VI contain information on some other potential partners which include Andean Development Corporation (CAF), IFAD (e.g. in the CFME Thematic Programme), Interpol (in the TFLET), and UNIDO (in the IDE), among others.

South-South Cooperation

ITTO has potential in serving as an intermediate partner in South-South cooperation through triangular cooperation involving institutions in two ITTO producing member countries. The idea is broadly supported but practical application is still lacking. ITTO could add value to such a cooperative arrangement through its impartiality, accumulated experience in the technical field, and its knowledge of participating countries.

Box 2 CIFOR as a potential partner for ITTO

The Centre for International Forest Research (CIFOR) carries out research in forest management, certification, legality and concessions in tropical forests which also constitute strategic topics for ITTO and there has been collaboration between the two organizations. CIFOR sees ITTO as a potential source of funding and as a policy and technical boundary partner that adopts and uses CIFOR's research outputs (e.g., the revision of ITTO Criteria & Indicators and their harmonization in Africa and the ITTO biodiversity guidelines have significantly drawn on CIFOR's work) transforming these outputs into outcomes.

There is particularly scope for cooperation between ITTO and CIFOR in Central Africa, for example, on assessing the social, economic and environmental impacts of forest certification which has been implemented in the region since 2005 Other areas of cooperation could include (i) improvement of timber production by smallholders (chainsaw milling, communities managing forest) to supply regional and national markets, (ii) integration of the informal sector in logging and primary processing with the formal sector to improve socio-economic benefits and legal compliance, and (iii) plantation development by smallholders and communities.

Source: Consultations with CIFOR

South-South cooperation would be useful in facilitating transfer of technology and providing technical assistance in capacity building. For the providing country, triangular cooperation could be justified e.g., based on longer term export possibilities for domestic technology. Such a technology can be found, for instance, in Brazil and China which have well developed machine manufacturing industries for wood processing in a variety of applications (sawing, drying, finishing, peeling, veneer processing, energy, furniture production lines, etc.). The export trade in these products is still in its infancy and could be boosted through international cooperation.

The design of South-South cooperation should address institutional barriers which may be existent in both the giving and receiving countries. For instance, the agricultural research institution EMBRAPA in Brazil has had limited interest in cooperating with ITTO even in Brazil since any external funding it receives will be deducted from its annual budget and will have a bearing on its budget allocation in successive years. The only way to overcome such a problem in triangular cooperation would be to use a third party, a foundation or an organization like ITTO as an intermediary. In the case of EMBRAPA, whose services in third countries through bilateral cooperation are in high demand, such projects are mostly coordinated and funded by ABC, the Brazilian Cooperation Agency which, through UNDP, is the agency that manages the resources/funds of

a particular project. No funds are transferred to EMBRAPA which is responsible for the technical execution of the project and provides its services in kind with their personnel/staff time that is donated by EMBRAPA and not charged to ABC. In such a situation, the interest in cooperation by the providing institution is limited.

In this particular case which is not rare in the producing member countries, the leadership of the cooperation has to remain in the giving country's technical cooperation agency (in this case ABC). For ITTO this should not represent a barrier to its participation in such a triangular cooperation.

South-South cooperation is a promising opportunity for ITTO's partnership strategy as it can break new ground and leverage the Organization's impacts. The areas of cooperation need to be carefully selected and any barriers to institutional arrangements should be duly addressed. Potential thematic areas for South-South cooperation include e.g., genetic material and techniques for management of planted forests for production and protection, industrial utilization of planted species, (eucalyptus, acacia, rubberwood, teak, mahogany, etc.), production of joinery and furniture, utilization of industrial residues, NTFPs, PES schemes, and others. From the perspective of resource mobilization, South-South cooperation is unlikely to become a significant new source of funding for ITTO but it is an important element of its partnership strategy.

Box 3 European Forest Institute as potential partner for ITTO

There are possibilities for cooperation between ITTO and EFI at the strategic and operational levels. EFI is involved in various aspects of SFM which is also at the core of implementation of FLEGT and REDD. EFI's mandates on FLEGT and REDD+ are somewhat narrow, but a strategic collaboration with ITTO on the direction in which both institutions are advanced would certainly be mutually beneficial and facilitate collaboration at the operational level.

Europe is one of the regions which are clearly driving global initiatives towards green economic development, climate mitigation, biodiversity conservation, and addressing linkages to competing land uses as drivers of deforestation. EFI is more and more developing into a central hub for mobilizing research, policy and program synergies in Europe and, in some cases, also beyond the continent.

EFI can clearly add value to ITTO's agenda in tropical countries by providing a consolidated portal to European research, policy and donor networks. Similarly, ITTO could provide EFI with the portal to policy frameworks and constituents in tropical countries which relate to EFI's agenda and programmes.

Cooperation could include joint programme and project proposals on specific issues. Within the EFI FLEGT programme, the mandate is specific, making it possible to collaborate with ITTO only on very specific applications (e.g. IMM – Independent Market Monitoring). Within the EFI REDD programme, the mandate is broader, enabling wider possibilities for collaboration to be explored.

Possibilities for collaboration between EFI and its European Network, and ITTO and its networks in tropical countries are also existent in relation to other topics.

Source: Consultations with EFI

3.7 Partnerships with the private sector

Public-private partnerships have so far not been fully exploited for funding ITTO's activities. There is therefore, the need to intensify efforts to secure more funds from the private sector. Potential sources of funding in the private sector can be divided into three partly overlapping groups:

- a) Companies operating in the timber and plantation sectors
- b) Corporations with Corporate Social Responsibility (CSR) commitments related to tropical forests, or their groups (Consumer Goods Industries groups, Forest Footprint groups, etc.)
- c) Other corporations with large operations in ITTO member countries which wish to demonstrate their contributions to social development and environmental conservation

A preliminary review of the CSR commitments and actual support to projects implemented by third parties of sampled 15 globally operating companies²¹ in forest and other industries and the service sector in different continents revealed the following general findings:

²¹ The following sampled companies have their own foundation for providing financial support to activities which have some linkage to ITTO's work: Kimberly-Clark, Total, Wal-Mart, Goldman Sachs, Crédit Agricole and IKEA. The following sampled companies fund directly such activities B&Q/Kingfisher, StoraEnso, UPM-Kymmene, Nestle, Unilever, Samsung, Hyundai, SK, and LG.

- Several large corporations and medium-sized companies provide support to forest projects. They tend to be driven by their CSR policies and possess philanthropic character. Most projects are local and tend to serve as showcases to inform stakeholders on the companies' voluntary actions (see Box 4 for an example).
- Many large corporations support NGOs or their foundations through intermediaries. Several NGOs are receiving substantial support from this source. Grading of supporters (e.g. bronze, silver, gold) is applied by some NGOs to encourage higher financing volume.
- Private funding to international research organizations or advocacy groups is often directly or indirectly linked to the corporations' own agenda on forestry.
- International forest industry companies, in pursuing direct and indirect interests, have supported communities or environmental conservation in areas where they are operating.
- Private sector support can cause conflicts of interests and compromise the interests of the receiving bodies. Many institutions (e.g. CIFOR, FAO) and NGOs have clear policies to avoid these conflicts.

There is scope potential for ITTO to mobilize resources from the private sector but it is unlikely to become a significant predictable source of funding. Private sector is often opportunistic and therefore adequate guidelines should be put in place by ITTO to facilitate private sector funding and to avoid conflicts of interest or other risks.

Based on previous involvement, action should be taken especially in Japan where ITTO is well known and among selected corporations elsewhere which are significant users or traders of tropical timber, or which have recognized the tropical forest footprint of their activities in their CSR policies. As the Japanese experience has shown, government support to ITTO in making initial contacts with prospective donors may be needed.²²

The Trade Advisory Group (TAG) of ITTO could possibly play more active role in promoting partnerships between tropical timber sector enterprises and ITTO even though this is not part of their mandate. For TAG ITTO is a service organization generating benefits to the industry and trade through its policy development work, market transparency and capacity building. As the majority of ITTO funding has been channeled to forest conservation and management (including reforestation), there is a degree of frustration among many present TAG members who perceive that the support for their interests have not been sufficient.²³

Box 4 IKEA's partnership strategy

From the perspective of possible cooperation with ITTO, IKEA provides funding to small-scale action to promote more efficient packaging and sustainable wood procurement. The IKEA Foundation focuses on poverty and other social issues such as gender, refugees, and disaster relief. Funding is through partners that address the full circle of basic needs for children and families to help them break the cycle of poverty and take control of their own future. The partnership strategy is summarized as follows:

"We get the best results by working with partners who know the most in the areas we want to support. That's why we partner with programmes managed by established and well-regarded NGOs and inter-governmental organizations in order to secure top experts, develop innovative approaches, influence and navigate government policy, and achieve the critical mass it takes to make an impact. We don't give out direct aid, there is no grant application and unsolicited funding requests aren't accepted. We concentrate our resources on cultivating partnerships with key organizations to maximize our effectiveness and efficiency."

IKEA partners include, among others, The Earth Institute, UNDP, UNHCR, UNICEF, Women on Wings.

Source: www.ikea.com

The TAG members are almost entirely from trade associations, not from companies involved in forestry activities that might be interested in CSR activities through ITTO. From the perspective of fundraising, the current TAG members are not likely to be donors to ITTO as the budgets of trade associations are usually low and they tend to see ITTO as an organization that should be helping them, not vice-versa. There is a need to directly interact with potential companies which would have a better chance of success for resource mobilization if suitable modalities for cooperation can be found. The membership of TAG could also be

²² The ITTO Secretariat is implementing an action plan to mobilize funding from private companies in Japan and there have been difficulties in opening the dialogue without the support from the Japanese Government.

²³ The reduction of annual market discussion into a half-day event and lack of funding for the Market Information Service in 2012 have added to this frustration.

renewed to incorporate a broader representation and link with the industries and markets. A draft decision to this end a few years ago was unfortunately dropped.

3.8 Foundations

Philanthropic foundations are non-profit, non-governmental organizations (NGOs) with endowment funds established by wealthy individuals, groups, or corporations to make grants to charitable organizations. Some such entities use the term “trust” or “fund” rather than “foundation” in their names. Also, some “foundations” are not philanthropic but raise money to carry out their own programs.²⁴

Many foundations provide grant funds for environmental conservation at the international level. Most are based in the United States. Foundations have specific missions and interests, and in some cases geographic focus areas. Their grant application procedures often specify what types of organizations may be considered for funding. Aligning the recipient closely with a foundation’s mission is usually critical. Funding proposals have to conform to the specific guidelines of each foundation. Grants are usually made to specific programmes or projects and often also provided to start-up funding of new initiatives, in many cases provided that future self-sustainability of a project or programme can be expected.²⁵

Foundations are generally looking for increased leverage by investing in experimental ideas that have a high chance of success and offer effective ways to enhance replication. Foundations are at the forefront of many new movements and are often helpful donors in meeting, for example, upfront transaction costs of promising PES approaches that could prove to be of very high leverage.

If credibility of an organization is not established with the prospective foundation, there is no chance for it to receive funding. The applicant organization must demonstrate financial solidity and accountability. Competition from other potential applicants is usually intense.

Foundations typically fund civil society organizations. A mapping of 66 US and European CSOs²⁶ divided them into eight groups competing for resources: (i) knowledge builders, (ii) peoples’ heroes, (iii) institution watchers, (iv) finance pioneers, (v) standard setters, (vi) parks rangers, (vii) critical friends, and (viii) consumer guides.²⁷ ITTO’s activities overlap with groups (i), (iv), (v), (vi) and (vii) with whom it would be competing if it applies for resources from this source.²⁸

Priorities and policies of 15 foundations are summarized in Annexes III and V.²⁹ These organizations were selected because of their earlier funding of forest related programmes and projects through other organizations and their linkages with the bilateral sources of funding. The information gathered and the interviews carried out suggest that ITTO would have only limited prospects for securing funding from these sources in spite of the compatibility of missions and priorities with many of them. It is therefore proposed that

- 3-5 most likely foundations with strongest compatibility with ITTO are selected for consultations, with contacts to be established at top management level. The following foundations appear to have the closest linkage with the work areas of ITTO: Ford Foundation, MacArthur Foundation, Packard Foundation and Rockefeller Foundation.
- The representatives of these foundations are invited to carefully selected events organized by ITTO, including the annual sessions of the ITTC.
- Soundly designed innovative projects are selected for fundraising, possibly in partnership with a well-recognized NGO with experience in dealing with the foundation in question; the process could follow the steps identified in Figure 9.

4. COMPETITIVE ENVIRONMENT AND ITTO’S COMPARATIVE ADVANTAGE

4.1 Fundraising environment and competition

²⁴ Sources of information include The Foundation Center (www.fdncenter.org) on the U.S. and European foundations (www.efc.be).

²⁵ Conservation Finance Guide. Philanthropic Foundations.

²⁶ The list also included CIFOR and IUCN.

²⁷ Williams & Cracknell (2010)

²⁸ CIFOR, Center for Environmental Law, Forest Trends, Global Canopy Programme, IIED, IUCN, TNC, WRI and WWF International have also overlap with the same groups.

²⁹ 12 foundations are included in a separate Foundation section (Annex V) and two foundations (ADF, IDH) linked with bilateral donors are included in the Bilaterals section (Annex III)

As with the previous Agreements, the ITTA, 2006 enshrines the vision that trade in tropical timber originating from sustainably managed and legally harvested forests can be a significant contributor to sustainable development as well as an incentive for, and a source of, financing to sustain tropical forests. Many organizations and institutions have objectives that are close to those of ITTO, very often targeting at the same donors for funds. The competitive environment in which ITTO operates involves (i) other intergovernmental and international organizations which are funded through the same financing windows as ITTO by bilateral and multilateral donors, and (ii) civil society organizations which are funded by the same sources (but often through different windows) and philanthropic foundations and private donations. In general, the demand exceeds the available resources and therefore competition in both segments is stiff.

Many of the other members of the Collaborative Partnership on Forests (CPF) are both ITTO's collaborators and competitors for resources. Some are policy making, such as CBD, UNFCCC, UNCCD, UNEP and UNFF. The second group includes financial institutions, such as: GEF and WB. The third group to which ITTO belongs consists of international organizations involved in both policy development and support for implementation including FAO, IUCN and UNDP. This is where competition is more acute for implementation of forestry activities. The fourth group includes research institutions CIFOR, ICRAF and IUFRO. In addition, there are several other organizations which are not CPF members that could be included in the last three groups.³⁰

While the focus of ITTO is on tropical forests, most of the other CPF member organizations have a global coverage, some being focused on a specific region or thematic area. For example, the focus of FAO is on forests in a global context, with emphasis on the relationship of forests with food security and poverty alleviation. CIFOR is a research organization intended to assist governments in forest policy formulation, using research results. ICRAF is dealing with research on agroforestry, while the focus of IUCN is mainly on biodiversity conservation, particularly protected area management.

For its part, ITTO focuses exclusively on tropical forests and addresses all issues pertaining to tropical forests, ranging from conservation and management to processing and value addition and marketing.

Another difference is the mode of operation; ITTO's policies are developed in a consensual manner, following discussions among its producer and consumer member countries. These policies are translated into action in the field or other levels where the needed change can be produced. A comparative matrix of the objectives, priorities and programme areas of ITTO, FAO and IUCN is presented in Annex X which further illustrates the differences of these three organizations which are working in closely related fields. There is a need to emphasize these differences to the donors in order to help them establish the specific added value of ITTO's services.

4.2 SWOT analysis

The following analysis is based on the review of selected strengths and weaknesses of ITTO in relation to competing organizations as well as the consultant's assessment, as appropriate.

4.2.1 Strengths

The ITTO Strategic Action Plan 2013-2018 highlights the comparative advantages of ITTO and describes many of the Organization's strengths which have been further elaborated as follows:

- The ITTA, 2006 is the only international legally binding agreement on (tropical) forests, with obligations for both producer and consumer member countries and compliance is monitored by the ITTC. The tropical forests of the world are a major source of global public goods and the maintenance and enhancement of these forests is in the core of the Agreement.
- ITTO is the only international organization that covers the whole supply chain from the forests to the end consumers of tropical timber and timber products in domestic and export markets. The mandate covers forest management, industry and trade. Unlike other commodity organizations, ITTO is unique in paying equal attention to the conservation and sustainable management of tropical forests.
- ITTO's strong track record in funding and managing more than 1000 projects and activities with projects with a total value of about US\$400 million over a period of more than a quarter of a century.
- ITTO develops, implements, monitors and evaluates a portfolio of policy-related projects and activities, enabling it to test and operationalize policies that support the management and development of tropical forests and related trade. This ability to "put policies into action" is at the core of ITTO's comparative

³⁰ See also Williams & Cracknell (2010).

advantages. In addition, working with government agencies offers an opening for mainstreaming of innovations and new knowledge in public policies and programmes.

- ITTO has proven capacity to implement regional and transboundary projects.
- The SAP and the five Thematic Programmes constitute a clear strategic approach to pursuing the ITTA, 2006 objectives for interested donors and partners.
- The unique structure of ITTO decision-making on policy issues and financing involves engagement, in an equitable manner of 37 consumer countries and 28 producer member countries representing about 80 percent of the global trade in tropical timber and timber products. There is no other international organization dealing with forests that has a similar approach in decision making. The long working tradition has resulted in a broad range of policy tools for promoting SFM and associated trade in tropical timber and timber products.
- Other characteristics that contribute to ITTO's comparative advantages include:
 - A clear mandate and demonstrated ability to take a holistic approach to the challenges and opportunities facing tropical forests and addressing the three pillars of sustainability;
 - Annual ITTC session which provides a regular policy forum focusing on tropical forests and trade in tropical timber;
 - More than 25 years of experience in responding rapidly and cost-effectively to develop, implement, monitor and evaluate the results of forest-related projects and activities in all the three tropical regions;
 - Partnerships with a wide range of intergovernmental organizations and non-government and private sector organizations; and
 - Active participation of civil society and tropical timber trade organizations in many aspects of the Organization's work.
 - A small and cost-effective Secretariat with diverse professional skills and extensive experience in all of the world's three tropical regions; agility in management decision-making and timely responsiveness to emerging issues and opportunities.

4.2.2 Weaknesses

Among the deficiencies of ITTO, the key weaknesses have been identified as follows:

- The ITTA, 2006 covers a very broad range of objectives. On that basis, members, in particular producer members could expect the support of ITTO on a whole range of issues, thereby making the focus of the Organization less precise.
- Although the ITTA, 2006 strikes a carefully negotiated balance between conservation and sustainable development, the trends of funding tend to indicate that donors give priority to conservation. In this regard, the name of International Tropical Timber Organization is less attractive to donors, particularly some donors and foundations which are more interested in environmental conservation, as they think that the focus of the Organization is only on timber. A change of name could attract more donors, in particular some foundations. It is, however, recognized that changing the name is not possible without changing the ITTA, 2006 and the issue could therefore be considered in the context of renegotiation of the Agreement in due course.
- ITTO has made concrete achievements in relation with the ITTA objectives. However, the proper dissemination of these achievements and the learning process from these results are currently inadequate.
- The general reduction of funding, resulting in less support extended to member countries may lead to the dissatisfaction of both producer and consumer member countries as their expectations are not met.
- Many partners tend to have the expectation of receiving funds from ITTO, rather than providing contributions to fund joint activities. Some partnerships have not resulted in significant concrete action on a sustained basis.
- The dependence on a few of key donors leads to fragility in available financial resources. ITTO has no direct access to bilateral donors' major funding agencies (e.g. USAID, AUSAID) which often tend to have a limited understanding of the actual role of ITTO.
- There is unpredictability in the mobilization of the financial resources making the implementation of SAP and BWP difficult and frustrating, particularly in respect of expectations of producing member countries and other stakeholders.
- The geographic coverage of ITTO is broad but some important tropical forest countries are not members of the Organization and lack of comprehensive membership on sub-regional level sometimes limits the scope of sub-regional projects.
- The restructured Secretariat may not be able to cope with all the work of the Organization, resulting in some dissatisfaction of some members. The rationalization of duties assigned to staff members should continue so that ITTO can remain responsive, effective and innovative in the future.

- Several active members of the ITTC tend to get deeply involved in unnecessary micromanagement.

4.2.3 Opportunities

From the funding perspective, the following major opportunities are identified for ITTO through direct linkages with the MDGs and the financing policies of a large number of potential sources of funding:

- The global recognition of the importance of reduced deforestation and forest degradation and the importance of multiple benefits of tropical forests for sustainable development in developing countries offer a strong justification for international financial support to ITTO.
- ITTO's core mandate on tropical timber trade from sustainable and legal sources offers a unique opportunity to link the Organization's activities with donor and international policies related to (i) combating illegal logging and associated trade, organized crime, corruption, and weak governance, and (ii) demand-side approaches to prevent or limit access to markets for products from illegal sources and to promote demand for timber and timber products from legal and sustainable sources.
- ITTO's potential to contribute to green economic development in its member countries.
- ITTO's strategic focus on biodiversity conservation in tropical production forests which is essential for achieving the global Aichi Biodiversity Targets (particularly #7) under the CBD offers a strong argument for providing financial support to ITTO's work. This is increasingly being understood by the international conservation community.
- ITTO's work related to promoting the production, further processing and trade in tropical timber and timber products is directly related to poverty reduction, particularly in rural areas and among indigenous peoples and marginalized forest communities for whom developing other sustained sources of income and employment has proved to be difficult.
- As an impartial party, ITTO's direct interface with the private sector and forest communities/smallholders and other stakeholders represents untapped opportunities for its enhanced role in advancing SFM and associated industrial and trade development, including mobilization of new funding.

4.2.4 Threats

A number of key threats to ITTO have been identified as follows:

- The current emphasis on donor funding in gearing contributions towards mitigation and adaptation of climate change, together with the on-going financial crisis in several traditional donor countries, particularly in the EU, represent a major threat to future ITTO financing. This likely trend could undermine the other environmental, social and economic benefits of tropical forests leading to the risk of sub-optimal use of available funds as the co-benefits of managing forests may not be duly taken into account.
- Increased trend in the support of some donor agencies towards channeling financing through bilateral cooperation and multilateral and regional financing institutions.
- Lack of institutional framework between ITTO and global and regional mechanisms (e.g., GEF, WB, regional development banks, etc.) to jointly implement the common agenda of SFM, including climate change, biodiversity, poverty reduction, etc.
- The continuous stiff competition with many organizations dealing with similar key issues but often through a partial approach would affect ITTO's access to funding and thereby reduce its effectiveness.
- Reduced funding level would drive the Organization into a situation of not being able to implement its mandate resulting in a loss of credibility. The funding by some traditional donors, including, in particular, the Government of Japan, has been substantially reduced which is a critical concern, if the declining trend cannot be reversed.

4.3 ITTO's main comparative advantage

The ITTO Strategic Action Plan 2013-2018 identifies the Organization's main comparative advantage as the ability to "put policies into action" as it develops, implements and evaluates a portfolio of policy-related projects and activities, enabling it to test and operationalize policies that support the management and development of tropical forest resources and trade.

From the perspective of resource mobilization, ITTO's main comparative advantage can be drawn from the fact that it works in the nexus of biodiversity conservation, climate change, poverty, food security, green economy, energy and governance (Figure 7) which are the global priorities of bilateral and multilateral funding agencies as well as national governments. These priorities are also increasingly being

mainstreamed by the private sector. Without addressing SFM in the tropical forests outside protected areas and tropical timber trade, the global objectives related to biodiversity conservation, climate change and poverty reduction may not be achieved, and the potential of tropical forests to contribute to green economic development cannot be tapped.

Sustainable management of tropical forests and trade development in tropical timber and timber products from legal and sustainable sources can make strong positive contributions to each of the global priority areas. On the other hand, negative developments in the global environment and economy will also have an adverse impact on tropical forests. There is no other intergovernmental organization which has this nexus as its main focus.^{31 32}

The other main source of ITTO's comparative advantage is drawn from the fact that the Organization focuses on the entire supply chain of tropical timber and timber products in a unique way.³³ This enables comprehensive efforts to be taken to encourage both demand and supply side measures to reduce deforestation and forest degradation.

The strengths listed in section 4.2.1 and the opportunities identified in section 4.2.3 add to these key aspects of ITTO's comparative advantage.

Another way of looking at the comparative advantage of ITTO is to assess how it is rated by potential investors in terms of (i) institutional continuity, (ii) integrity and transparency, (iii) expertise, (iv) flexibility, (v) alignment with donor objectives, and (vi) financial sustainability. In these respects, ITTO appears to be at par with other international organizations working in the same field (cf. section 4.1) and probably higher in respect of aspects (iii) and (iv). However, the declining trend in the financial and human resources of the Organization represents a threat for aspects (iii) and (vi).

5. POTENTIAL FOR INCOME GENERATION FROM ITTO'S PRODUCTS AND SERVICES

ITTO's products and services have been public goods which have mostly been available free of charge for members and stakeholders. In view of the critical financial situation of the Organization there is, however, a need to look into this option to generate financial resources. The following means have been identified: (i) subscriptions of the Market Information Service (MIS) and (ii) the Tropical Forest Update (TFU) and advertisements in these publications, (iii) sales of ITTO's publications, (iv) participation fees of technical conferences, seminars and workshops organized by ITTO, and (v) project management and consultancy services. These are discussed in the following subsections.

5.1 MIS subscription fees and advertisement revenue

The MIS through regular production and delivery of the bi-monthly Tropical Timber Market Report (TTMR) is one of the flagship services of ITTO and it is the main tool of making ITTO visible as a source of reliable timely information on the status of the international tropical timber market. The idea of charging a subscription fee for MIS was already considered in 1996 to cover the high distribution costs through mail and fax. The Permanent Committee on Economic Information and Market Intelligence (PCM) decided that the MIS should be available free of charge on the ITTO website, to e-mail subscribers and that one copy should be sent free of charge to any trade association or body in member countries which would in turn undertake onward distribution to its own members. Other subscribers were to be charged an appropriate subscription fee, especially those requesting fax copies. The decision was justified based on three grounds: (a) a subscription fee would drastically reduce the circulation of the MIS, (b) a fee would not be well received in some sectors of trade; and (c) additional expenses due to managing a subscription fee scheme.³⁴

The issue was revisited in 2001 when it was estimated that the reports were regularly read by an estimated 4,000 subscribers. A process of registration of recipients was introduced which revealed that the top five country users were Australia, Brazil, Indonesia, Malaysia and the United States; and the top five user groups were exporters, financial analysts/consultants, manufacturers, importers, and timber/forestry consultants. Since 1997, only three means of distribution have been used: email, internet and a limited number of hardcopies.³⁵

³¹ E.g. FAO's main comparative advantage derives from their capacity to address cross-sectoral issues between land uses, including forestry.

³² Table 2.2 highlights how ITTO's funding has been distributed between its main areas of work in this nexus.

³³ See also

Figure 7 in section 6.3.

³⁴ PCM(XIX)/7 Rev.1 -1996

³⁵ Adams, M. (2001). The Market Information Service of the International Tropical Timber Organization.

In 2011 the subscription fee option was considered by the Council which adopted the BWP for 2012-2013 with the continuation of the TTMR but could not identify funding sources. A note prepared by the Coordinator Consultant suggested a number of further reasons against introducing a fee to those identified in 1996: (d) need to be copyrighted and trade websites reproducing MIS information in their own websites would be denied this opportunity, (e) a fee would limit access to the service by the private sector in some producer member countries, especially SMEs, (e) high transaction costs (including high banking charges in Japan, management costs in the Secretariat), (f) expected considerable criticism among private sector in member countries (already covered by Administrative Account contributions) and others on charging for development assistance, (g) expected negative impact on correspondents providing the information from countries, and (h) the fact that some of the material used in the MIS is from country official documents or copyrighted reports by the private sector (Japan Lumber Reports and others).³⁶

As transparency is necessary for the contribution of the market to sustainable management of tropical forests, the MIS is a critical strategic element of the implementation of the ITTA, 2006 and its continuous delivery needs to be ensured. This was the basis of the decision to finance it under the core operational costs of the Administrative Account, pursuant to Article 19, Para 2(b), ITTA, 2006, providing certainty and continuity to the publication of the TTMR and overcoming the annually recurring risk of its suspension or abolishment due to the absence of donor funding. This was experienced in 2012 undermining ITTO's image as a reliable source of information on the tropical timber markets.

As the MIS probably offers the largest potential for income generation among ITTO's products, it is important to look into the issue in detail through lessons learned from other similar services elsewhere. The International Trade Centre (ITC) publishes a comparable market news service on a series of products. Their private sector clients vary from large international corporations to SMEs. The lessons learned have revealed the following:

- sustainability of funding is a critical element for any market news service
- only a limited share of the total production costs can be covered by subscription fees
- good knowledge on subscribers and their needs and what could be charged is important
- the role of country intermediaries (trade and industry associations, consultants, service providers, extension agents, etc.) is important for outreach to SMEs
- differentiation of subscription fees is necessary while ensuring free delivery to disadvantaged beneficiaries (e.g., for least developed countries, SMEs, etc.)
- handling of payments should be made through a special mechanism (in the case of ITC E-shop) or subcontracting of the fee collection and payment control is probably needed to avoid high banking charges
- in the timber sector, the industry is fairly fragmented with probably less potential for tapping higher subscription fees from large companies

A rough assessment of the revenue potential from TTMR subscription fees suggests that US\$50,000 to 100,000 could be generated net of transaction costs but with a significant loss of readership in the developed countries. This may be interpreted as undermining achievement of the market transparency objective of the ITTA, 2006.³⁷

The TTMR probably has one of the largest circulation among the international trade press specializing on timber and timber products. Advertising is a key source of revenue for the others.³⁸ In the case of TTMR, potential advertisers could include machinery suppliers, consultants and other service providers, timber industry and trading companies, etc. Introducing a new advertising media in a rather crowded international trade press on tropical timber and timber products would be a major strategic decision which would require a detailed feasibility analysis considering potential implications for ITTO as an intergovernmental organization.

It appears that the current readership of the TTMR is not adequately known in view of their needs, satisfaction and willingness to pay to make any definitive conclusions on a possible new approach in organizing the service to generate income to cover part of the costs. Therefore, it proposed that a survey be carried out among the subscribers, government agencies, correspondents, and others, possibly through two stage approaches:

³⁶ Revisiting the issue of making the ITTO MIS subscription based (2012).

³⁷ The current subscriber base is about 12,000 people of which around 60% are in developing countries who could still have to receive TTMR free. The target could be roughly 4800 paying subscribers. A differentiated pricing scale could generate US\$50,000 to 100,000 but resulting in a loss of readership in this group of about 3,000 to 4,000 subscribers.

³⁸ E.g., Wood-Based Panels International, one of the largest publications in the sector, relies exclusively on advertising revenue.

- (i) at the first phase to clarify characteristics of the subscriber population, usefulness of the service in its current form, satisfaction, and needs for further improvement
- (ii) willingness to pay among the groups which could be targeted for revenue generation (including potential for advertising revenue in the TTMR)

Based on this, the feasibility of introducing subscription fees or commercial advertising could be reliably assessed and respective recommendations made for ITTC's consideration. It would be appropriate to contract an external party to carry out the survey(s).

5.2 TFU and other publications

The consultations made with the ITTO staff and stakeholders did not support the idea of implementing a subscription fee for the Tropical Forest Update because of the technical nature of the journal and its key role in disseminating ITTO's lessons learned and new knowledge generated to as large a target group as possible. The advertising revenue potential is likely to remain limited not justifying the associated transaction costs.

Many of the ITTO publications have a potential sales value but at present the sales revenue is marginal. Selling documentation is severely constrained by the fact that publications would in any case have to be posted on the ITTO website free of charge.

5.3 Other potential sources of income generation

Participation fees for ITTO-organized conferences, seminars and workshops could offer a minor source for income generation. Implementation would require (i) upfront investment in preparation and logistics of the event, (ii) attractive topical themes of high potential interest among the private sector, and (iii) involvement of a co-organizer as the Secretariat is too short of resources to undertake such new activities requiring significant personnel inputs.

Box 5 ITC Market News as a source of income generation

The Market News Service (MNS) provides current price information and qualitative information such as market trends, industry news, regulatory updates, trade show reviews and interviews with market players on a wide variety of commodities. Information is collected from a network of over 230 correspondents in 54 countries worldwide, collecting up-to-date market intelligence and price information that can affect the market situation of specific products. The ITC Market News Service covers the 10 product groups including, among others gum arabic and gum resins, [herbs](#), [tropical fruits](#), [essential oils and oleoresins](#), [pharmaceutical starting materials](#), medicinal plants and extracts, etc. In future strategy ITC will likely continue to focus on agro-based products but also include medicinal plants in the MNS.

The publication frequency varies between product groups from weekly to quarterly. ITC has a copyright policy regulating reproduction or re-dissemination of the reports.

MNS reports are available free-of-charge to trade support institutions, enterprises and research institutions in developing countries and, for a fee of US\$400 per sector per annum, to users in developed countries. Some industry associations have asked for dissemination rights to members for which ITC has charged US\$2,000.

The revenue generated has not been the main source of funding and 25% of the costs covered by subscriptions is considered a very high target. Most of the costs have been covered by donor contributions. Each product service/report is funded separately and ITC relies on consultants for production of documents.

Sales are logistically organized through the ITC E-shop to minimize transaction costs.

ITC is revising its MNS charging policy and they are considering

- maintaining continued free access to least developed countries
- possibly charging developing country subscribers a fee
- continuing charging developed country subscribers as in the past
- having different subscription rates for the last two groups

ITC has some large corporations among subscribers, mainly in the pharmaceutical industry. There might be possibilities to tap more this source for money

The best prospects are likely to be in market and technically oriented events in the tropical regions to be organized together with a regional or national partner. The downside is that the benefits would have to be shared with the partner, reducing the potential as a source of income to ITTO. There is substantial competition in the market already in this field but the option, if approved as a strategic intervention, could be further explored, preferably with those parties who have organized events with ITTO's sponsorship. If these events could be combined with trade fairs, there could be a cost effective case to undertake pilot efforts to learn from experience. Links with the Market Discussion in a non-traditional format could be considered in this context in consultation with the TAG.

The consultations with the donor agencies on their potential interest to contract ITTO to manage their projects revealed that this idea is not relevant for them. Theoretically, those agencies which do not have implementation capacity in the field of tropical forests or timber industry and trade could have a potential interest. However, there is already an ample supply of technical and project management services in this field by the private sector which can meet emerging demand.

6. CONSIDERATIONS FOR ITTO'S RESOURCE MOBILIZATION

6.1 Fund mobilization targets

The medium-term target for fundraising of ITTO's resource mobilization are outlined in the ITTO SAP 2013-2018. The implementation of the Plan will require an investment of US\$200 million, divided into the six core priorities of the Plan (Table 7).³⁹

The implementation of the SAP will be through projects, pre-projects under the regular ITTO project cycle, the Thematic Programmes as well the activities of under the ITTO BWPs.⁴⁰ The SAP does not allocate targeted funds by action areas.

The basis of estimation of the funding targets is not explained in the SAP; it only states that the targets were developed by taking into consideration recent trends in financing the work of the Organization. The breakdown of the overall funding target differs from the past (cf. Table 2). In particular, the share to Priority 5 (quality and availability of information) will be more than two and a half times higher than in the past. Another major difference is that almost a half of the total funding is planned to go through Thematic Programmes while only about a quarter of the total would go to projects funded under the Special Account.

In order to meet the objectives of the Plan, an investment of about US\$33 million/year will be needed during the implementation period. This is a tremendous challenge, as the total voluntary contributions to ITTO currently average at less than US\$10 million a year. At least in the short run, the proposed annual funding levels appear to be unrealistically high.

Furthermore, the Plan does not consider the resource needs of the Organization to operate at the level of activities implied by the funding targets. The current size of the Secretariat staff does not seem to be adequate in raising the necessary financial resources and implementing the SAP.

Nevertheless, the targets of the SAP are adopted here to illustrate how such funds could be raised through a resource mobilization strategy. The issue of realistic mobilization targets should be carefully considered by the ITTC when finalizing the strategy.

Table 8 presents a tentative breakdown of the total funding targets by source based on information currently available. It suggests that about 80% of total resources will have to continue to come from voluntary contributions by the members of the Organization (including prospective new members). The balance would have to come mainly from multilateral, international and regional financing institutions (13%) and the rest from various partnerships, foundations, and other sources

³⁹ The estimated targets of SAP

⁴⁰ A total of 54 activities are identified in the BWP for 2013-2014.

Table 7 Fund mobilization targets to accomplish ITTO's Strategic Priorities 2013-2018

Priority	BWPs ²⁾	Thematic Programmes	Projects ³⁾	Total	Annual	Share
	US\$ mill.					%
1. Promote good governance and enabling policy frameworks for strengthening SFM and related trade and enhancing SFM financing and investment	5	TFLFT : 25	10	40	6.7	20
2. Increase contribution of tropical forests to national and local economies, including through international trade	15	CFME : 20 IDE : 15	6	55	9.2	27.5
3. Enhance the conservation and sustainable use of biodiversity in tropical timber producing forests	4	(ITTO/CBD progr)	13	17	2.8	8.5
4. Reduce tropical deforestation and forest degradation and enhance the provision of environmental services	5	REDDES : 20	3	28	4.7	14
5. Improve the quality and availability of information on tropical forests, forest product markets and trade	10	TMT : 15	5	30	5.0	15
6. Build and develop human resource capacity to implement SFM and increase trade in forest goods and services from sustainably managed forests	10	(Cross-cutting)	20	30	5.0	15
Total	49	95	56	200	33.3	100

1) Based on voluntary contributions; does not include expenditures for the administrative budget funded through assessed contributions.

2) Assumes there will be three Biennial Work Programmes over the duration of this Strategic Action Plan. The funding target for Strategic Priority 2 includes expanded funding for ITTO's CITES-related work.

3) Projects developed and implemented through the "regular" project cycle. The funding target for Strategic Priority 3 includes expanded funding for ITTO's biodiversity-related work

Source: ITTO Strategic Action Plan 2013-2018.

The following priorities are suggested for various funding sources (cf. Annex VIII):

- 1) High priority/short-term (1-2 years): Existing active and potentially active members, GEF and selected strategic partnerships among international and regional organizations. and foundations
- 2) Medium priority/medium-term (2-3 years): Selected other strategic partnerships, potential new members, and multilateral financing institutions
- 3) Low priority/long-term(3-4 years): Other members, selected partnerships with potential for joint fundraising, South-South cooperation, income generation, the private sector, and other sources

However, fundraising is always opportunistic and responsive. The prioritization is therefore only indicative to be revised during systematic implementation of the resource mobilization strategy.

The first priority is given to voluntary contributions from the existing active and potentially active members in financing because of their "moral obligation" to make ITTO an effective organization. In addition to developed country consumers, this group would also include China, the Republic of Korea and other potential non-traditional donor countries. To achieve the planned increase in voluntary contributions from this group, a broader and more predictable funding base is needed than the present. This can be achieved by transforming selected donor countries from *ad hoc* small contributors to regular providers on a programmatic basis. Among the current "anchor donors", new funding windows should also be explored, including those of the aid agencies of member governments. This would require improved performance by ITTO in terms of improved communication, effectiveness in outcomes and impacts, capacity to implement expanded operations, and maintenance of high efficiency.

Among the first priorities is to have ITTO accredited as a GEF Project Agency. This would facilitate access to significant funds, particularly for regional programmes and projects eligible for the forthcoming GEF SFM Program (cf. section 2.5). Achieving this would require active lobbying by ITTO and its key members with GEF, careful preparations for the submission of the candidature, and, if successful, close working relationships with producer member countries to assist them in preparing project proposals and implementing projects jointly, building on the Organization's past experience.

Strategic partnerships are here categorized into three priority groups. The existing key partnerships, i.e., JICA, CBD, and CITES, can be classified into the first priority group, together with selected other organizations with swift potential for joint fundraising. The second priority group can include FAO, CIFOR, EFI and other strategically important partners with lower potential for joint financing. A small number of foundations which are closely matched with in their objectives and scope of funding will be included as well (Ford, MacArthur, Packard and Rockefeller foundations).

The second group will also include potential new consumer member countries with significant financing potential (Saudi Arabia, the United Arab Emirates, Qatar and others). To realize this opportunity, ITTO, together with UNCTAD and key member countries, should embark on a systematic lobbying process drawing on the fact that large tropical timber consumers also bear part of the responsibility for the sustainable management of forests from which their products originate. The engagement process is expected to take time, hence inclusion of this window of opportunity in the second priority group.

Table 8 Possible fund mobilization targets by source, 2013-2018

Source	Total 2013-2018	Annual	Share
	US\$ 1000		%
Voluntary contributions by existing members	140 000	23 333	70
of which			
• CITES programme	10 000	1 667	5
• JICA partnership	10 000	1 667	5
Voluntary contributions from new members	20 000	3 333	10
GEF	20 000	3 333	10
Multilateral financing institutions	9 000	1 500	4.5
Partnerships			
• Research institutions	2 000	333	1
• Other partnerships	2 000	333	1
South-South cooperation	2 000	333	1
Other sources (private sector, foundations, etc.)	5 000	833	2.5
Interest from investments	
Total	200 000	33 333	100

Source: Consultant's preliminary estimates

The third priority group with medium and long-term prospects for resource mobilization is included in the other potential financing sources and strategic partners. This group also includes potential private sector partners.

6.2 Change of approach to resource mobilization

ITTO's past resource mobilization strategy has focused on consultations with members and actions taken often under their guidance. These consultations have resulted in significant resources being mobilized in the past but which, however, did not meet the funding targets set by the members. The following underpinnings should be considered to change the overall approach to resource mobilization:

- Mobilization of resources should become a proactive core activity of ITTO which needs to be supported with adequate resources; otherwise it is unrealistic to expect it to produce significant results.
- In addition to producer member countries and their stakeholders, providers of funding should be understood as another group of clients of the Organization. Voluntary contributions are made with the expectation of clear measurable results which should be delivered on time and in an accountable manner. The Organization's activities should have a client focus with a broader definition of clients than in the past. Each resource partner group and major organization requires a targeted approach for fund mobilization.

- A high dependence on few funding sources is vulnerable to policy changes by key donors. Therefore, a broad financing basis for ITTO is necessary.
- ITTO's visibility in the key forums on forest financing (e.g., the European Tropical Forestry Advisors' Group -ETFAG, UNFCCC-REDD+ related meetings, etc.) has been limited. Yet, such a visibility is a precondition for fundraising.
- The perception of many external stakeholders is that ITTO's approach has been inward looking, reactive and lacking innovation in its fields of operation and that ITTO works in a too conventional way to attract their interest in providing funding.
- Communication has not been implemented as a systematic targeted activity and has not responded to continuing changes in the media and IT technology environment. Funding provided for communications work has been small and unpredictable and there is no IT specialist in the staff. Periodic disruptions in the key communication tools (MIS/TTMR and TFU) have aggravated the situation. Effective communication is a precondition for resource mobilization.
- For effective fundraising a clear and convincing case statement on why ITTO should be funded is necessary.
- While the Executive Director is ultimately accountable for raising the necessary resources for the Organization, all the staff members should be involved to support him. However, they need clear understanding and know-how (including training where necessary) on how they can help advance it.

These underpinnings are elaborated in the following sections.

6.3 Mission and case statement

The ITTA, 2006 provides two overarching and closely related objectives for ITTO:

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

The ITTA, 2006 further provides for a wide variety of ways of achieving these objectives, including: promoting further processing and greater efficiency of wood utilization; providing for technical cooperation and transfer of technologies; improving forest law enforcement and governance; recognizing the role of forest-dependent indigenous and local communities in achieving SFM; and enhancing the contribution of non-timber forest products and environmental services to SFM.⁴¹

The ITTO SAP 2013-2018 contains the ITTO mission statement as follows:

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

While the ITTA, 2006 overarching objectives are clear, the diversity of its sub-objectives makes these too broad for effective targeted communication. The ITTO mission statement is still apparently valid in substance, but it is not adequate as a key message for the purpose of fundraising. Therefore, a case statement is necessary to justify the financing of ITTO within competitive environment.

⁴¹ As outlined in the SAP.

Box 6 Elaboration of ITTO's role in the nexus of global priorities

Poverty: SFM and associated trade in tropical timber and timber products create jobs and income. Payment mechanisms for environmental services of tropical forests enhance these impacts.

Food security: Facilitated access to forests under SFM by indigenous and other local people improve their food security through various sources of food derived from these forests.

Energy: Renewable forest-based biomass is the main source of energy in the tropical countries the cost-efficient availability of which can be ensured by SFM.

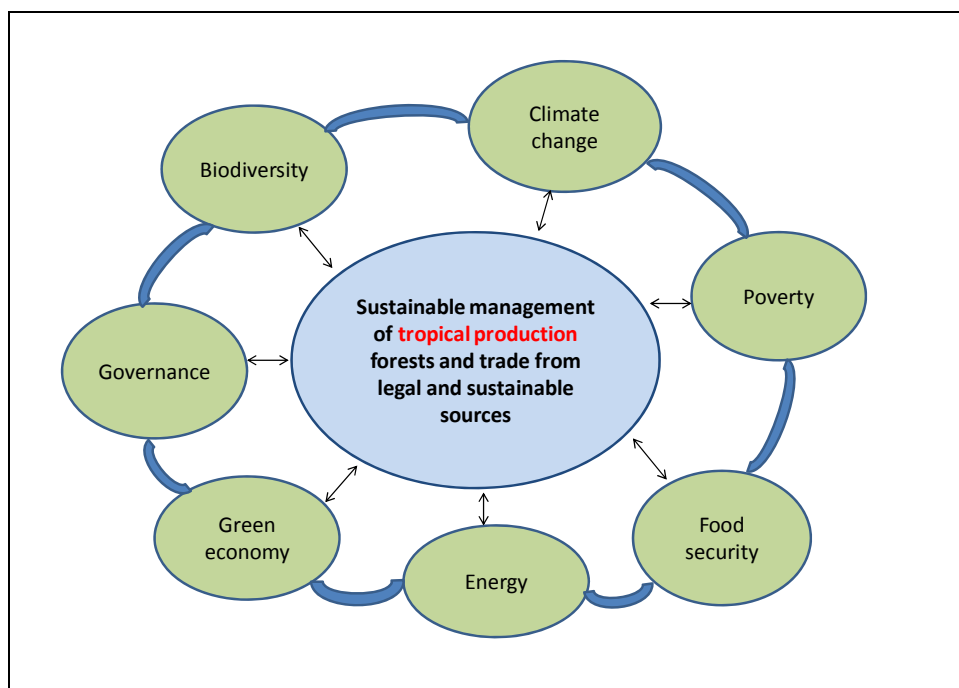
Green economy: SFM of tropical forests contributes to green economy through (i) sustainable consumption and production of tropical timber and timber products, (ii) low carbon forest sector, (iii) decent green jobs and working conditions in production, (iv) valuation of, and payment for, tropical forest ecosystem services, and (v) monitoring and governance of the forest sector.

Governance: Legal and sustainable trade strengthens the governance of the forest sector in producing countries and the entire supply chain of international trade in tropical timber and timber products.

Biodiversity: SFM in tropical production forests contributes to conservation and sustainable use of biodiversity, including through restoration and rehabilitation of degraded areas.

Climate change: SFM contributes to avoidance of emissions from deforestation and forest degradation; it can increase carbon pools in tropical production forests and tropical timber and timber products with long life-cycles in use, as well as substitution of energy intensive other materials and fossil fuels.

Figure 7 ITTO in the nexus of global priorities



Drawing on the Organization's comparative advantage (section 4.3), such a case statement could be built around the understanding of ITTO in the nexus of global priorities related to tropical forests, i.e. climate change, poverty, biodiversity, food security, energy, green economy and governance for which ITTO's work provides both direct and indirect contributions (Figure 7). Box 6 elaborates the linkages between ITTO's core mandate and the global priorities adopted by donors and other member countries.

In addition, the case statement of funding to ITTO can build on the feedback loop that is inherent in ITTO's work from trade and markets to forest sustainability, legal compliance and environmental and social benefits covering the entire supply chain (Figure 8).

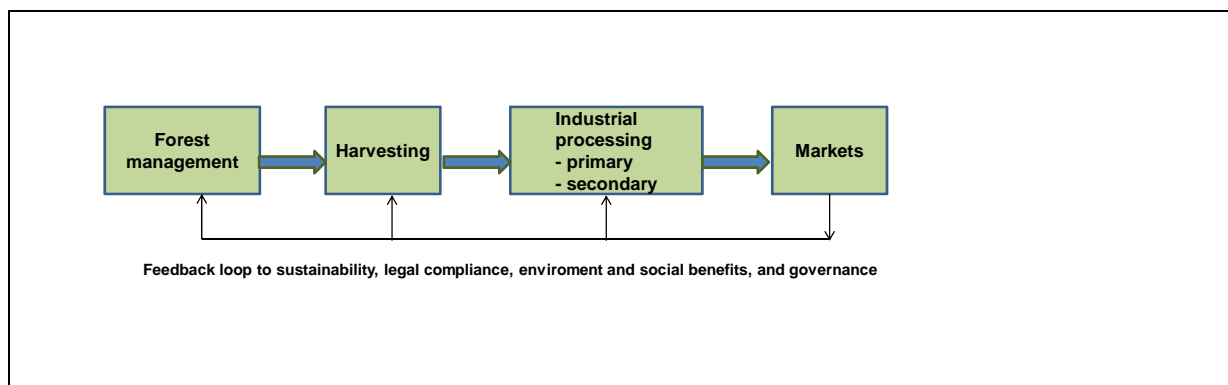
While the market measures like the EU Timber Regulation, the revised US Lacey Act, similar regulatory instruments in other countries, and public and private procurement policies are important drivers to promote legal and sustainable trade in tropical timber and timber products, they can turn against their objectives if adequate support is not provided to producers in developing countries to achieve SFM and product traceability which can be verified and certified. Therefore, support to capacity building in tropical timber producing countries is critical. This area is part of ITTO core mandate providing a justification for channelling support via the Organization.

The case statement should be supported by compelling messages that can be appropriately used depending on the context. Illustrative examples of such messages are given in Box 7.

Box 7 Examples of communication messages

- Every hectare of sustainably managed production forest maintains [up to 400] tons of CO²
- Every cubic meter of tropical wood harvested from sustainably managed forests generates [up to x] working days of employment and y US dollars of revenue on average
- Every/a hectare of sustainably managed tropical forest maintains habitat for [up to x] number of plant species
- A hectare of sustainably managed tropical production forest contains [20%] of areas set aside for biodiversity and water conservation
- A hectare of sustainably managed tropical forest provides nutrition and medicine for [up to x number] of forest dwelling people
- About [60] million indigenous people live in or around the world's tropical forests as the source of their livelihoods and cultural values which are under threat of deforestation and degradation

Figure 8 ITTO as the feedback loop from markets to sustainable management of tropical forests and legal compliance in the supply chain



The messages are formulated in such a way that they can be easily understood by decision-makers and the general public. In fundraising, the messages can also be expressed in a reverse order, e.g.

- ✓ If you want to reduce emissions of [up to x] million CO₂ tons from deforestation/forest degradation, you need to bring [up to y] hectares of tropical forest under sustainable management.
- ✓ If you want to create [up to x] million employment in the poverty ridden rural areas, you need to bring [up to y] hectares of tropical forest under sustainable management.

A similar approach needs to be adopted for communicating ITTO's achievements, e.g.

- [up to x] hectares of tropical forest are currently sustainably managed as a result of ITTO's efforts
- [up to x] hectares of tropical forest have not been deforested as a result of ITTO's work
- [up to x] employment / US\$ [up to x] income generated as a result of ITTO's work

The statements should be substantiated with facts and their elaboration requires a review of the current state of knowledge and know-how. This requires additional work to ensure that the messages can be

presented in a manner likely to be attractive to prospective donors. Necessary financing for this work should be budgeted.

6.4 Donor-targeted fundraising process

ITTO's past approach in resource mobilization has been conventional and somewhat opportunistic. Resource mobilization from new targeted sources should be understood as a systematic process which is illustrated in Figure 9 which may look obvious but is often not followed through. The figure does not represent a blueprint and can often be simplified depending on the knowledge and relations among parties, and the competitive situation. However, it is useful to understand what the general typical steps can be and that achieving the expected results the process may have to be implemented up to the very end.

In many other international organizations, concept notes are used as the entry document when new opportunities are presented to potential financing sources. Depending on the feedback, these notes are subsequently developed into programme and project documents through a process that often involves the participation of potential donors who can feel having ownership of the planned activity. This process is not broadly practiced in the present ITTO approach, apart from the funding of activities under the BWP and specific ITTC decisions. It could be applied more broadly for activities to be executed by the Secretariat.

The consultations carried out also revealed a major concern among key potential resource partners regarding the fragmentation of financing channels and related initiatives related to forests. It is, therefore, of critical importance that ITTO, as a relatively small, albeit active actor among the international organizations, is able to profile itself appropriately and articulate the niche in which its main contributions are made.

6.5 Strategic partnerships

As there are strong synergies to be harnessed with some of the other CPF members and as collaboration tends to improve prospects for donor investments, cooperative efforts in fundraising can be extremely useful. These could address the concern on fragmentation of aid delivery and leverage the capacities and resources of partners. It is important to strategically select key partners to achieve benefits for all participants. Many of the ITTO's existing MOUs cannot be expected to lead to strategic fundraising results (cf. section 3.5).

Collaboration is on-going between ITTO and FAO in several areas of work (forest law enforcement, forest sector statistics and reporting, further processing, community forestry, promoting criteria and indicators for sustainable forest management) and IUCN (biodiversity conservation, landscape restoration, forest management). Both of these organizations can be classified as strategic technical partners that can complement one another and leverage resource mobilization. However, these partnerships are not based on formal arrangements for long-term cooperation such as MOUs although in the case of FAO an annual plan for collaborative work was recently prepared and agreed upon by both parties. Such a practice can be recommended as a standard procedure.

Possible areas of cooperation with other organizations could include the assessment of timber resources and outputs outside forests and planting of timber species on farmland, including the genetic improvement of the species (ICRAF), and enhancing outreach of using research results (CIFOR).⁴² Close relationship with these institutions could also help identify other areas of cooperation.

The ITTO/CITES programme is a useful example of mutually beneficial programmatic collaboration. It has the potential of being expanded to a long-term effort contributing to the objectives of both organizations. There are possibilities for new similar partnerships in the areas covered by the REDDES and TFLET Thematic Programmes.

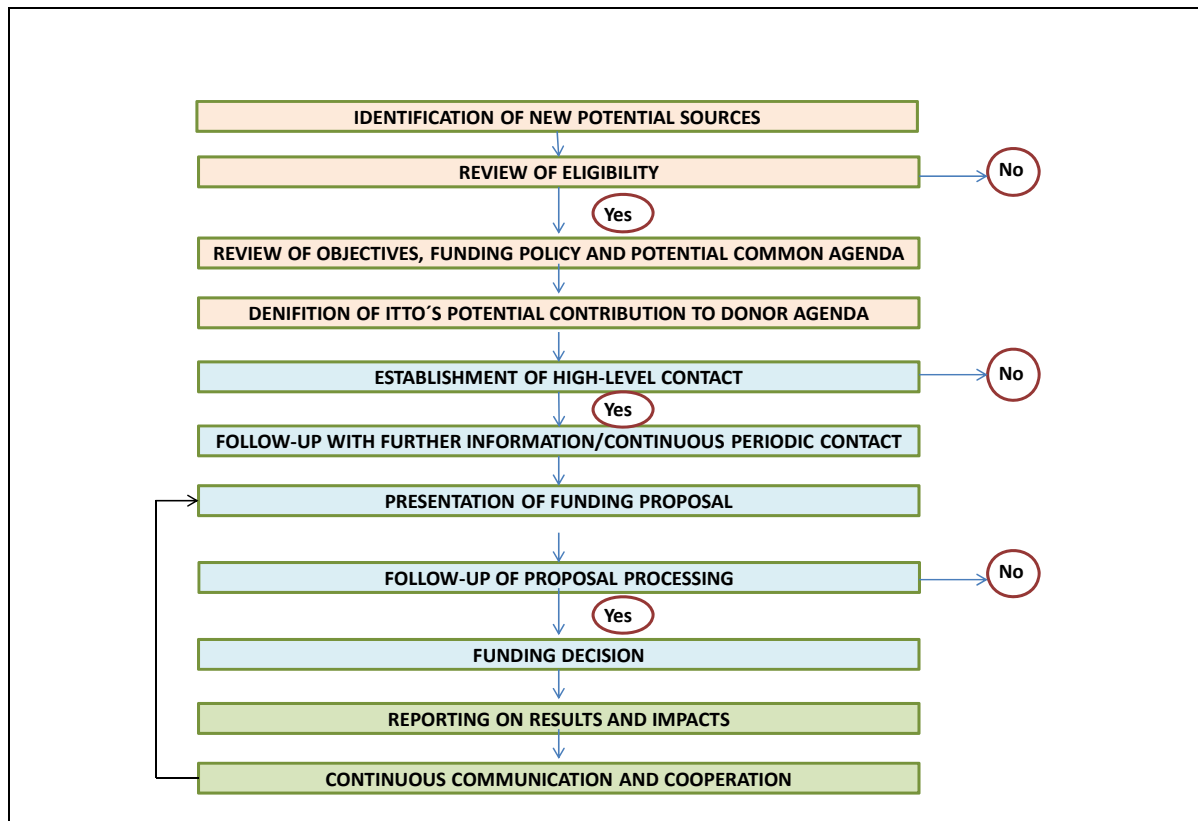
There are also NGOs involved in some of the focus areas of ITTO's work, such as WWF International, The Nature Conservancy (TNC); Conservation International; Rights and Resources Initiative (RRI); Tropical Forest Foundation (TFF); Wildlife Conservation Society (WCS); etc. (see also Annex VI). ITTO has been working in the past with these institutions on some specific projects, in their field of expertise with focused objectives. There are several areas in which ITTO could further collaborate on a long-term basis.

⁴² It is possible that these two research centers will be merged in the future.

The idea of launching an alliance for sustainable management of the world's tropical forests involving ITTO, FAO, CIFOR and IUCN could be considered to strengthen cooperation in which the basis for the division of work would be each party's area of speciality along the following lines

- ITTO: technical aspects of tropical forest management, utilization and trade in tropical timber and timber products
- FAO: policy and governance, planted forests, climate change, forests and food security, etc.
- CIFOR: research and outreach
- IUCN: biodiversity conservation

Figure 9 Fundraising process - general typical steps



Source: Stakeholder consultations

Such an alliance could be open to other parties and resource partners. The current general understanding of the need for a holistic approach for climate change mitigation and adaptation, sustainable management and use of biodiversity and other forest services, poverty reduction, and maintenance of the cultural and spiritual values of indigenous peoples and other forest dependent people could provide a strong case for such an initiative. In view of the recent proliferation of various international initiatives related to forests, the case for establishing any new alliance should be carefully analyzed drawing on the accumulated experience on fundraising. Preliminary consultations with the other key parties could be carried out to identify their interest. Potential donor interest should also be clarified during the preliminary phase of the initiative before embarking on its conceptual development.

There are also other potential partners that can be considered strategic such as AFoCO and APFnet which are linked with bilateral funding sources (Republic of Korea and China, respectively) as well as ACTO and COMIFAC which are important partners for ITTO in implementing sub-regional projects.

Finally, many donor countries have their own institutions for development cooperation which are involved in the areas of work of ITTO, such as JICA, AUSAID, DFID, USAID, SIDA, AFD, NORAD, GIZ, KfW, the Finnish Development Cooperation, etc. (cf. Annex III). ITTO has already established strong relationship with JICA through the signing of an MOU. The possibility of similar MOUs with other selected bilateral institutions should be investigated, taking into account the comparative advantages of these institutions and ITTO.

6.6 Communication in resource mobilization

ITTO's resources for communication consist of a newly established Communications and Outreach Officer, a Communications Assistant and an annual budget of US\$60,000. In addition, some senior officers allocate part of their working time for communication purposes. The Organization has a new communications strategy/ plan but there are not adequate funds to carry out the activities and support from other staff to communication has become limited due to their increased duties as a result of the restructuring of the Secretariat.

The key means of ITTO's communication include

- the ITTO website
- publication of selected activity and project outputs
- publication of posters, brochures and other outreach materials
- Market Information Service
- the Tropical Forest Update periodic publications reporting on news of the Organization and the markets for tropical timber as well as other thematic issues
- side events in international policy forums and other important meetings

According to some stakeholders consulted, ITTO's communication approach has been traditional, inward looking lacking in topical interest, not interactive facilitating feedback from the target groups, and based on a website that is not state-of-the-art for an international organization. This can be a constraint for fundraising as well.

While the website contains a lot of information, it is not always easy for one to find what s/he is looking for. The main search engines do not appear to guide users to the ITTO website as the first option even on core issues on SFM in the tropics and associated trade. The website is fortunately currently under revision.

There are no communication products (brochures and leaflets) that are specifically targeted at mobilizing resources. The existing products provide general presentations of ITTO and its activities, with some linked to a topic or an important event.

ITTO faces an image problem as many stakeholders perceive its work to be against conservation and contributing to forest destruction through logging. An important aspect of the image problem stems from the Organization's name as it is often perceived that ITTO's work is only about promoting timber production without due consideration to social and environmental issues. It is clear that ITTO is not adequately known and understood by many stakeholders, including potential partners.

Communication is a critical element for the mobilization of financial resources. It should be a core activity of the organization operating in a highly competitive environment. It should also be proactive and target group oriented, providing interactive relationships with key stakeholders. Communication should be a continuing activity: to ensure recipient interest it should address internationally topical issues and share views and experiences, rather than focusing on periodic news of the organization. Blogs by senior staff could be instrumental in developing effective communication. Lesson can be learned from other organizations.

Box 8 summarizes CIFOR's communication strategy and the importance of storytelling in communication for resource mobilization is emphasized in Box 9. CIFOR has been successful in using communication for effective fundraising which makes their experience particularly relevant for ITTO.

ITTO is in the process of developing a Knowledge Management Strategy which also includes a strong communication component. This is a welcome move as ITTO's effectiveness in sharing knowledge and capacity in achieving broader impacts has been identified by donors as one of the criteria of potential sources of funding for the Organization.

Box 8 CIFOR's communication strategy

Objective : To bridge the gap between research, policy and practice, to enhance multiple feedback channels, to speed the delivery of results to stakeholders, and to slash the time to impact.

Channels: Website, Citations, Blog (86 writers out of scientific staff 103), Social media (Facebook and Twitter), Flickr, YouTube, Slideshare

Challenges: According to CIFOR's challenges in forest communication are; (i) remoteness from daily experience, (ii) complexity and (iii) dynamism

Implementation of the strategy:

A. Messages have to be clear and convincing:

- "If you want X, conserve forests" X= food security by providing hydrological and pollination service; X= Poverty reduction, by providing diverse income sources; etc.
- "Don't create the wave, surf it" Anticipate the news to plan your message; fast response
- "Love vs. loss" dilemma. Give hope, but don't hide the bad news

B. Fundamentals of the communication model include: (i) Web-based; (ii) Combines with traditional outreach, (iii) demand driven, (iv) tailored to stakeholders, (v) shared platforms and content with partners, and (vi) constant monitoring.

C. Media Influential policy-makers tend to pay more attention to research results encountered through media reports rather than through traditional scientific outputs. CIFOR will continue its use of traditional media approaches, but will give more relative emphasis to activities aimed at new web-based media outlets, and invest in the necessary skills and infrastructure to be effective in those activities. Media relations: CIFOR changed its policy to allow journalists to contact scientists directly and it expanded its media database to 2,600.

D. Website CIFOR's web presence is the key as the web has overtaken print as the main vehicle for disseminating and accessing scientific publications.

E. Porex the Forest Policy Experts Listserv (Porex) reaches thousands of readers and has been highly regarded for its precise, succinct and attractive commentary on forest issues.

F. Events CIFOR has used key international events to convey relevant research results to policy-makers, and to make substantive contributions to international processes that affect forests. Participation in important events has also helped CIFOR to raise its profile as a credible player in the international forestry arena. CIFOR will target key international events and showcase research. It will also continue taking advantage of relevant international and national events to create awareness about important forest issues and how CIFOR's work is helping to address them.

G. Resources: Each CIFOR proposal budgets 8-15% for communication to provide impact pathways for research

Implications of the strategy:

- Initial investment in retooling infrastructure and staff skills
- Continuous budgeting for communications, not just new activities, but also maintenance of websites and mailing lists.
- Continuous investment in M&E and impact assessment of communications effort
- Change staff incentives to participate in communications efforts
- Take risk of disintermediation between staff and audiences
- Increase permeability of boundaries with other organisations' content

Box 9 Storytelling in communication for fund mobilization

While statistics and data are critical in describing your program to a potential grantor, nothing makes a proposal more compelling than good storytelling. Storytelling allows fundraising to provide a foundation or another type of funding source with an engaging look at the population your program serves and how you serve them. Storytelling shows why your donors keep coming back, year after year, and why your staff is so dedicated to your mission. Telling the story of your program through testimonials lets you bring a diversity of voices to your proposal in a way that numbers can't and helps your application stand apart from the rest, long after the numbers have been forgotten. A good testimonial tells a story and presents a slice of life - it's specific and real, alive and full of voice. Testimonial gathering should be an ongoing active process, and organizations should encourage all members of staff to keep an eye out for testimonial opportunities.

Source: Pamela Grow, consultant;
<http://charitychannel.com/DesktopModules/DigArticle/Print.aspx?PortalId=0&ModuleId=765&Article=388>

7. ELEMENTS FOR ITTO'S RESOURCE MOBILIZATION STRATEGY

7.1 Principles

The following guiding principles are proposed for ITTO's Resource Mobilization Strategy (RMS):

- 1) All resources mobilized support ITTO's Strategic Action Plan being focused on achieving the goals and objectives of ITTO and its members.
- 2) Resource partnership agreements comply with the ITTA, 2006, ITTO's Standard Operating Procedures, and the other rules and regulations of ITTO.
- 3) All resources obtained are monitored and accounted for to ensure trust and mutual accountability.
- 4) All resource mobilization efforts are coordinated and supervised by the Executive Director who also plays a key role in undertaking mobilization efforts.
- 5) Potential conflicts of interest are managed transparently and proactively.

7.2 Objective

The proposed RMS is aimed at achieving adequate, predictable and sustainable voluntary contributions that support the achievement of ITTO's objectives as enshrined in the ITTA, 2006 and the effective implementation of the ITTO SAP 2013-2018.

7.3 Outcomes, outputs and key activities

The RMS aims at the following three outcomes and eighteen outputs:

- 1) Expanded and diversified funding base of ITTO's resource partners
- 2) Greater awareness of ITTO's objectives, priority areas of work, comparative advantage and resources requirements among potential sources of funding
- 3) Effective resource mobilization in place with new approach and instruments

The outputs and key activities to achieve outcomes have been listed in the Fundraising Strategy/Action Plan attached to the report of the Working Group on the Mobilization of New Funding and Partnerships for ITTO and Its Objectives (2-4 September 2013) and are not therefore repeated here. A total of nine outputs and 21 key activities are included in the Action Plan.

In addition, the Organization needs to have in place adequate measures for resource planning and effective use of funds to provide good-value-for-money services to donors and producing countries. These measures include improved monitoring and reporting of voluntary contributions and other resources, as well as adequate resources for fundraising and communication provided under core operational costs of the Administrative Account.

7.4 Implementation of the strategy

The strategy will be implemented through annual fundraising action plans of which the first one is included in the Working Group report. The responsibility for fundraising lies with the Executive Director. The entire Secretariat staff needs to be involved in the implementation of the activities related to their own tasks, as appropriate.

Table 9 contains categorization of present and potential sources of funding and other partners by priority action from the perspective of ITTO's resource mobilization with two time horizons (short and medium/long term). In Annex VIII the potential sources of funding analyzed in Annexes III to VIII have been divided into three priority groups: (i) high priority group (action to be taken within 1-2 years), (ii) medium term (action to be taken within 2-3 years) and (iii) long-term (action to be taken within 3-4 years). Under each group the partners are listed under the following categories: (a) bilaterals, (b) multilateral, international and regional organizations, (c) foundations, and (iv) potential other partners. On each organization listed, there is a separate factsheet in Annexes III to VI which includes details on the action to be taken.

The role of the ITTC is to (a) review and guide the implementation of the resource mobilization strategy so as to be responsive to revised directions; (b) set policy rules regarding the acceptance of tied or earmarked funds, private sector funds, or other financial instruments; and (c) identify possibilities for new donors, including private donors, foundations, and others.

Activity 54 of the BWP foresees the engagement of a fundraising consultant for the launching phase of the strategy. Stakeholder consultations with people experienced in fundraising revealed that (i) such a person should have in-depth knowledge on the Organization and its achievements, and (ii) after the launching stage fundraising should be part of the Secretariat's core functions without permanent external assistance. However, fundraising expertise should be made available when needed also in the long run.

7.5 Monitoring and reporting

The Executive Director should periodically review the progress and results of the implementation of the RMS. Reporting to the ITTO Committee on Finance and Administration should be provided annually to facilitate review and adjustment of the fundraising action plans.

Table 9 Tentative prioritization of partners by category for resource mobilization action

Category	High priority/short-term action	Other sources/medium and long-term action
Bilaterals	Australia China EU - EuroAid Germany Japan Republic of Korea Norway Switzerland UK USA ----- Saudi Arabia United Arab Emirates Qatar	Austria Belgium Denmark Netherlands New Zealand Finland France Mexico Spain Sweden ----- Russian Federation Republic of South Africa
Multilateral, international and regional organizations	ADB AfDB CBFF CITES FAO GEF IFC IFAD WB APFNet AFoCO	CAF CIFOR CFC EFI IADB Interpol OFID ECOWAS IsDB UNEP UNIDO

Category	High priority/short-term action	Other sources/medium and long-term action
Foundations	Ford MacArthur Packard Rockefeller	Chirac Clinton Gordon and Betty Moore Prince Charles Charity Bill and Belinda Gates Hewlett KNCF Prince Albert II de Monaco Waterloo
Potential other partners	ATIBT IUCN WCS WWF	AFP AWF CI FFI IDH ISME TFT TNC

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ANNEX I

BWP ACTIVITY No. 54

MOBILIZE NEW FUNDING AND PARTNERSHIPS FOR ITTO AND ITS OBJECTIVES

[ITTA, 2006 Article 1 (g), (j)]

I. Background

ITTO and its objectives are critical in a world where the sustainable management and conservation of tropical forests is receiving increasing attention and concern. As the organization enters a new era under ITTA, 2006, ITTO should seize the opportunity to develop and implement an innovative and proactive fundraising strategy. This will require the Executive Director, the Secretariat and ITTO's members to think creatively and learn from the successful strategies of other intergovernmental organizations, NGOs, and others. This effort should be led by an energized Secretariat, actively supported by members and partners in the NGO and private sector worlds.

II. Description

This 24-month activity will be divided into a first year of preparing and launching a funds mobilization and partnership strategy and a second year of active implementation. Specific activities will be refined in the first quarter of year one, but are expected to include, in the first year:

- a) Formation of an informal, open-ended ad hoc advisory group including producer and consumer members and stakeholders to advise the Executive Director in developing and launching the strategy
- b) Drafting of a proposal of fund mobilization and partnership strategy/action plan by the Secretariat
- c) Convening of one or more meetings of members, partners and resource persons to:
 - Refine a concise and compelling fundraising message;
 - Identify potential sources of financing and tailoring the message for different potential donors;
 - Seek the perspective of potential funders on ITTO's strengths and weaknesses;
 - Identify possibilities for co-financing activities and projects as well as for income generation from ITTO products;
 - Develop the Terms of Reference and recruitment strategy for a temporary fundraising professional to assist the Executive Director;
 - Refine the draft funds mobilization and partnership strategy/action plan.
- d) Further consultation and refinement of the strategy
- e) Submit a draft strategy and progress report to the Forty-ninth Session of the Council

Year Two activities will be defined in detail during Year One, and will be provided in a report to the Council at its Forty-ninth Session.

III. Expected Output and Outcomes

The overall expected outcome is realization of the funds mobilization targets contained in the ITTO Strategic Action Plan 2013-2018.

Specific outputs and indicators will be developed as part of the fundraising strategy, but will be oriented around the following principles:

- a) Increased funding and partnerships for achieving ITTO priorities
- b) Diversification of funding sources
- c) Sustainability of funding over time

ANNEX II

LIST OF PERSONS WHO PROVIDED INPUTS

Organization	Name
ABC	Cecilia Gonçalves Malaguti de Souza do Prado
ATIBT	Ralph Ridder
CIFOR	Peter Holmgren Robert Nasi Richard Eba'a Atyi
ClimateWorks	Chris Elliott
EFI	Risto Päivinen
EMBRAPA	Carlos Antonio do Prado
European Investment Bank	Pedro Ochoa
Ex-Executive Director of ITTO	Manoel Sobral Filho
FAO	Eva Mueller Eduardo Mansur Jukka Tissari Christian Mersmann (Consultant) Alistair Sarre (Consultant)
Forest Service of Sweden	Björn Merckell
Forest Trends	Michael Jenkins
Green Advocates	Francis Colee
International Trade Centre	Shiatye Lemma
Trade Advisory Group	Barney Chan
IUCN	Stewart Maginnes Carole Saint Laurent Caroline Edgar
Civil Society Advisory Group	Augusta Molnár H.K.Chan
Ministry of Agriculture and Forestry, Finland	Marjukka Mähönen
Ministry of Foreign Affairs, Portugal	Pedro Marcelo Curto
PriceWaterhouseCoopers	Clive Suckling
Seoul National University	YOUN Yeo-Chang
STCP	Ivan Tomaselli
UNIDO	Virpi Stucki
University of Bern, Switzerland	Juergen Blaser
University of British Columbia, Canada	Hosny El-Lakany
World Bank	Gerhard Dieterle Simon Rietbergen
World Resources Institute	Nigel Sizer

Note: The list does not include the ITTO focal points and representatives of other organizations contacted but who did not reply. The list neither includes private sector participants consulted during the Global Timber Forum in Rome, 22-23 May 2013 and staff members of the ITTO Secretariat.

ANNEX III

FACTSHEETS OF BILATERAL DONORS AND THEIR AGENCIES

AusAID	Australian Agency for International Development
ADA (ADC)	The Austrian Development Agency (ADA) (Development Cooperation (ADC))
BTC	The Belgian Development Agency
MOFCOM	Ministry of Commerce People's Republic of China
DANIDA	Danish International Development Agency
EU	EC – The development and Cooperation (EuropeAid - DG DEVCO)
MFA-MAF	Ministry for Foreign Affairs - International Development Cooperation (MFA) Ministry of Agriculture and Forestry (MAF)
AFD	French Development Agency
FFEM	French Global Environment Facility
BMZ	Federal Ministry for Economic Cooperation and Development
GTZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) (German Association for International Cooperation)
KfW	Kreditanstalt für Wiederaufbau (KfW) (German Development Bank)
MOFA	Ministry of Foreign Affairs of Japan
JICA	Japan International Cooperation Agency
JFGE	Japan Fund for Global Environment
KFS	Korean Forest Service
KOICA	Korean International Cooperation Agency
MFA DevCo	Netherlands Ministry of Foreign Affairs (DevCo) / Ministry of Economic Affairs (NL Agency)
CBI	Center for the Promotion of Imports from Developing countries
IDH	Sustainable Trade Initiative
MFA Norad	Norwegian Ministry of Foreign Affairs (MFA) Norwegian Agency for Development Cooperation (Norad)
AECID	Spanish Agency for International Development Cooperation
SIDA	Swedish International Development Cooperation Agency
SDC/SECO	Swiss Agency for Development and Co-operation (SDC) Secretariat for Economic Affairs, Economic Cooperation and Development (SECO)
HELVETAS	Swiss Association for International Cooperation
DFID	Department for International Development of the UK
USAID	United States Agency of International Development (
USFS	United States Forest Service

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Australian Agency for International Development (AusAID)**
Category: **Bilateral**

Contact Information

Website: <http://www.aid.gov.au/>
Location: HQ in Canberra, Australia
Telephone: +61-2 6178 4000
E-Mail: ngoengagement@aid.gov.au
Contact Person: Existing ITTO contact

Objectives

To help people overcome poverty, this also serves Australia's national interests by promoting stability and prosperity both in the region and beyond. The aid program's efforts are focused in areas where Australia can make a difference and where their resources can most effectively and efficiently be deployed.

Operational Countries/Regions

Asia-Pacific, Africa, Middle East, Latin America and the Caribbean

Priorities

The thematic areas for financing under AusAID are: (people with) disability; disaster risk reduction; economic growth; education; environment; food security; good governance; health; human rights; infrastructure; mining action; regional stability; rural development; and water and sanitation.

Financing Policy

Cooperation includes the delivery of good and services; the enhancement of local institutions; the creation of enabling conditions for policy dialogue; and the provision of technical assistance. A granting activity can take a variety of forms, including a payment made on a one-off or ad hoc basis, payments made as a result of competitive assessment, or provided specified criteria are satisfied. AusAID implements Commonwealth Grant Guideline in their granting activities. (See details: <http://bit.ly/17nL4wl>)

Project Types

International Forest Carbon Initiative, Energising Development Programme (deforestation), 3 year partnership with CIFOR, Forest Carbon Partnership Facility, Indonesia–Australia Forest Carbon Partnership.

Current/Past Projects of Relevance to ITTO

The latest grant to ITTO of AusAID is addressing legality and implementation of due diligence (TFLET thematic programme) with focus on Asia-Pacific region.

Funding Range

The latest TFLET grant at the end of 2012 was US\$2.1 million

Action Proposals

Implement the TFLET grant with excellence effective monitoring, reporting, delivering information on achievements/impact in the field of TFLET, and other communication on achievements of AusAID funded activity to foster further cooperation.

AusAID have their own cooperation institutions which may be involved to some extent in areas of work of ITTO; potential interest of these institutions to partner with ITTO towards common goals should be investigated.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **The Austrian Development Agency (ADA) (Development Cooperation (ADC))**
Category: Bilateral

Contact Information

Website: <http://www.entwicklung.at/>
Location: HQ in Vienna, Austria
Telephone: +43-(0)1 90399 - 0
E-Mail: [office\(at\)ada.gv.at](mailto:office(at)ada.gv.at)
Contact Person: Director Programmes & Projects International, Robert Zeiner
robert.zeiner@ada.gv.at, tel. +43-1 90399-2500;
Head of Unit Private Sector Development, Gunter Schall,
gunter.schall@ada.gv.at, tel. +43-1 90399-2570;

Objectives

ADA is the operational unit of the Austrian Development Cooperation (ADC). The main goals are agriculture, aquaculture and forestry; children, youth and family welfare; community development; disasters and humanitarian affairs; food security and nutrition; HIV/AIDS, malaria, health and medical care, and water and related ecosystems

Operational Countries/Regions

Six key regions are Africa, Asia, Central America and South-Eastern and Eastern Europe.

Priorities

The policy attaches key importance to the sustainable use of natural resources and conserving biodiversity, ranging from the dissemination of ecologically appropriate diversified agriculture, and the promotion of organic farming to securing land and use rights to sustainable forest management.

Financing Policy

Operational fields include sustainable natural resource management, combating desertification and preserving biodiversity, diversified agriculture and organic farming; precaution in the use of GMOs worldwide; contributing to securing land and use rights and to sustainable, land-use planning; securing protected areas and promoting innovative incentives for resource conservation; supporting sustainable forest and timber management. A major target of environment and economic policy is to take measures to halt the depletion and degradation of forests, which have escalated due to increased international trade, through protection, afforestation and sustainable use. Intersectoral cooperation needs to be improved. Promoting non-timber forest products can also make an important contribution. Interesting incentives for sustainable forest management have also emerged recently through the carbon market. (<http://bit.ly/13rR0UI>)

Project Types

Bilateral development policy is set in an inclusive planning process geared to goals and results. Consultation with multilateral actors (UN, IFIs, EU) plays an increasingly important role for policy coherence.

In Africa operational areas are infrastructure, renewable energy, governance and conflict prevention, integrated resource management, sustainable rural development, technical and vocational education and training, business promotion, reduction of rural poverty through food security and sustainable resource management, land issues, decentralization with thematic focus on water supply and sanitation and agricultural production.

In Asia operational areas are applied research and strengthening capacities in renewable energy, climate and environment in mountainous areas for improved abilities to respond to environmental and climatic events and improved access to renewable energy.

In Central America operational areas are support for Central American convergence process, economic development through strengthening small businesses and farming enterprises, and energy, climate and environment

Global operations are improved energy-policy framework for sustainable energy, improved capacities in climate protection, greater adaptation to climate change through support for local initiatives, cooperation with the private sector and aid for trade for integration in fair international trade relations and enhanced competitiveness, and education and science through capacity development with institutional cooperation programmes used by partner institutions. (<http://bit.ly/14PLxuT>)

Current/Past Projects of Relevance to ITTO

In Nicaragua, working for with a competent local NGO, providing technical support in the cultivation and marketing of agro-forestry products and raising awareness of the critical degradation of the environment and the destruction of the rain forest. In Africa research cooperation with CGIAR; in Uganda Conservation and sustainable use of water resources for better adaptation to climate change with CGIAR; in Ethiopia improving public health services and conditions of life for the rural population with CIFOR through cooperation with local research centres sustainable resource management (forest use)

Funding Range

See above.

Action Proposals

Continue consultations with the Government for possible funding.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **The Belgian development agency (BTC)**
Category: **Bilateral**

Contact Information

Website: BTC <http://www.btcctb.org/> / TDC <http://www.befair.be/>
Location: Several country offices HQ in Brussels, Belgium
Telephone: BTC +32-(0)2 505 37 00 / TDC contact person
E-Mail: BTC info@btcctb.org / TDC contact person
Contact Person: TDC Steven De Craen, Fair and Sustainable Trade Officer,
stevendecraen@btcctb.org, tel. +32-(0)2 505 18 83

Objectives

To achieve sustainable human development to be achieved by fighting poverty and strengthening democracy and the constitutional state.

Operational Countries/Regions

Algeria, Benin, Bolivia, Burundi, DR Congo, Ecuador, Mali, Morocco, Mozambique, Niger, Palestinian Territories, Peru, Rwanda, Senegal, Tanzania, Uganda, Vietnam and South Africa

Priorities

Aid focuses on selected countries, sectors and themes including: agriculture & rural development; Aids & HIV; Climate & environment, emphasis is on capacity development of environmental institutions, development of environmental management systems, and integration of the environmental dimension in technology transfer; Decentralization; Education; Gender equality; Governance; combine economic viability and social utility, produce goods and services that actively involve communities and/or basic social networks which foster the participation of men and women, form networks of associations and communities at different level. Contribute to new economic and social arrangements, namely collective and democratic management methods of enterprises and development.

Financing Policy

BTC will grant maximum 75% of the total amount of the proposed project. Administrative costs should not exceed 8.5% of the overall amount. (See full details: <http://bit.ly/ZcB0bR>)

Project Types

Climate & environment: In Bolivia environmental projects are focusing on reforestation. In Peru objectives are to plan sustainable economic and social development (by managing natural resources and the protected natural reserves. Other project areas are for example interventions focus on supporting value chains in agriculture products in Rwanda. Interventions become part of the social and solidarity economy in two ways: through the participation of farmers' organizations and through the use of financing tools.

Trade for Development Centre (TDC) of BTC is separate sub-organization assisting developing countries to increase exports of goods and services, to integrate into the multilateral trading system, and to benefit from liberalized trade and increased market access. Its priorities are to increase professionalism among small-scale producers (cooperatives, associations, small businesses) and their organizations engaged in fair trade or sustainable trade and enhance their access to markets through providing them with information (on labels, certification schemes, markets etc.) and strengthening the organizational capacities as well as the technical and production skills of the producers and their organizations. It provides financial support for producer organizations that are legally established and want to develop fair and sustainable trade activities such as capacity-building, marketing support including information and market research, sell in Europe. TDC also operates as marketing advice for bilateral projects of BTC, and support other agencies and market studies

Current/Past Projects of Relevance to ITTO

Total contribution from Belgium to ITTO has been USD 97 037 which was allocated on Capacity Building for Sustainable Management of Tropical Rainforest and Biodiversity Conservation in the ITTO Congo Basin Countries (RIFFEAC Project).

Funding Range

The amount in TDC projects lies between €10.000-70,000/year (US\$13 000 – 98 000/year)

Action Proposals

No short-term action proposed. ODA has been cut by more than 30%, and there is a list of organizations, institutions and NGOs approved by the Government to receive ODA assistance and ITTO is not included. In the medium term consultations could be reinitiated provided the economic situation has improved.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Ministry of Commerce People's Republic of China (MOFCOM)**
Category: **Bilateral**

Contact Information

Website: <http://english.mofcom.gov.cn/>
Location: HQ, Beijing, China
Telephone: +86-10-51651200-612/613/623 / Department of Aid +86-10-65197901
E-Mail: -
Contact Person: Strategic Trade Support: Zhao Yuguo, Division of Enquiry and Technical Support, zhaoyuguo@mofcom.gov.cn

Objectives

China's foreign aid projects are oriented towards laying a solid foundation for economic and social development, and improving basic education and health care. In recent years, coping with climate change has become a new area in China's foreign aid.

Operational COUNTRIES/REGIONS

All developing regions

Priorities

Agriculture, industry, economic infrastructure, public facilities, education, medicine and public health, clean energy and climate change

Financing Policy

The Chinese Government supports recipient countries' capacity in independent development. China promotes South-South cooperation and realization of the UN MDGs. China has steadily increased aid in coping with climate change, including training courses on clean energy sources and climate change. Aid projects are funded with grants, interest-free loans and concessional loans, in turnkey projects, goods and materials, technical cooperation, human resource development cooperation. Chinese aid is closely linked to trade and investment. Resource-rich countries of Angola, Sudan, Nigeria, D.R. Congo, Zambia, have received the bulk of Chinese aid.

Project Types

From 2000 to 2009, China held 50 training workshops attended by more than 1,400 people from other developing countries on the development and use of renewable resources such as bio-gas, solar energy, and small hydropower stations, as well as forest management, and desertification treatment and prevention.

IISD/MOFCOM Project on global forest chains: identifying challenges and opportunities for China through a global commodity chain, sustainability analysis, increase knowledge and awareness of the sustainability impacts of production, consumption and trade in forest products which involve China and its major trading partner countries, make the case for the Chinese government to take strategic actions for minimizing the negative environmental and social impacts of production, consumption and trade in the forestry sector, identify promising mechanisms for reducing the environmental impacts of Chinese wood consumption, production and trade, based where possible on shared responsibility for global product chain management. The project address rapid resource depletion, illegal logging; and lack of forest regeneration.

Strategic Trade Support for China's Sustainable Development builds on the ongoing dialogue between MOFCOM and WWF. The objective is to establish a system that can define, encourage and increase sustainable trade flows in and out of China and it should also to support Chinese companies entering export markets through an understanding of how supply and demand of sustainable goods and services can be encouraged.

Current/Past Projects of Relevance to ITTO

China has been an important recipient of ITTO's project funding over the past 25 years with several projects.

Funding Range

China became a donor to ITTO for the first time in 2011 when it made US\$100,000 available as partial financing for the implementation of Phase III of the project PD 124/01 Rev. 2 (M) "Promotion of sustainable management of African forests". This project was designed to assist ITTO's African member producer countries to implement the harmonized ITTO/ATO Principles, criteria and indicators for the sustainable management of African natural tropical forests. It involves extensive capacity building in African producer member countries to enable them to use the PCI as a tool for improved management of and reporting on forests.

Action Proposals

There is significant potential to increase financing from China due to the country's key role in tropical timber trade and the Government's priorities related to legal and sustainable trade in tropical timber. Progressive consultations with MOFCOM and the State Forest Administration to be carried out on possibilities for funding and joint project development and to explore interests for a triangular cooperation involving ITTO, China and recipient countries, especially in Africa. A high-level visit to China to discuss these issues is warranted which should also include meetings with the line ministries of multilateral aid.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Danish International Development Agency (DANIDA)**
Category: Bilateral

Contact Information

Website: <http://um.dk/en/danida-en/>
Location: HQ in Copenhagen, Denmark
Telephone: +45-33 92 00 00
E-Mail: um@um.dk
Contact Person: Chief Technical Advisor (team leader for environment, energy and climate, water, international research, ReCom, capacity development.), Henning Nøhr, tel. +45-33920206 hennoh@um.dk; Senior Technical Adviser, Hanne Carus, tel. +45-33920869, hancar@um.dk,

Objectives

Strategic priorities are human rights and democracy, green growth, social progress and stability and protection (conflict prevention)

Operational Countries/Regions

Africa, Asia, Latin America, the Middle East and the EU's neighbors

Priorities

Priorities under green growth include active participation in international cooperation on sustainable development, increased access to sustainable energy, enhanced effort for environment and climate in developing countries (including combating deforestation, reforestation and coastal protection and disaster prevention) and sustainable management of natural resources: land, water and forests to assist developing countries to formulate and implement national policies and efforts for the conservation and sustainable utilization of forests with consideration for economic and social development. As well as biodiversity, grants support developing countries and their local communities with the sustainable utilization of genetic resources in connection with the sale of, local medicinal plants to the pharmaceutical industry.

Financing Policy

DANIDA provides grants for technical and financial support to partners in developing countries, including through relevant development actors such as multilateral institutions, international organizations, multilateral development banks, global funds, international financial institutions, popular organizations and other NGOs. The External Grant Committee is responsible for grants proposals with a budget above DKK 35 million. The Internal Grant Committee is responsible for grants proposals with a budget between DKK 5 - 35 million. See Strategic Research Cooperation Project (SRCP) grant policy in details. (<http://bit.ly/YUZ6VH>)

Project Types

SRCP grants are awarded to strategic research cooperation which generates new knowledge relevant to the needs and strategies of the priority countries and to the development cooperation and to strengthening research capacity in developing countries in order to promote the overall objective of the development cooperation which is to reduce poverty and support sustainable development. (<http://bit.ly/14QfsTA>)

Current/Past Projects of Relevance to ITTO

Denmark has provided US\$2 million to IUCN's forest programme. Over 20 other forestry related projects including research projects up to several million DKKs (details in Danish).

Funding Range

Up to US\$4.7 million, SRCPs for 3-5 years US\$880 000 – 1.8 million

Action Proposals

Consultations to identify current cooperation possibilities for SRCP support.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **EC – The development and Cooperation (EuropeAid - DG DEVCO)**
Category: Bilateral

Contact Information

Website: http://ec.europa.eu/europeaid/index_en.htm
Location: See website, HQ in Brussels, Belgium
Telephone: +(32)-(0)2 299 11 11
E-Mail: europeaid-info@ec.europa.eu
Contact Persons: ENRTP Bernard Crabbe, DEVCO office for development and cooperation Unit C.2 - Climate change, environment, natural resources, water - Forestry sector, tel. +32-(0)2 296 22 83 bernard.crabbe@ec.europa.eu
Luca Perez, for ITTO Luca.PEREZ@ec.europa.eu, Michael Bucki, Policy Officer, michael.bucki@ec.europa.eu; Climate change, Environ.

Objectives

EuropeAid's work is carried out with the ultimate aim of: reducing poverty in the world; ensuring sustainable development; promoting democracy, peace and security. As well as designing policies to achieve these objectives, EuropeAid is responsible for implementing the EU's external aid instruments. This will be achieved through a two dimensional approach: to support intermediary organizations and professional associations; to develop inter-enterprise partnerships.

Operational Countries/Regions

Global, wherever assistance is needed. A global reach allows the EU to provide similar support to countries facing similar problems.

Priorities

Support for biodiversity, water and energy and the fight against climate change are key areas for Community development cooperation. The EU policy for rural development in developing countries aims at reducing poverty, increasing food security and protecting natural resources with the following goals, among others: promote broad-based rural economic growth, by boosting primary production and make it more efficient, promoting agricultural practices and technologies that are environmentally sustainable and raise rural income, and by stimulating rural off-farm activities; ensure more equitable and more [securing access to land](#) for the rural poor; and reduce vulnerability to risks.

The main intervention areas covered are: trade and regional integration, environment and the sustainable management of natural resources, infrastructure, communications and transport, water and energy, rural development, governance, democracy and human rights, peace and security, human development, social cohesion and employment. Increasing the Impact of EU Development Cooperation: An Agenda for Change communication (SEC (2011)1172) confirmed that EU action should centre, amongst other themes, on good governance of natural resources to back governance reforms that promote the sustainable and transparent management of natural resources (<http://bit.ly/Xmk7YW>). Priority is giving poor people better access to resources such as land, forests, food, water and energy without harming the environment will be given special emphasis. These sectors are key to the transition to a green economy, including resource efficiency, and also contribute to food and nutrition security, environmental protection and climate change mitigation and adaptation.

Financing Policy

The thematic programme for Environment and Sustainable Management of Natural Resources including Energy (ENRTP) helps developing countries and partner organisations to address [environmental and natural resource](#) management issues. Moreover, it helps to meet their obligations under [multilateral environmental agreements](#) and to take international policy leadership in such areas as fighting climate change, tackling land degradation and desertification, biodiversity protection and proper management of chemicals and wastes. For the period 2011-2013 three

priorities have been adopted.(i) Climate change and sustainable energy; (2) Environment for development, and (3) Strengthening environment and climate governance. All these include a tropical forest dimension including REDD, bioenergy, biodiversity, forest as well as support for mainstreaming and promoting governance and transparency for natural resource management. International organizations are eligible for funding

(<http://bit.ly/ZBOHKt>,http://ec.europa.eu/europeaid/how/finance/dci/documents/enrtp_strategy_paper_2011-2013.pdf).

Project Types

ENRTP has financed a large number of forestry and forest related projects meeting its criteria through calls for proposals which are made by lots.

Current/Past Projects of Relevance to ITTO

Several forestry projects, the FLEGT Voluntary Partnership Agreement Support, the ITTO-CITES programme, DNA fingerprinting project, etc. The earlier PROINVEST programme promoted investment and technology flows to enterprises operating within key sectors in the ACP States, including in the wood industries. The programme is subject to evaluation and may be revamped/restarted in a couple of years' time. PROINVEST has supported and strengthened the work of professional organizations (namely chambers of commerce and industry, employers' federations), investment promotion agencies, financial institutions and consultants' associations

Funding Range

Large

Action Proposals

- Further opportunities for large multi-donor programmes compatible with EU's strategic priorities to be identified in the areas of ITTO's comparative advantage/monopoly service.
- Participate through submissions to periodic calls for proposals as deemed appropriate.
- Develop promotional materials targeted at EU priorities.
- Exercise continued excellence in implementation of EU-funded projects, including the CITES Programme and the forthcoming FLEGT monitoring programme.
- Ensure adequate recognition and visibility of the EU funding in ITTO's publicity.
- Maintain continuous close contact with the EC.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Ministry for Foreign Affairs - International Development Cooperation (MFA) Ministry of Agriculture and Forestry (MAF)**
Category: Bilateral

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Objectives

The goal is the elimination of extreme poverty, the strengthening of the position of the poor, and the reduction of inequality. The co-operation in the forest sector shares these goals. The starting point is rights-based approach to development. The objective is that even the poorest people know their rights and are able to work for them. Equally important is that the authorities know their human rights obligations and are capable of implementing them.

Operational Countries/Regions

MFA: Middle East, North Africa, Central America, Andean region, Mekong, West Balkans, Central Asia and East Europe and long term partnerships are established with Ethiopia, Kenya, Mozambique, Nepal, Zambia, Tanzania and Vietnam. **MAF** implements bilateral forest cooperation with Russia, China, Turkey, Indonesia, Mexico and Brazil

Priorities

MFA: Promotion of sustainable development by a democratic and responsible society that promotes human rights; a participatory green economy promoting employment; sustainable management of natural resources and protection of the environment; and human development. The sectors implemented are sustainable forestry and industry, water, the environment, the information society, strengthening the capacity to trade and furthering social stability. MAF: sustainable forestry, forest and environmental training and education, forest research, forest certification, information systems and seedling production.

Financing Policy

In bilateral cooperation, country programmes based on partner countries own development plans and the priorities. Regional programmes aim to support regional integration and the resolution of cross-border problems. In multilateral cooperation policy dialogue will be sharpened by advocating a limited number of priorities and cooperation with the organizations and financing institutions that are the most effective and relevant in implementing Finland's development objectives. Multilateral actors are encouraged both to reduce the fragmentation of their own activities and to align their activities increasingly with the national objectives of partner countries. Private sector cooperation develops operating environment and cooperation in partner countries. Finland promotes low carbon development. Particular attention will be paid to the roles of women, children and indigenous peoples in adapting to and in combating climate change.

In the forest sector, support is given to reduction of illegal timber trade (FLEGT), and elimination of deforestation in developing countries to support climate policy (REDD+) and promotion of sustainable forest management, including protection, restoration, afforestation and reforestation,

prevention of forest degradation; enhancement of forest-based economic, social and environmental benefits, and increase protected and other areas of sustainably managed forests, as well as forest products from sustainably managed forests.

Project Types

Aid for Trade (AFT): to develop agricultural and forestry value chains promoting the vertical development of production from the raw materials to the product or service including diversification into new business areas in agriculture and rural development, forestry, and energy sector. (E.g. Energy and Environment Partnership EEP programmes in Southern and East Africa, Mekong region, Indonesia, Andean countries and Central America; Andean Regional Forestry Partnership and Mtwara & Lindi Agribusiness Support Development LIMAS in Tanzania).

Bilateral cooperation: In Kenya supporting the overall development of the forest administration. In Zambia, to reduce rural poverty and deforestation by creating new alternative income sources. In Tanzania support to sustainable forest management through private and community forestry. In Nepal, support to water supply and other ecosystem services, including community forestry. In Vietnam, support to the implementation of the national forest strategy and forest sector development program. In Laos, support to implementation of the forest policy, the forest legislation and the national forest sector program.

Regional cooperation: In Central America the environmental and forestry program supports silvo-pastoral and agro-forestry methods, wood production on smallholdings and investments in forest plantations. In the Andes, support to sustainable management and use of forest resources and innovative approaches, including payment mechanisms of environmental services and REDD+. In eastern and western Africa, support to the livelihood of small farmers through farm forestry and carbon sequestration. In the Mekong region, support to the regional and thematic co-operation projects,

Multilateral, research cooperation and other international agreements and institutions: Partnerships with research organizations, including CGIAR, CIFOR, ICRAF, CATIE and IUFRO, ITTO (the subject field of aid for trade and monitoring of timber trade), EFI, GEF and multilateral development banks.

Current/Past Projects of Relevance to ITTO

See above

Funding Range

MFA substantial, MAF smaller input

Action Proposals

Finland's bilateral cooperation has very strong focus on forests and good fit with ITTO's work. Continue close consultations with MAF/MFA and other potential Finnish development partners including Viikki Tropical Forest Resources Institute of the University of Helsinki, the Graduate School of Forest Sciences of the University of Eastern Finland, Forest Development Center Tapio and the Finnish Forest Research Institute (METLA). Possibilities may also exist through linking with the Finland-Indonesia forestry cooperation (MAF).

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **French Development Agency (AFD)**
Category: **Bilateral**

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Objectives

In the development assistance policy, the following priorities are identified: sustainable shared growth, preservation of global public goods, and stability and the rule of law

Operational Countries/Regions

Sub-Saharan Africa, Asia, Latin America and Caribbean, Mediterranean and Middle East

Priorities

Sustainable shared growth: stimulating a business environment conducive to private investment; supporting changes to institutional and regulatory frameworks and labor, and employment policy; anticipating more effectively shocks and their implications for businesses; encouraging investment of national savings and foreign direct investment. Maximize the economic and social benefits through international trade and integration into world trade while maintaining environmental balances. The prevailing model is based on the exploitation of natural resource capital that is being depleted while combating deforestation, soil erosion, biodiversity loss, etc. Preserving global public goods: Forests are identified as action area under Climate. Biodiversity action areas include protected area management, rehabilitation of degraded areas through partnerships, development of management tools, and environmental education. <http://bit.ly/ZeR72K>). In forestry, biodiversity, climate change and socio-economic development have been the key priorities.

Financing Policy

Supports developing countries in accessing foreign investment, technology, know-how and knowledge on external markets, as well private capital. In the areas of environment and climate change, ensure that development policies are adapted to the new constraints created by climate change by supporting in their efforts to mitigation and adaption to climate change, fostering innovation and the transfer of clean technologies, so as to create the conditions for sustainable and shared economic and social progress. There is emphasis on the social and environmental dimensions of development towards a growth model that consumes fewer natural resources, produces fewer greenhouse gas emissions and is more equitable, notably through a strengthening of domestic demand and social protection mechanisms.

Bilateral arrangements are a key channel of development cooperation, involving a broad diversity of players (state operators, civil society, local authorities, foundations, etc.) and instruments. In addition to technical assistance, AFD makes (1) "sovereign" loans to national governments and public entities, and (2) "non-sovereign" loans to private sector companies and public or private sector entities. Loans may be concessional or non-concessional. Grants and budget aid is provided for high-impact projects that do not generate sufficient profit to pay back market-rate loans. Grants and subsidies primarily fund capacity-building projects that target 14 poor priority countries in sub-Saharan Africa. (<http://bit.ly/XpDkZA>).

The French Government has been an active player in the international forest policy and implementing its priorities through bilateral and multilateral channels. Several high-level guidance documents have been approved by the Government which have laid down the framework of

international development cooperation in this field. The current priorities are derived from the linkage of tropical forests with climate change and multifunctionality of forests. France has a long tradition in cooperation on tropical forest management in Central and West Africa which remain the priority region. In addition to AFD, aid is channeled through the French Global Environment Fund (FFEM), GEF, and other multilateral channels (See separate factsheet on FFEM). France is also a major contributor to the Critical Ecosystem Partnership Fund managed by the World Bank through Conservation International. A recent report⁴³ outlines possible future priority areas for support to tropical forests: (i) sustainable management of tropical production forests, (ii) improvement of social and environmental aspects of forest management, (iii) legal compliance, (iv) development of alternatives for industrial concession management, (v) improvement of protected area management and integration of local populations in conservation, (vi) restoration of degraded ecosystems, and (vii) influencing demand and trade in timber and timber products, including certification. In financing, France has played an active role on the development of REDD+, innovative mechanisms and improvement of aid efficiency. The GNFT report is not an official document but reflects the views of the French stakeholders and the Government.

Project Types

The Trade Capacity Building Program (PRCC) projects are based around two overarching themes: Aid for Trade and Support for the private sector. PRCC provides support (technical, institutional or organisational) to private sector operators and their structures (chambers of commerce, professional associations, etc.); Build the capacity of state services to integrate them within global trade, including support for production and commercializing activities in existing or potential regional or international markets, (<http://bit.ly/ZeLP7o>). Cooperation encourages innovative solutions by mobilizing technical and financial expertise and supporting the joint development of exemplary projects that demonstrate the socio-economic soundness of approaches dovetailing growth, greater social impact and limited environmental impact. (<http://bit.ly/151iDYC>)

Current/Past Projects of Relevance to ITTO

Examples: Indonesia: three successive loans, transferred directly to the state budget, to support programme to combat climate change in forests and industrial energy efficiency. The programme has been transposed to Mexico, Mauritius and Vietnam. French Guyana and Brazil: The French Global Environment Facility (FFEM) provides co-financing for the development of a policy for sustainable management of forests and biodiversity. Niger: rainwater infiltration on plateaus and in valleys and increase farming and forestry production to improve the absorption of CO₂ emissions by protecting and developing 10,000 ha for silvopasture. Congo Basin: support to forestry reforms for more than 20 years; technical assistance to support SFM. Gabon: Setting up of a Wood Industry Office to help forestry firms with their industrial strategy.

Funding Range

The duration of projects, the nature of the assistance and the relevant modalities of the agreements are very different depending on the type of project.

Action Proposals

In view of the high degree of compatibility between AFD and ITTO's work, there is a strong case to seek modalities for closer cooperation and complementarity with the French development cooperation. Potential interest of implementing French institutions to work in partnership with ITTO should be investigated. The possibility of an MOU with e.g. CIRAD could be explored, taking into account the comparative advantages of both parties.

⁴³ GNFT. 2012. Forêts tropicales : point d'étape et nouveaux défis .Quelles orientations pour les acteurs français ? A la veille de Rio+20. Le groupe national sur les forêts tropicales (GNFT).

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **French Global Environment Facility (FFEM)**
Category: **Bilateral**

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Objectives

Promote a sustainable global environment and the protection of ecosystems. The work primarily involves dealing with climate change and protecting the ozone layer, biodiversity, marine protection, and protecting land from land degradation.

Operational Countries/Regions

Latin America, Africa and Asia

Priorities

Africa is the main regional priority in the promotion of innovating approaches and integration environmental components in projects for economic and social development in beneficiary countries. In **biodiversity** projects financing aims to support implementation of the CBD; the conservation of species and habitats; traditional uses of natural resources; sustainable management of natural resources as a driver of economic and social development; and innovative financing tools for biodiversity conservation. In **climate change** projects for mitigation that reduce use of non-renewable fossil fuels and greenhouse gas emissions, by promoting: uses of renewable and low-emission energy; biomass-to-energy systems; energy-efficient production systems; improved energy efficiency in housing, transport, industry and agriculture; and carbon sequestration in forests, soils and subsoils. In **land degradation** promoting local initiatives and encouraging rational natural resource management against, desertification and deforestation.

Financing Policy

Exclusively through grants, FFEM finances projects and sustainable development programmes. The forest issue concerns all of its activity areas, but mainly the biodiversity and climate change aspects. Projects seek to sequester carbon, particularly through the preservation of forests. FFEM supports implementation of forestry and product certification and develops mechanisms that economically enhance forest resources. All the projects must meet following criteria: contributions to the preservation of the global environment, contributions to local development, innovative nature or contributing to disseminating or upscaling of innovations, demonstration and replication, economic and financial sustainability, ecological and environmental viability, social and cultural acceptability, appropriate institutional framework.

Project Types

Sustainable land management, in the forest sector: SFM, plantations, forest certification, concerning management and bioenergy

Current/Past Projects of Relevance to ITTO

In 2011 7 forest projects were launched, with 4 strategic initiatives; (i) understand forests the processes of deforestation and forest degradation (DynAffFor); (ii) innovate sustainable management for forest ecosystems (Gilé national reserve); (iii) improvement of the governance of territories (optimise the production of goods and services by forest ecosystems, Mediterranean); and (iv) pilot REDD+ actions (Promoting the potential of REDD+ for the sustainable development of the Rio Magdalena) (<http://bit.ly/17oJops>).

Funding Range

The average amount of a FFEM grant is around €1.5 million (US\$1.8 million), 2011, 18 projects approved for total amount of €26 million (US\$31 million).

Action Proposals

As FFEM continues its support in the following areas: sustainable forestry exploitation; the sustainable management of wild fauna, and in particular the control of the bush meat sector; and spatial planning policies, there are good reasons for consultation with ITTO, together with the other key actors on tropical forests in France. Four other fields of activity could be considered: research support; the sustainable financing of conservation; the REDD mechanism; and economic development of local communities.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Federal Ministry for Economic Cooperation and Development (BMZ)**
Category: **Bilateral**

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Objectives

The aim of development cooperation is to give people the freedom to shape their own lives, by making their own decisions and taking responsibility for them, without suffering material hardship.

Operational COUNTRIES/REGIONS

Asia, Latin America and Caribbean, Middle East and North Africa, Sub-Saharan Africa

Priorities

Debt relief; education; energy; food; good governance; health; human rights; peace building; poverty; protecting the climate; protecting the environment; rural development; social security and urban development, sustainable economic development, cooperation with private sector, fair trade, world trade, social standards, environmental standards, ICT

Financing Policy

Financial cooperation (FC): projects and programmes to be promoted with FC funds are devised jointly by the government and the government of the partner country through agreements. The details are agreed and the project is implemented by KfW (see separate fact sheet). Funds for measures such as studies, advisory services for the project executing organizations, or training for local specialists are provided free of charge. In addition, 34 per cent of FC funds can be granted to certain countries for self-help-oriented poverty reduction measures, the empowerment of women, environmental protection, upgrading the social infrastructure, or credit guarantee funds for medium-sized enterprises.

Technical cooperation (TC): develops the capacities of individuals, organizations and societies in partner countries to improve living conditions by making efficient and sustainable use of resources. TC is provided free of charge. It mainly consists of advisory services, the supply of materials and equipment and financial contributions to qualified local executing agencies to enable them to implement development measures independently. GIZ (see separate fact sheet) is generally contracted to implement projects. TC embraces the following inputs: advisory services provided by experts in the relevant field. Projects and programmes are planned and implemented in close consultation with FC measures and the other instruments of German development cooperation.

Project Types

All projects serve the overall goal of forest conservation and are consistent with the requirements of SFM. They are aligned with the basic needs of rural populations and make a concrete contribution to poverty reduction. Themes under forests are; **(i) "Protecting by using"** to assist in taking equal account of all the important aspects of forestry: economic viability, nature conservation, preservation of cultural heritage and social equity. **(ii) "Combating illegal logging"** including bilateral FLEGT actions to support good governance and law enforcement at local and national level. **(iii) "Improving the enabling environment"** programmes are intended to create transparency, to promote consensus-building among the different actors and to clarify their mandates, roles, rights and duties, resulting in agreed objectives and policy guidelines, and SFM strategies also including implementation measures and transparent procedures for allocating forest concessions.

(iv) "Defining rights" by advising and supporting non-governmental organizations and associations and in-country partner organizations on the establishment of control and regulatory mechanisms and on land use planning. **(v) "Regional initiatives"** promote political initiatives and statutory requirements in the Congo River Basin, the Amazon River Basin and south-east Asia. **(vi) "Multinational programmes"** (one third of Germany's development policy funds for forest protection) is channeled to partner countries through multilateral or intergovernmental institutions (FAO, GEF and the Forest Carbon Partnership Facility). **(vii) "Research"** is supported through CIFOR and ICRAF and to a lesser extent through the Central American Agronomic Center for Research and Education (Centro Agronómico Tropical de Investigación y Enseñanza, CATIE) and other research centers. **(viii) "Certification"** supports the development and implementation of standards of sustainability and promotion of sustainable production and enabling producers to gain or maintain market access as a result of engaging with these standards systems, particularly supporting for SMEs in areas of technology transfer and reform projects; certification related approaches on protecting the climate (<http://bit.ly/10LRNht>).

Current/Past Projects of Relevance to ITTO

FLEGT process in Cameroon; in Chile advisory service to forest legislation; support to Congo Basin Forest Partnership (CBFP) and assistance to COMIFAC; advisory service to the Amazon Cooperation Treaty Organization (ACTO) and to the Association of Southeast Asian Nations (ASEAN) in drawing up and implementing a regional forest programme.

Funding Range

Substantial

Action Proposals

Consultations with BMZ to explore eligibility of programmatic funding to ITTO, together with the other key actors in Germany (GIZ and KfW) building on close linkages with the German priorities in ITTO's work.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
(German Association for International Cooperation)**

Category: Bilateral

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Objectives

Support the German Government in achieving its objectives in the field of international cooperation for sustainable development. GIZ is also engaged in international education work. To ensure the participation of all stakeholders, a holistic approach based on the values and principles upheld in German society to empower people in their own sustainable development processes. In doing this, political, economic, social and ecological factors are taken account.

Operational COUNTRIES/REGIONS

Global

Priorities

Good governance; rural development; sustainable infrastructure; security and reconstruction; social development; environment and climate change (environmental policy and development of institutions, climate change, management of natural resources, urban and industrial environmental protection); economic development and employment; cross-sectoral themes.

Financing Policy

Funding is open to a broad range of participants from Germany and abroad through projects carried out in partner countries by federal implementing agencies, government organizations, NGOs, business enterprises, universities and research institutes, and international and multinational organizations and institutes, e.g. development banks and United Nations bodies and programmes. The grant recipient is expected to have project-related expertise and experience on the target region. (See also fact sheets for BMZ and KfW)

Project Types

Climate Protection Programme (CaPP): measures to reduce and prevent greenhouse gas emissions, and measures to foster adaptation to the adverse effects of climate change. Activities focus on building and expanding institutional and human resource capacities, and model projects of climate protection. Activities include national and regional climate studies, training, conceptual and methodological policy studies. Projects are carried out as a component of existing international cooperation projects and programmes. (<http://bit.ly/14aPR8E>)

Biodiversity (CBD): in the environmental sector, decentralization, forestry and agriculture and interinstitutional coordination. State and non-state organizations are helped implement measures for the conservation and sustainable use of biodiversity in pilot projects, often in partnerships with national and international networks, organizations and scientific institutions. (<http://bit.ly/10SCO3Z>)

Combating Desertification (CCD): In Brazil pilot projects as supported models for coping with desertification and climate change, for SFM, alternative sources of income, sustainable water and soil management, and environmental education. (<http://bit.ly/VP8N6R>)

International Forest Policy (IWP): supports forest conservation and sustainable forest management, the monitoring and prevention of illegal logging, good governance, capacity development, fire prevention, biodiversity conservation, land-use planning and allocation of usage rights, as well as the payment for environmental services and community-based forest management, particularly on countries and regions of importance to the conservation of tropical forests IWP works on behalf of the Ministry for Economic Cooperation and Development (BMZ), but also the Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) and the Ministry of Food, Agriculture and Consumer Protection (BMELV). IWP also accepts commissions from the EU, other bilateral donors and international forest-related organizations. IWP provides a range of services such as advising the BMZ on current forest policy processes and initiatives; implementation and enforcement of FLEGT; supporting the establishment of regional initiatives and networks that focus on forests, among others. (<http://bit.ly/ZmjoDB>)

Environmental policy and sustainable development (RioPlus) concentrates on strengthening personal and institutional competences, integrating environmental concerns into sectoral policies and international development processes. (<http://bit.ly/14WDuvT>)

Trade Programme (TP): Aid for Trade supports implementing trade agreements and benefiting from trade opportunities while minimizing risks, through assistance (1) national policy level capacity to negotiate and implement trade agreements; (2) institutions providing trade-related business development services to the private sector; and (3) regional or inter-governmental promotion of regional economic integration processes and institutions. (<http://bit.ly/11d5haX>)

International Climate Initiative (ICI) is managed by GIZ and KfW. It provides financial support to international projects in climate change mitigation, adaptation, REDD+ and biodiversity conservation to catalyze other funding streams, particularly those from the private sector. Funds are disbursed mainly in the form of grants, with some subsidized loans. Eligible project types are climate change mitigation, climate change adaptation, conservation and sustainable use of natural carbon reservoirs/reducing emissions from deforestation and forest degradation (REDD+), and conservation of biodiversity. (<http://bit.ly/YcaJnW>)

Current/Past Projects of Relevance to ITTO

IWP: Vietnam's Forest Programme aims to put the preconditions necessary for SFM in place to create a competitive timber processing industry. Through targeted training and support institutions at national and provincial level, IWP is supporting capacity building in forestry businesses in five pilot provinces to introduce forestry certification and training, as well as the provision of advice to timber-processing businesses and cooperation with timber industry associations. Forest conservation and climate change mitigation in Indonesia target at creation of an enabling environment at national level and in selected districts; supporting the reform of forest administration; the development of reference emission levels; the development of REDD+ financing mechanisms an analysis of experiences and results from the REDD+ projects.

ICI: Conserving Forest Ecosystems in Amazonia (Peru): is supporting to expand and preserve protected areas and promote their sustainable use (training to protected area administration, developing management and financing plans, information center and guard posts, and equipment). Local population groups are closely involved in the project; Biodiversity Conservation through Preparatory Measures for Avoided Deforestation in Indonesia supports management of the peat forests with carbon pools inventoried and geomonitored together with forest restoration and structures for peat forest management (<http://bit.ly/ZgBLL5>).

Funding Range

Significant

Action Proposals

Consultations, together with BMZ and KfW, to develop an MOU with GIZ to provide a framework for long-term cooperation.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Kreditanstalt für Wiederaufbau (KfW) (German Development Bank)**
Category: Bilateral

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Objectives

To sustainably improve the economic, social and ecological conditions of people's lives with particular responsibility for protection of environment and climate

Operational COUNTRIES/REGIONS

Global

Priorities

KfW is devoted to the guiding principle of sustainability, contributing to its three pillars: the economy, the environment and social cohesion. Priorities are building peace, education, energy, financial system development, governance and decentralization, rural development, health, natural resources and rainforests (in developing countries, protected areas are established, illegal logging is curbed, fire prevention is strengthened, and land tenure and forest management is fostered), transport, urban development, waste management and water

Financing Policy

Focal areas for grants, loans and trust funds are deforestation and loss of biodiversity, sustainable management of natural resources, and forest conservation and REDD. Sustainable support is adapted to national and sector needs and capacities to strengthen existing expertise, initiative and responsibility, as well as existing support structures and institutions with minimum market distortion. Grants for projects in capacity building and use of new technologies, and projects with no returns (studies, building of expertise, technical advice, pilot projects). For projects that generate cash flow or the investments are self-sustaining, credit financing, including project finance is feasible. (<http://bit.ly/153vCcv>)

Project Types

Loans are currently applied in China, Peru and Vietnam, mainly for afforestation and forest management. Capital contributions for conservation trust funds have been introduced as new instrument to serve the long-term financial sustainability of investments, especially in nature reserves; the yield of invested capital is utilized to cover the operational costs; the endowment capital is left untouched. Programmes and projects aimed at emission reductions, climate change adaptation and technology transfer in developing and emerging economies. Participation in International Climate Initiative (ICI) (see GIZ fact sheet).

Current/Past Projects of Relevance to ITTO

Nature Conservation, Cameroon: support to Government's national scheme for the use and conservation of ecosystem. Local authorities are involved along with the private sector, particularly logging and safari companies. Participation in the regional TNS Trust Fund to provide assistance for running all three national parks in the Congo Basin. The primary aims are to protect environment and sustainably develop the buffer zones close exchange among the governments of Cameroon, CAR and the Republic of Congo.

Forest Conservation, Indonesia: The 'Forest and climate protection program' is implemented with the Indonesian Ministry of Forestry in cooperation with GIZ to develop and test at various REDD demonstration measures.

Funding Range

Several millions US\$

Action Proposals

Consultations with KfW with the participation of BMZ and GIZ, on specific project opportunities. At present, KfW has strong focus on REDD in its forest activities.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Ministry of Foreign Affairs of Japan (MOFA)**
Category: **Bilateral**

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Objectives

Contribute to economic and social development in developing countries through eliciting the strength of the people in these countries and transfer of Japan's knowledge and technologies

Operational Countries/Regions

Africa, Asia and LAC

Priorities

Poverty reduction; sustainable growth; addressing global issues; peace building

Financing Policy

Current priorities include REDD including the development of an international forest monitoring network building on existing initiatives. Recognizing the urgent need to curb illegal logging and its associated trade. Japan promotes effective forest law enforcement and governance and sustainable forest management worldwide including combating forest fires, the Kobe Call for Action for Biodiversity. Japan supports efforts to reduce the rate of biodiversity loss significantly in order to achieve the globally agreed 2010 Biodiversity Aichi Target. Co-benefits approaches are supported that will lead to reducing greenhouse gas emissions and conservation and sustainable use of biodiversity.

Project Types

Cooperation with JICA (see separate fact sheet); multilateral cooperation through several organisations

Current/Past Projects of Relevance to ITTO

See JICA fact sheet

Funding Range

Substantial

Action Proposals

Enhancing the continuous engagement with the Japanese Government (MOFA, MOEJ, JICA, Forestry Agency etc.), universities and research bodies through close regular consultations and cooperation. Active communication is necessary on ITTO's results in the context of climate change, biodiversity and MDGs to increase ITTO's visibility in Japan. Intensify efforts to align ITTO activities with Japan's international initiatives on biodiversity and climate change. Explore possibilities for public-private partnerships to mobilize more funds from the private sector.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Japan International Cooperation Agency (JICA)**
Category: **Bilateral**

Contact Information

Website: <http://bit.ly/Zhq9NP>
Location: HQ in Tokyo, Japan
Telephone: +81-3-5226-6660/6661/6662/6663
E-Mail:
Contact Person: Existing ITTO contact persons

Objectives

JICA advances international cooperation through sharing of knowledge and experience and works to build a more peaceful and prosperous world.

Operational Countries/Regions

Africa, Asia, Oceanic, Europe, Latin America and Caribbean

Priorities

Education, Health, Water Resources/Disaster Management, Governance, Peace-building, Social Security, Transportation, ICT, Natural Resources and Energy, Economic Policy, Private Sector Development, Agricultural/Rural Development, Natural Environment Conservation (sustainable use of natural resources, conservation of biodiversity and SFM), Fisheries, Gender and Development, Urban/Regional Development, Poverty Reduction, Environmental Management, South-South Cooperation

Financing Policy

Grant Aid: non-reimbursable funding to a recipient country to procure facilities, equipment and services for economic and social development of the country. Selection criteria for the Projects 2013; (i) relation with the JICA's country program (ii) Consideration of the comparative advantage of international organizations. Grant aid for environment and climate change supports adoption of policies and planning related to climate change countermeasures, etc., and for related projects.

Project Types

Programme Grant Aid for Environment and Climate Change supports policies and planning related to global warming countermeasures, etc., and for related projects with no obligation for repayment. Targeted mainly at developing countries with low income levels, this type of aid covers a wide range of cooperation areas, including development of economic infrastructure, the environment and other areas.

Current/Past Projects of Relevance to ITTO

Japan has been the biggest contributor through different organizations with large number of projects. Examples of major recent projects include: 2012, the five ITTO/CBD initiatives; Rehabilitation and Restoration of Forests with the Involvement of Local Communities; 2011, Support to Improve the Productivity of the Peruvian Timber Industry for the Production of Higher Value-added Products; Model Capacity Building for Efficient and Sustainable Utilization of Bamboo Resources in Indonesia; Guatemalan Forest Productivity Information System; Implementing the Cooperative Framework between ODEF and the Stakeholders for the Effective Participatory and Sustainable Management of the Eto-Lilicope Forest Complex (Togo); Transboundary biodiversity conservation of Mekong protected forest area in the Cambodia and Thailand ;Capacity building for sustainable management of tropical rainforests and biodiversity conservation in the Congo Basin countries.

Funding Range

-

Action Proposals

ITTO and JICA have established a Working Group which meets regularly to discuss issues relevant to the MOU signed 2012. JICA's role in the operation of Japan's Grant Aid Programme will be expanded significantly to cover project preparation and formulation process JICA's criteria for the selection of projects and the tentative schedule for the submission of project proposals. There is a good prospect in future for ITTO to receive continuous support from Japan through ITTO collaboration with JICA under the Government of Japan's Grant Aid Programme. This will also require continuing engagement by the Japanese Government (MOFA, MOEJ, JICA, the Forestry Agency, etc.), universities, and research bodies. There is a need to further increase ITTO's visibility in Japan. Continue efforts to align ITTO activities with Japan's international initiatives on biodiversity and climate change.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Japan Fund for Global Environment (JFGE)**
Category: **Bilateral**

Contact Information

Website: www.erca.go.jp/jfge/english/
Location: See website, HQ, Kawasaki, Japan
Telephone: Grant Program 81-44-520-9505
E-Mail: jfge@erca.go.jp
Contact Person: -

Objectives

Support environmental conservation efforts in developing regions that face severe environmental conditions and to change Japan's economic society to one that has a smaller environmental impact. The involvement of various sectors, e.g., government, local public bodies, and industry, is necessary to achieve these goals.

Operational Countries/Regions

Global, "developing regions" designated by development assistance committee

Priorities

JFGE provides financial assistance in Japan and developing countries for projects in following areas: Nature protection, conservation and restoration; Forest conservation and tree/grass planting; Anti-desertification; Agriculture of environmental conservation type; Prevention of global warming; Building of a recycle-oriented society; Air, water and soil conservation; Comprehensive environmental education; Other environmental conservation activities.

Financing Policy

Eligible organizations are "juridical persons or other organizations that are non-profit and base their activities on the public will." This qualification includes foundations, incorporated association, specified non-profit organizations. Activities eligible for grants are those that contribute to global environmental conservation and are classified as one of the following. (1.) Environmental conservation activities to be carried out in developing regions (a.) Afforestation, wildlife protection, prevention of pollution and other activities that are actually implemented on the project site of a developing region with the participation of the local communities or non-governmental organizations of that region. (b.) Provision of knowledge that local communities or non-governmental organizations in a developing region require to actually implement projects such as afforestation, wildlife protection and prevention of pollution. (c.) Conducting research and studies or holding international conferences. (2.) Environmental conservation activities to be carried out in Japan (a.) Tree and grass planting, recycling and other activities that are carried out with the participation of a wide range of citizens. (b.) Awareness-raising and dissemination of knowledge about environmental conservation that are implemented for the benefit of a wide range of citizens. (c.) Research and studies. Other governmental subsidies, grants and committed finances cannot be applied concurrently for submitted projects.

Project Types

See above activities eligible for grants.

Current/Past Projects of Relevance to ITTO

2012: Agroforestry and agricultural development in North Thailand, (US\$ ~46 000); GEF Project to create, test and promote of REDD+FPIC guideline in S-E Asia, (US\$ ~44 000); Japan-Malaysia association, Building a sustainable tropical rainforest regeneration system with community participation in Sarawak, Malaysia, and assessing the potential of ESD through its implementation

(US\$ ~28 000); Mekong Watch, Promotion to solve issues caused by expansion of plantation in tropical countries (US\$ ~51 000); Japan committee for IUCN, Implementing and Supporting the Aichi Biodiversity Target in global, national and local level (US\$ ~55 000). 2011: HUTAN Group, The illegal timber research and request to stop the illegal trade in Indonesia, Japan, the other countries, research and reforestation of Borneo native plants (Ramin, Ulin, and others) for the conservation of the Red List Species, (US\$ ~29 000).

Funding Range

See above.

Action Proposals

Consultations could be carried out on funding with taking account the current mechanisms of the Japanese contributions. ITTO meets all the necessary requirements. Application time is beginning of January to middle of February of each fiscal year. Only applications in Japanese are accepted. Non-Japanese organizations are required to have a representative to apply for the grant on their behalf. The representative should be an individual living in Japan or an organization with a main office in Japan. Despite relatively small size of projects grants are recurrent in many cases. Full info related to grants program with necessary documentation, schedule and project history available at <http://bit.ly/ZAFMAb>

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Korea Forest Service (KFS)**
Category: **Bilateral**

Contact Information

Website: English.**forest.go.kr/**
Location: See website, HQ, Daejeon, Korea
Telephone: General: +82-42-481-8841 Fax : +82-42-481-8884
E-Mail: **forest@forest.go.kr**
Contact Person: Dr. Kwangsu Ryu, Director General

Objectives

Sustainable management of forests and forest resources and protection of people and other assets from forest disasters, including wildfire. In international cooperation

Operational Countries/Regions

Asia, particularly ASEAN countries

Priorities

KFS is making continued efforts through bilateral agreements with forest cooperation to ensure investment safety and to promote overseas forest resources development, thereby contributing to stabilizing domestic timber supply, improving the capability of addressing climate change and enhancing national competitiveness through overseas forest resources development as a new leader towards green growth.

Financing Policy

In international cooperation the emphasis has been in securing available sites for overseas plantations and assisting Korean forest investors in their efforts. Since the Korea-Indonesia forestry cooperation was initiated in 1987, the KFS has signed bilateral agreements on forestry cooperation with 22 countries (Indonesia, New Zealand, Australia, China, Mongolia, Vietnam, Myanmar, Russia, Cambodia, Uruguay, Paraguay, Tunisia, Chile, Ecuador, Brazil, Japan, the Philippines, Austria, Algeria, Benin, Ethiopia and Argentina). Bilateral meetings with these countries take place on a regular basis. KFS transfers forest technologies in forest rehabilitation and management through training programs.

Project Types

Training, plantations development, forest ecosystem rehabilitation

Current/Past Projects of Relevance to ITTO

Plantation Project for Desertification Prevention in Western China, Forest Ecosystem Rehabilitation Project in Western China, Greenbelt Plantation Project in Mongolia to combat desertification, Forest Rehabilitation Project of Arid Region in central Myanmar.

Funding Range

Up to a few hundred thousand dollars

Action Proposals

KFS has been a small donor to ITTO through financing of projects. Close contacts should be maintained with KFS to explore further voluntary contributions and to assist ITTO in facilitating access to KOICA's funding and AFoCO.

See separate factsheets on KOICA and AFoCO.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Korean International Cooperation Agency (KOICA)**
 Category: **Bilateral**

Contact Information

Website: <http://www.koica.go.kr/english/main.html>
 Location: See website, several offices. HQ, Seoul, Korea
 Telephone: General +82-31-7400-114; CSO Cooperation +82-31-740-0254~8
 E-Mail: -
 Contact Person: -

Objectives

Promoting sustainable development, strengthening partnerships with developing partners, and enhancing the local ownership of beneficiaries, and additionally, global concerns such as the environment, poverty reduction, and gender mainstreaming, have gained significant importance in the international community.

Operational COUNTRIES/REGIONS

Asia, Africa, Latin-America, CIS and Middle East

Priorities

Education, Health, Governance, Agriculture Forestry and Fisheries (1 out of 5 core activities, "Diversifying Income Source" has indirect forest link), ICT, Industry & Energy, Environment (includes capacity for land management), Disaster Relief, MDGs and Climate Change (East Asia Climate Partnership). KOICA is responsible for Korea's bilateral grant aid and technical cooperation programs.

Financing Policy

KOICA's bilateral grant aid makes up around 40% of the total budget of Korea's bilateral ODA. 2011 assistance for health, agriculture, forestry and fishery were reduced. KOICA is concentrating assistance on climate change related issues in East Asia. Specifically, by focusing aid on regions with water-related damages and exerting efforts to assist in the reduction of greenhouse gas emissions.

CSO Program: Non-governmental organizations executing non-religious, non-political and nonprofit programs with the aim of assisting the improvement of developing countries. Priority is given to the least developed countries, countries where there are fewer intergovernmental cooperation projects underway. CSR Program: Projects are selected after an annual open application process. Priority is given to the least developed countries, countries with few intergovernmental cooperation projects underway, as well as those in Africa, while assistance is concentrated on health, medical care, and education for the achievement of the MDGs. Taking into account characteristics of a project, a partner country can be selected through direct consultation with KOICA. Priority is given to a country placed on the OECD-DAC List. East Asia Climate Partnership (EACP): selection of the best-suited aid themes and schemes for each country to maximize the effectiveness and efficiency of program. Pilot projects in renewable energy as well as other necessary programs are implemented.

Project Types

CSO Program: is designed to provide assistance for civil society organizations with the objectives of reducing poverty and promoting welfare. CSR Program: aims to establish partnerships with the private sector in the area of ODA, supporting projects that can potentially contribute to the socio-economic development of developing countries and the enhancement of local living conditions. The program also supports projects that are expected to contribute to the fulfillment of corporate social responsibility, while demonstrating high effectiveness and impact. Capacity Building program: is a support project designed to strengthen the capability for project implementation in the institutions that conduct development assistance projects, namely the civil society and the private sector. Land

management support: to facilitating the economic growth of developing countries and enhancing their welfare and living standards through efficient land management, use and conservation with strong focus on water resources. EACP: to identify an "East Asian Low Carbon Development Path" by incorporating a regional strategy which creates a win-win synergy between the climate and the economy; help partner countries raise the awareness of the significance of climate change and build the capacity for combating its impact; contribute to international cooperation working toward solving the climate change issue and achieving the MDGs. See bilateral sub-program info (Indonesia, Mongolia, Philippines) related to forests <http://eacp.koica.go.kr/business/06.jsp>

Current/Past Projects of Relevance to ITTO

Industry: Feasibility Study on Riverbank Protection and Construction of Riverside Park along the Mekong River in Vientiane, Lao PDR. Environment: Greening of the Dry Zone of Central Myanmar; Forest Tree Seed Sources Management and Development in Indonesia.

Funding Range

2011 EACP: Aid for Global Green Growth Institute (US\$4 million) and aid for international organizations (\$1.3 million). Assistance for forests was less than 10% from US\$44 million budget. Water resource management was allocated more than 90%.

Action Proposals

In 2012, Korea was the fifth largest importer of tropical primary wood products. ITTO's objectives can be clearly aligned with the Korean government's policy to expand green ODA by 30% until 2020 and build the foundation for environmental mainstreaming and green ODA expansion in preparation of the post-Kyoto climate regime.

Continue consultations on opportunities with KOICA on the possibility of increasing its assistance to ITTO. Project types to be identified and the eligibility of ITTO in aid to international organizations to be clarified. EACP is the strongest window in terms of forest related grant aid.

Due to the Korean initiated partnership with ASEAN forestry ODA Asia, cooperation possibilities are likely to be found in Africa and Asia. See separate factsheet on AFoCO.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **The Netherlands Ministry of Foreign Affairs (DevCo) /
Ministry of Economic Affairs (NL Agency)**
Category: Bilateral

Contact Information

Website: DevCo <http://bit.ly/13GOBIP> / NL Agency <http://www.agentschapnl.nl/en>
Location: HQs Hague, The Netherlands, several offices
Telephone: NL Agency +31-886 02 50 00
E-Mail:
Contact Person: Marieke Abcouwer, IDH program manager Tropical Timber,
abcouwer@idhsustainabletrade.com, +31-302 30 56 68; Directorate-
General for Nature and Regional Policy and Biodiversity of the Ministry of
Foreign Affairs

Objectives

Four main objectives of bilateral development cooperation are security and the legal order, water, food security, and sexual and reproductive health and rights. Specific areas include private sector development; public sector cooperation; business development; energy and climate; and innovation within the framework of sustainability

Operational Countries/Regions

DevCo: Asia and Africa **NL Agency:** Africa, Asia, the Middle East, Eastern Europe and Latin America

Priorities

NL Agency: Information & advice; financial support through (credit, scale stimulation and subsidies for entrepreneurship, innovation, sustainable energy and energy efficiency, international business and collaboration); **networking; implementing the law and regulations particularly** environmental and sustainability performance

Financing Policy

DevCo: Grants awarded under the Standard Framework are intended for programmes of independent Dutch and/or international non-profit civil society organisations⁵ with legal personality, that contribute through results-driven activities to structural poverty reduction in developing countries, (<http://bit.ly/10SP863>).

Project Types

DevCo: Several with no relevance to ITTO. **NL Agency: the bilateral energy cooperation between Indonesia and the Netherlands (BECIN), sustainable biomass,** facility for infrastructure development ORIO: for infrastructure development projects, funding enabling local authorities in partnership with the business community to create public works and facilities related to drinking water, irrigation, wastewater, the environment, energy, transport, civil works, health care, etc.

The IDH Sustainable Trade Initiative's Tropical Timber program focuses on sustainable forest management. It consists of five elements. Through three tropical timber programs, concession holders in the Amazon (The Amazon Alternative, TAA), Borneo (The Borneo Initiative, TBI) and the Congo Basin (the Congo Basin Program, CBP) are supported on their way towards sustainable forest management. The other two activities aim to increase the demand for sustainable tropical timber in the Netherlands (cooperation with FSC Netherlands) and in other countries in Europe (the Linking Europe program, LE) respectively. Sufficient demand is an important success factor for sustainable forest management in the production countries. The goal of IDH is strengthening of local concession holders in The Amazon, Borneo, and the Congo Basin by providing training to improve capacity for FSC certification of natural forest. Concession holders are also provided better access

to the international market. With a 105 M euro match funding grant from the Dutch Ministry for Development Cooperation IDH organizes scoping, development and implementation of public private, precompetitive market transformation programs in 16 sectors. The IDH investments in market transformation programs are 1:1 match funded by private companies.

Current/Past Projects of Relevance to ITTO

The focus of the contribution of the Netherlands has mainly been on forest law enforcement, enhancement of civil society to contribute to forest law enforcement, market transparency and poverty alleviation. The Netherlands funded also the second phase of ITTO-CITES and trade.

Funding Range

Within the standard framework funding up to 50% of the costs of programme and over 60% of requested funding must be spent in partner countries. ORIO €2-€60 million (US\$ 2.6–79 million)

Action Proposals

Ensure continuing engagement with the Dutch Government to the TFLET. Follow up the identified potential interest of the IDH, (<http://bit.ly/xrvy7k>) (see separate factsheet). The Standard Framework to be considered in proposals. ORIO, a new Call for Proposals will be opened in 2013. Once the dates are confirmed, they will be published on the website.

FACT SHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **The Sustainable Trade Initiative (IDH)**
Category: Netherlands/Foundation

Contact Information

Website: <http://www.idhsustainabletrade.com/>
Location: Utrecht, the Netherlands
Telephone: +31-(0)302 30 56 60
E-Mail: office@idhsustainabletrade.com
Contact Person: Marieke Abcouwer, IDH program manager Tropical Timber,
abcouwer@idhsustainabletrade.com, +31-302 30 56 68

Objectives

Accelerate and up-scale sustainable trade by building impact oriented coalitions of front running multinationals, civil society organizations, governments and other stakeholders through convening public and private interests, strengths and knowledge, to create shared value for all partners.

Operational Countries/Regions

Global

Priorities

Cocoa, tropical timber, tea, natural stone, soy, tourism, cotton, aquaculture, spices, electronics, coffee, cashew, fruits & vegetables, flowers, palm oil program

Financing Policy

There is a (minimal) of 1:1 match funding by private sector of IDH investments, to start the implementation phase to develop and disseminate innovative strategies for transformative supply chain models that address tough global social and environmental challenges. Elements in an average implementation plan may be: training of farmers in Better Agricultural Practices; training of farmers in crop protection management; implementation of a sustainability standard; input (fertilizer and crop protection) financing instruments ; improving working conditions (wages, overtime, child labor, gender issues); certification of producers; empowering farmers/ producers/workers; organizing market uptake and public procurement (including public private covenants); capturing and sharing learnings; and precompetitive communication on outcomes and impact

Project Types

The IDH Tropical Timber program focuses on sustainable forest management. It consists of five elements. Through three tropical timber programs, concession holders in the Amazon (The Amazon Alternative), Borneo (The Borneo Initiative) and the Congo Basin (the Congo Basin Program) are supported on their way towards sustainable forest management. The other two activities aim to increase the demand for sustainable tropical timber in the Netherlands (cooperation with FSC Netherlands) and in other countries in Europe (the Linking Europe program), respectively. Sufficient demand is an important success factor for sustainable forest management in the production countries. The goal is strengthening of local concession holders by providing training to improve capacity for FSC certification of natural forest. Concession holders are also provided better access to the international market. The 105 million euro matching funding grant from the Dutch Ministry for Development Cooperation enables IDH to organize scoping, development and implementation of public-private, precompetitive market transformation programs in 16 sectors. The IDH investments in market transformation programs are 1:1 match funded by private companies.

Current/Past Projects of Relevance to ITTO

The Amazon Alternative is a public-private partnership of forest and timber companies, NGOs, financial institutions, certifying bodies and governmental institutions. Embedded in the IDH framework, the programme focuses on development and strengthening of the FSC certified timber production and value chain in Brazil, Bolivia and Peru.

The Borneo Initiative is an independent, non-profit organization established in 2008 to promote the responsible management of forests in Indonesia. Together with partners to promote the use of certified timber and create sustainable forestry, making it possible to prevent deforestation and forest degradation.

The Congo Basin Program is a large-scale public-private partnership aiming to increase the responsible production and trade of tropical timber. The program supports concession holders on their way to sustainable forest management and certification.

The Linking Europe program aims to increase the uptake of sustainably certified tropical timber with 10% by 2015 in three European countries. The focus is on two important sectors for tropical timber: the do-it-yourself (DIY) sector and the public sector. Because of their large market share and influence as example, a limited number of partners in both sectors have the potential to change the market as a whole. The program has four main objectives, (1) increase the demand for sustainably certified tropical timber in three countries, (2) increase sustainable procurement of timber in the DIY sector in Germany and in France to 100% by 2013, (3) assemble, revise and add new elements to existing guidance materials and tools for sustainable public procurement officers of local authorities by 2012, and (4) implement training on sustainable procurement for public procurement officers in targeted at 'front running' cities or municipalities in Italy, France and Belgium by 2013.

Funding Range

Depends on the private investment involved, 1:1 match funding with private sector

Action Proposals

Continue consultations to follow up the identified potential interest of the IDH in cooperation with ITTO through participation in the Sustainable Tropical Timber Coalition and development of project proposals with the private sector to match with the funding criterion (1:1).

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Center for the Promotion of Imports from Developing countries (CBI)**
Category: **Bilateral**

Contact Information

Website: <http://www.cbi.eu/>
Location: Hague, the Netherlands
Telephone: +31-(0)88 6 02 43 00
E-Mail: cbi@cbi.eu
Contact Person: Forest sector: Programme manager, Bram van Helvoirt, +31-(0)886 02 43 16, bhelvoirt@cbi.eu; Peter van Gilst, +31-(0)886 02 43 60, pgilst@cbi.eu.
See full sectorial and regional contact details <http://bit.ly/14vCJer>

Objectives

Engage all key actors in the value chain with the dual purpose of: (i) Strengthening the competitive capacity of producers and exporters; and (ii) Improving the infrastructure in developing countries by supporting Business Support Organizations (BSOs) and government authorities. CBI's contribution consists of sustainable strengthening of the competitive capacity of SME exporters and producers in developing countries, focusing primarily on European markets.

Operational Countries/Regions

48 developing countries in Africa including several East African countries, Latin and Middle America including Peru, Bolivia and Colombia and Asia including Indonesia and Philippines

Priorities

CBI has 22 modules in their service portfolio, which can be divided into 5 main categories; (i) Institutional development for Business Support Organizations, (ii) Export coaching for SMEs, (iii) Market intelligence in 23 sectors, (iv) Human resource development, and (v) Strategic conferences.

Financing Policy

No actual financing activities, except technical assistance is provided for producer organizations.

Project Types

CBI is currently implementing an Export Coaching Programme on timber and timber products. The program's objective is to assist companies from selected countries to find importers of timber and timber products derived from sustainably managed resources. The programme is closed for applications. Products selected for this programme include sawn timber; mouldings; panels; doors; window and door frames; flooring; stair steps and ballisters; veneers; furniture components in Sri Lanka, Ecuador, Ghana, Guatemala, Honduras.

Current/Past Projects of Relevance to ITTO

CBI has signed a MOU with The Amazon Alternative (TAA) to bundle their efforts in Bolivia's timber sector with the mutual aim of increasing the exports of FSC certified timber from Bolivia to European markets. TAA is a collaboration programme of forest and timber companies, NGOs, unions, financiers, certification bodies and governmental bodies. Increasing the imports of sustainable timber from Bolivia will encourage more forest managers to switch to SFM and contribute to maintaining the Amazon rainforest for future generations. The MOU also supports the FSC certification of CBI's 17 partner companies in Bolivia.

Funding Range

No funding provided.

Action Proposals

The Netherlands is one of the major importers of further processed tropical timber products within the EU. Mutual consultations on possibilities for example in terms of cost-sharing and promoting SFM of tropics. "PD 700/13 Rev.1 (I). Development of Intra-African Trade and Further Processing in Tropical Timber and Timber Products – Phase I"

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **New Zealand Aid Programme (NZAid)**
Category: **Bilateral**

Contact Information

Website: <http://www.aid.govt.nz/>
Location: HQ Wellington, New Zealand
Telephone: +64-4 439 8000
E-Mail: enquiries@mfat.govt.nz
Contact Person: Director, Global Bilateral Division, Cecile Hillyer; Director, Sustainable Economic Development, Mike Burrell

Objectives

To support sustainable development in developing countries, in order to reduce poverty and to contribute to a more secure, equitable, and prosperous world.

Operational Countries/Regions

Pacific, Asia, Afghanistan, Latin America, Africa

Priorities

Agriculture, fisheries, tourism, renewable energy, transport and communication infrastructure, private sector development, education and training, health, waste supply and sanitation, safe and secure communities, environment; (implementing the policy on delivering and tracking climate change related ODA to ensure the Government's climate change financing commitment is met; expertise in environment including disaster risk management, forestry and fisheries and management of conservation estates), gender, human rights

Financing Policy

In environment the policy engagements are linked to the Secretariat of the Pacific Regional Environment Programme (SPREP) and the GEF. In general, support is provided for large, longer-term, comprehensive initiatives that are more likely to lead to effective results. Programmes will be well coordinated with other donors, especially Australia. Programmes will be closely aligned to partner country needs, and support will be provided to partners to develop sound plans, seed innovative ideas and jointly monitor implementation. NZ will deliver its aid programme through enabling partnerships with governments, the private sector, multilateral and regional agencies, NGOs and other CSOs. NZ seeks to ensure the coherence of policies in areas such as trade, migration, investment and the environment in view of international development commitments and goals.

Project Types

Indonesia programme supports economic development through strengthening disaster risk management, the agriculture and renewable energy sectors. **Viet Nam programme** assists in sustainable economic development focuses on agribusiness and land administration. **Latin America programme** is under development and will focusing on sustainable economic development and particularly agriculture. **Africa programme** is under development and will focus on sustainable economic development, particularly in agriculture in sub-Saharan Africa. **NZ Partnership Fund** is to support sustainable development in developing countries in order to reduce poverty and contribute to a more secure, equitable and prosperous world (eligible only for NZ origin organizations).

Current/Past Projects of Relevance to ITTO

ITTO-CITES programme's second phase funding

Funding Range

-

Action Proposals

Consultation to explore possibilities to link support to ITTO with SPREP or other instruments and initiatives.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Norwegian Ministry of Foreign Affairs (MFA)**
Norwegian Agency for Development Cooperation (Norad)
Category: Bilateral

Contact Information

Website: **MFA:** <http://bit.ly/aeC2ts> / **Norad:** <http://www.norad.no/en/>
Location: HQs are in Oslo, Norway
Telephone: **MFA:** +47-22 24 39 17 / **Norad:** +47-23 98 00 00
E-Mail: **MFA:** reg@mfa.no / **Norad:** postmottak@norad.no
Contact Person: **MFA:** ITTO contact point / **Norad:** Agriculture and Forestry Policy Director, Odd Arnesen, tel. +47-23980090 / +47-23980027 (full sectoral contact details <http://bit.ly/10O8YAp>) **NIFCI:** Director of the Initiative, Per Fredrik Ilsaas Pharo, +47-22245843, pip@md.dep.no

Objectives

MFA: The objective of Norway's development policy is to fight poverty and bring about social justice.

Norad: The purpose of the environmental development cooperation is to contribute towards achieving the MDGs, making it possible for poor people to improve their living conditions and health, and reducing their vulnerability.

Operational Countries/Regions

MFA: Global

Norad: Africa, Asia and Oceania, Middle East, Europe and Latin America.

Priorities

MFA: The environment and sustainable development; peace building, human rights and humanitarian assistance; oil and clean energy; women and gender equality; good governance and the fight against corruption; and efforts to reach the health-related MDGs. Particular emphasis is given to efforts to fight climate change and deforestation.

Norad: Climate change and the environment (policy, climate proofing, adaptation to climate change, mitigation); energy; macroeconomics and public administration (macroeconomics and poverty reduction); global health; and education and research

Norway's International Climate and Forest Initiative (NIFCI): support to UNFCCC negotiations; partnerships with key tropical forest countries; green economy and sustainable landscapes; multilateral support; and civil society support.

Financing Policy

MFA: Parts of the development budget is allocated to fight poverty in a way that also addresses global environmental challenges including conservation of forests, access to clean energy, climate financing and climate adaptation, especially food security and prevention of natural disasters, and preservation of biodiversity. **NIFCI** was launched for measures to combat deforestation in developing countries with understanding that it is inextricably linked to poverty reduction and sustainable economic development. (<http://bit.ly/158tmR3>)

Norad: Four thematic priority areas are: (i) Sustainable management, use and conservation of natural resources and biological diversity including forests; (ii) water resources management; (iii) water and sanitation; and (iv) climate change and access to clean energy. As a separate sector, the environment covers development cooperation that has sustainable management of natural resources and environmental protection as its main goals. Projects can test new approaches, pave the way for broader sector programmes or to establish good relations with local partners.

Bilateral cooperation will be targeted mainly at partner countries in Africa and to some extent in Asia. In Central America the focus will be on regional programmes. Countries that are not currently partner countries, with importance to global biological diversity, are given special attention.

Cooperation activities will be identified on the basis of the recipient countries' national strategies and action plans on biological diversity.

With natural resources, support to conservation and sustainable use of areas and ecosystems of global importance; the ecosystem approach to natural resource management; to secure access and rights to resources for local communities, including indigenous peoples. This includes land, forests and wildlife, and the fair and equitable sharing of the benefits arising out of the utilisation of genetic resources; support the implementation of multilateral environmental agreements; promote the integration of biological diversity concerns in all sectors; support the implementation of the CCD, the CBD and UNFCCC. Norad provides grants for companies, social institutions, research communities and Norwegian and international organisations. development cooperation.

Project Types

MFA: Multi and bi-lateral programmes. Aid-for-Trade to support programmes in the field of standardisation and product control, mainly based on a regional approach both in Africa and Asia. The Common Fund for Commodities (CFC) has received funding to improve competitiveness and increase the degree of processing of various raw materials. The Government is exploring the possibility of establishing a separate programme area for the financing of global public goods.

Norad: Grant Scheme for International Organisations and Networks supports international organisations and networks helping actors from civil society who through their work methods, knowledge, range of activities and networks complement other channels of development cooperation to strengthen regional and international organisations and networks' ability to influence national, regional and international decision-makers, including environment and climate change; renewable energy and energy efficiency, conservation of biodiversity, increased local participation in sustainable natural resources management and strengthening women, vulnerable groups and local populations influence over, access and rights to natural resources. Inter-governmental organisations outside the UN may also receive support. Latest deadline call for proposals was in February 2013 for period 2013-2015, (<http://bit.ly/W3tNTP>).

NICFI grant scheme for civil society: purpose of the funding scheme is to contribute to the main objectives of NICFI towards the inclusion of emissions from deforestation and forest degradation in a new international climate regime, early action to achieve cost-effective and verifiable reductions in greenhouse gas emissions; and conservation of natural forests to maintain their carbon storage capacity promoting sustainable development and poverty reduction (<http://bit.ly/Jw7oOg>).

Current/Past Projects of Relevance to ITTO

Norad: Malawi tree planting for both restoration of forest areas, measures undertaken on cultivated fields and establishment of fruit orchards; energy efficient cooking stoves; DR Congo reduction in greenhouse gas emissions from REDD+; Zambia building sustainable local communities in vulnerable areas targeted at reduced poaching and conservation of the natural environment in protected areas; China mapping out measures to strengthen ecosystems services including biodiversity and reducing emissions; Brazil monitoring deforestation of the Amazon region and enhancement of development through policy measures and cooperation in business, trade and investments, climate, environment and sustainable growth as well as international affairs; and Guyana performance-based support to contain deforestation.

Funding Range

Norad: Grant Scheme for International Organisations and Networks US\$174 000 – 40 million.
Norad/NICFI grant scheme for civil society US\$784 000 – 10.5 million

Action Proposals

The focus of Norway's funding to ITTO has been mainly linked to climate change, i.e. ITTO REDDES Thematic Programme. Most of the projects financed under this TP are still in their initial stage of development and no concrete results can be shared at the moment. It is important to generate this information and package it into a suitable form for communication purposes also within Norway. Norway has also funded ITTO-CITES first and second phase. Other possibilities should be explored in view of the alignment of ITTO activities with Norway's international initiatives on biodiversity and climate change.

Monitor the Norwegian policy making on the forthcoming global public goods programme.

Submission possibilities to the Grant Scheme for International Organizations and Networks to be identified and respective action taken for next call for proposals.

Explore cooperation possibilities with Norway's development cooperation actors.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Spanish Agency for International Development Cooperation (AECID)**
Category: **Bilateral**

Contact Information

Website: <http://www.aecid.es/en/index.html>
Location: HQ in Madrid, Spain
Telephone: +34 91 583 81 00
E-Mail: -
Contact Person: -

Objectives

Achieving sustainable human development, the eradication of poverty, active peace-building and the full exercise of the rights of global citizenship

Operational Countries/Regions

Latin America and the Caribbean (Bolivia, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, Peru and Dominican Republic), North Africa and the Middle East (Morocco, Mauritania and Palestinian territories), Western sub-Saharan Africa (Mali, Niger and Senegal), Central Arica (Ethiopia, Equator Guinea, Cape Verde and Mozambique) and Asia (Philippines, East Timor and Vietnam)

Priorities

Culture and science, water and sanitation, economic growth, rural development and hunger, education, gender, democracy, the environment and climate change and health

Financing Policy

In multilateral cooperation concentrate specially on those organisms which work more directly in the sectors and regions which have the priority is Spanish Cooperation (e.g., FAO has significant support from Spain). In bilateral cooperation funds will be reduced only to specific regions or sectors, of high priority.

In the environment and climate change AECID encourages new development paradigm, characterized by economic sustainability, with high levels of biodiversity, social justice and equity and low carbon dioxide emissions. Priorities are given to national public initiatives, regional and multilateral networking and support. In bilateral cooperation experience on Spain's Water Action Plan demonstrated the importance of hydrological forest management is useful. There are linkages also in the renewable energy action line. Sustainable forest management is consistent with the objective of promoting the green economy and low carbon model. An important part of the resources to fight against climate change is allocated to forests including conservation actions, sustainable management of forests and enhancement of carbon stocks. The second priority is to promote forest certification as a tool to reduce deforestation and forest degradation, and incentive to the abandonment of illegal logging by creating decent employment and improving conditions for workers.

Project Types

The Andean Region Programme for democratic governance and institution building, sustainable management of the environment and natural resources, socio-productive development from territorial vision, development of tourism, promotion of socio-labor integration and creation of opportunities for the development of Andes women.

The Development Promotion Fund (FONPRODE) for non-tied operations, with the aim of eradicating poverty and reducing social inequalities and unfairness, sustainable human development in the countries defined as partners to support the domestic production i.e. micro,

small and medium-sized enterprises within the social economy contributing to economic growth in order to reduce poverty.

Current/Past Projects of Relevance to ITTO

Protection and development of the environment and sustainable growth protection in the forest industry sector of Vietnam, to strengthen forest law enforcement at the local level, through the awareness of local communities, and to facilitate access to the law by the district administrations, provincial and of forestry and timber industry in the legal context of implementing FLEGT and certification.

Funding Range

-

Action Proposals

Spain has relatively strong focus on legality of timber and therefore possibilities through FLEGT could be identified. Because of good fit between strategies of Spain and ITTO, consultations to be carried out to explore funding opportunities after the country's economic situation has improved.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Swedish International Development Cooperation Agency (SIDA)**
Category: **Bilateral**

Contact Information

Website: <http://www.sida.se/English/>
Location: HQ Stockholm, Sweden
Telephone: +46-8 698 50 00
E-Mail: sida@sida.se
Contact Person: Kerstin Jonsson Cissé, Senior Policy Advisor, Agriculture, Forestry and Food Security, kerstin.jonsson.cisse@sida.se; Margareta Nilsson, Program Officer, Rural Development, margareta.nilsson@sida.se

Objectives

Sida's mission is to create the requisite conditions for change and for sustainable social, economic and environmental development to overcome the great global challenges - poverty, environmental degradation, conflicts - in which joint efforts are necessary.

Operational Countries/Regions

Africa, Asia, Europe, Latin America

Priorities

Democracy, equality and human rights; economic development (agriculture, including forestry, making up the principal source of income for a majority of the world's poor, with potential to be a poverty -focused growth engine while contributing to a reduction in greenhouse gas emissions); knowledge, health and social development; sustainable development, people in developing countries live off what the forests, land and sea can provide. To reduce poverty, support to protect natural resources and the environment that people depend on to support themselves; human security⁴⁴.

Financing Policy

Support to climate-smart and sustainable use of the forests by means of stronger forest management and measures that discourage deforestation and safeguard forest ownership and user rights, especially for poor, forest-dependent communities and indigenous populations, as well as assist in the development of national forest information systems. Creating incentives to reduce illegal logging and to strengthen both legislation and market forces for ecologically and socially sustainable production of, and trade in, forest products. Potential synergistic effects between climate adaptation, mitigation and reduced deforestation, as well as the protection of biodiversity and ecosystem services to be harnessed, together with respect for the rights and interests of indigenous populations and local communities. Developing the competence of the authorities and institutions concerned. Sharing knowledge about the importance of forests in combating poverty, through dialogue with the relevant authorities and decision makers. Supply capacity support and other development assistance to authorities and institutions whose task is to regulate people's access to forests and other natural resources, particularly through laws and guidelines. Support to both international and national organizations that can promote economic development in Sweden's partner countries.

Multilateral Cooperation: Approximately 1/3 of Swedish development funds is given to international organizations including the UN, the World Bank, and several regional development banks. These funds are available either through partnerships with the countries themselves or through the international body. Support through Swedish organisations with framework agreement. Sweden's environmental secretariat for Asia (SENSA) provides strategic advice, technical support to the

⁴⁴

Sweden's policy for global development (www.government.se/sb/d/9807/a/113283)

cooperating partners and facilitates cooperation between environmental actors in the different countries of the region by identifying activities with common goals.

Project Types

Thematic areas and operations: Mekong cooperation; natural resource managements; climate change adaptation; harmonizing environmental policy; emerging regional environmental activities; facilitating regional environmental activities and synergies.

Current/Past Projects of Relevance to ITTO

Village based beekeeping to conserve ecosystem in Mali; Support to **protected** national park on the border between Sierra Leone and Liberia; **“Betting on Laos”** supporting biodiversity conservation (together with the Swiss SDC and GIZ).

Funding Range

Substantial

Action Proposals

International organizations have limited access to SIDA's funding. On the other hand, in view of SIDA's policies embracing ITTO's operational principles and scope of work, consultations of funding possibilities could be explored.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Swiss Association for International Cooperation (HELVETAS)**
Category: **Bilateral**

Contact Information

Website: <http://www.helvetas.org/>
Location: **Offices in Berne and Zurich, Switzerland**
Telephone: **+41-(0)44-368 65 00 / +41-(0)31-385 10 10**
E-Mail: info@helvetas.org
Contact Person: **-**

Objectives

Improve the living conditions of women and men from disadvantaged communities in a direct and sustainable manner, to build their capacities to take control of their lives and to have the skills, resources and opportunities to secure a decent living.

Operational Countries/Regions

Africa, Asia, Latin America

Priorities

Water and infrastructure (water and sanitation, water for food, bridges and roads), rural economy (food, organic farming and fair-trade), environment and climate change (soils, forests, water and energy), skills development and education (basic literacy and vocational training) and governance and peace (human rights and culture)

Financing Policy

Promoting environmentally friendly forms of development and campaigns for an effective global climate policy that takes account of developing countries' needs. Promotion of effective climate measures in the sustainable use of natural resources. In its partner countries, support and advice to several national and regional climate delegations and training programmes on climate change, resource management and disaster prevention.

Project Types

Dominican Republic: sustainable natural resource management, protection/management of the Rio Macasías river-catchment, promotion of cultural activities. **Guatemala:** Forestry training in the northern lowlands. **Vietnam:** Agricultural and forestry advisory and training programme.

Current/Past Projects of Relevance to ITTO

Quantifying the carbon benefits of projects of the ITTO, assess the carbon benefits of forest management activities.

Funding Range

No actual financing provided (funding by the Swiss Government)

Action Proposals

Continue close cooperation in project implementation, particularly activities which have been linked with Swiss financing (see SDC fact sheet).

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Swiss Agency for Development and Co-operation (SDC)
Secretariat for Economic Affairs, Economic Cooperation and
Development (SECO)**

Category: Bilateral

Contact Information

Website: SDC: <http://www.deza.admin.ch/en/>
SECO: <http://www.seco-cooperation.admin.ch/>

Location: See website, HQs in Berne, Switzerland

Telephone: SDC: +41-(0)31 322 34 75 / GPCC +41-(0)31 325 92 82
SECO: +41-(0)31 322 14 98

E-Mail: SDC: info@deza.admin.ch SECO: info.cooperation@seco.admin.ch

Contact Person: SDC: Institutional Partnerships, Konrad Specker, tel.+41-(0)31 324 26 36,
sekretariatip@deza.admin.ch; GPCC and Forests and Land use
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jean-gabriel.duss@deza.admin.ch; Jocelyn Ostolaza, Head, Swiss
Cooperation in Peru, jocelyn.ostolaza@sdc.net
SECO: ITTO contact point / International Cooperation Forest and
Environment Team, info@intercooperation.ch, +41-(0)31 385 10 10 / Head,
Trade and Clean Technology Cooperation, Hans-Peter Egler,
+41-(0)31 324 08 13 hans-peter.egler@seco.admin.ch

Objectives

The goal of development cooperation (SDC) is reducing poverty, fostering economic self-reliance and state autonomy, contributing to the improvement of production conditions, finding solutions to environmental problems, and providing better access to education and basic health care services. **SECO** promotes sustainable economic development cooperation.

Operational Countries/Regions

SDC: Africa, Middle East, Western Balkan, CIS, South Asia and Himalayas, Southeast Asia, East Asia, South America and Caribbean

SECO: Development cooperation concentrates on more advanced developing countries in Africa, Asia and Latin America. Transition aid focuses on selected countries in South-Eastern Europe and Central Asia.

Priorities

SDC: Rural development (rural areas, sustainable use of natural resources, desertification); climate change and environment (forest and land use, energy, vulnerability and adaptation); water; health; education; migration; rule of law, democracy; conflict prevention and transformation; emergency aid and reconstruction; employment and income; governance; gender; research; learning and networking; culture.

SECO: Economic and financial policy; urban infrastructure and utilities; private sector and entrepreneurship; sustainable trade (framework conditions, international competitiveness, market access, partners); climate-friendly growth (energy efficiency, natural resources, market and financing mechanisms); multilateral cooperation; development policy; globalisation and global issues; evaluation; quality and results-based management.

Financing Policy

SDC: Bilateral cooperation enabling priority countries to carry out sustainable development processes and devote efforts to country programs to foster favorable general conditions.

Multilateral cooperation, large-scale intervention, co-financing large multilateral programmes on fighting poverty, even in countries where Switzerland is not directly active. **Global programmes, the**

bilateral-multilateral link, programmes respond to the global challenges that threaten poverty reduction: water shortages, health, food security, migration and climate change including development, implementing innovative projects; and sharing know-how and experience. **Research institutions** cooperation is increasingly focused on resolving problems of global importance and facilitating access to global public goods. In this context, the collaboration between the SDC, the Swiss research centres and with their partners in the countries of the South is crucial. (<http://bit.ly/10TJC8Z>)

SECO: promotes diversification of economic base and the reduction of dependence on exports of raw materials, focusing on the promotion of trade in sustainably produced commodities to be achieved, wherever possible, through voluntary measures and agreements. Support to development of framework conditions that promote trade in sustainably produced timber and other forest products, and encourages the financial compensation of the forests' ecosystem services contributing to poverty reduction and the conservation of tropical forests through: (i) international policy dialogue, including active participation in the work of the ITTO and in regional forums of the FLEG initiative of the WB; (ii) international involvement at the operational level to support and monitoring of project work, with the following focal points: Support of export capacities for products from SFM tropical forests through promotion of certification and labelling as well as cooperation between the public and private sectors and civil society; fight against illegal logging and related trade; promotion of compensation for ecosystem services of tropical forests (carbon sequestration, biodiversity, ecotourism, etc.); establishment of conservation belts in critical tropical forest areas.

Project Types

The Global Programme Climate Change (GPCC) aims at mitigation and adaptation. (i) influencing international climate policy; (ii) implementing hands-on, innovative projects in China, India, South Africa and the Andean region, promotion of environmentally friendly technologies, sustainable agriculture and forestry and the implementation of adaptive measures to reduce climate risks; (iii) promoting new forms of collaboration and networking between the scientific community, the private sector, civil society and governments for transfer of knowledge and the effectiveness of projects; and (iv) supporting awareness building and institutional learning on climate change and the environment within the SDC and its partner organizations.

Current/Past Projects of Relevance to ITTO

SDC supports PROFOR – Program on Forests to strengthen forests' contribution to poverty reduction, economic development and the protection of global and local environmental values, with focus on climate change mitigation and adaptation, (<http://bit.ly/16YreaQ>). Program to support the valuation of non-timber forest products, Burkina Faso (<http://bit.ly/112pzjJ>).

SECO: is a main partner in implementing the activities of the ITTO, currently around a dozen important projects in tropical countries through the ITTO.

Funding Range

Substantial

Action Proposals

The Government of Switzerland is in a process of reviewing its contributions to some international organizations, including reviewing its “tropical forest strategy”. In view of this, ITTO should undertake the following: (i) improve the quality of project proposals; (ii) ensure a strict monitoring of project implementation; and (iii) the wide dissemination of project outputs, including the development and implementation of strategy of knowledge management.

Intensify efforts to align ITTO activities with Swiss international initiatives on tropical forest and climate change, and address through concrete measures the requirements for funding to ITTO, to ensure continuing engagement with the Swiss Government and SECO in particular.

Possibilities to cooperate with SDC's efforts to establish new initiatives focused on forests in the Andean region to be investigated.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Department for International Development (DFID)**
Category: **Bilateral**

Contact Information

Website: <http://www.dfid.gov.uk>
Location: London, UK
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E-Mail: enquiry@dfid.gov.uk
Contact Person: Catherine Masterman, Deputy Head, Policy and Research, c-masterman@dfid.gov.uk; Hugh Speechly, Senior Advisor, Forest and Markets, h-speechly@dfid.gov.uk
Governance

Objectives

DFID's overall objective is the elimination of world poverty and to be fully supportive of international efforts to achieve the MDGs, and use the MDGs framework to drive activities and to assess progress. In relation to forests the priority is given to tackling of deforestation.

Operational Countries/Regions

Global

Priorities

Education, Health, Economic growth and private sector, Governance and conflict, Climate and environment, Water and sanitation, Food and nutrition, Humanitarian disasters and emergencies. Private Sector Department (PSD) is to foster growing prosperity in developing countries and the lives of poor people through more effective DFID work with private enterprise. PSD aims to help strengthen capability across DFID to engage with private enterprise.

Financing Policy

To address deforestation, the focus is on tackling illegal logging, improving forest governance and improving the livelihoods of forest-dependent people. A significant proportion of the UK's international climate finance (£2.9 billion for the period 2011-15, US\$4.5 million) will be for forests to support a new and expanded programme to tackle illegal logging and other drivers of deforestation.

The public sector can work with the private sector to tackle deforestation in a range of ways. Opportunities for collaboration arise through the range of ways in which private companies are responding to the challenges of climate change, resource scarcity, requirements to mitigate adverse environmental and social impacts arising from their business operations, consumer awareness and concerns over reputational risk, and growing interest in responsible investing and new environmental markets. This allows collaboration to be constructed around established and emerging trends in markets and industries. A focus is needed both on demand-side measures in consuming countries and supply-side measures in REDD+/producing countries. A focus is also needed on both influencing and shifting investment that is resulting in deforestation, and encouraging more investment in sustainable practices that bring greater value to standing forest. Large companies, small farmers, indigenous people and local communities are all important stakeholders in these efforts.

Demand-side measures include: market incentives (public procurement policies, private sector responsible sourcing policies, consumer awareness campaigns); supply chains and business-to-business links (private sector responsible sourcing policies, certification systems); accountability and transparency (monitoring and reporting of commitments for sustainable sourcing and production, sharing of information on best practice). **Supply-side measures include:** subsidies and incentives (technical assistance and grants, patient capital to support sustainable investments, advance market commitments for verified emissions reductions); support for compliance with standards and to

improve practice (technical assistance and finance to help meet sustainable production standards); coherent and clear regulation and other enabling conditions; clarifying land tenure.

Implementation: A facility could be established to support the implementation of the programme. The facility would provide support to develop demand-side policies to tackle deforestation, and provide technical assistance to forest nation governments. The types of products and services which could be offered through a call for proposals to attract private investment in reducing deforestation include; technical assistance grants to support activities with no immediate likelihood of generating an immediate return (e.g. feasibility studies, consultation, advisory services); training and capacity building; capital grants to support non-commercial activities with clear carbon, pro-poor and biodiversity benefits; Patient capital in the form of longer term loans and / or equity for commercial activities that face financing gaps because of their particular characteristics (such as long gestation periods, high transaction costs or risks) or where such capital could mobilise high ratios of private financing with high public benefits; guarantees and other means of risk mitigation; advance market commitments for verified emissions reductions, (see full policy <http://bit.ly/ZQTW2t>).

Project Types

Multi Stakeholder Forestry Programme, Nepal (2011-2015) will increase the contribution of the forestry sector to GDP, increase private sector investment and create jobs in rural areas for poor and socially excluded people through the management and production of trees and NTFPs from community, government and private land creating additional economic opportunities for rural farmers from carbon markets and product sales

Forest Investment Programme (FIP) supported by DFID makes investments to protect forests in Brazil, Mexico, the Democratic Republic of Congo, Burkina Faso, Ghana, Indonesia, Laos and Peru. Funding will be used to tackle forest fires, establish tree nurseries, plant trees in degraded pastures and help farmers manage their woodlands more sustainably.

The Forests Governance, Markets and Climate programme builds a global partnership of developed and developing countries, businesses and civil society to reduce illegal logging and deforestation.

Forest Governance and Trade Programme (2006 to 2011) has been succeeded by a newly implemented programme known as Forest, Governance, Markets and Climate. This supports bilateral Forest Law Enforcement Governance and Trade (FLEGT) partnerships with a range of countries.

Current/Past Projects of Relevance to ITTO

All the three programmes bilaterally implemented programmes and their projects.

Funding Range

Substantial

Action Proposals

Several efforts by the Secretariat to get the UK Government to nominate a new Official Contact Point have not been successful. There is a need to visit the country for high-level consultations on this issue and to brief decision makers on ITTO's strategies, programmes and projects of relevance to the UK priorities and how ITTO could leverage their impacts through cooperation. In addition, consultations should be carried out with the key actors involved in the implementation of the DFID's aid to tropical forests. The potential role of ITTO in helping the UK Government to implement its priorities should be crafted in the context of (i) leveraging and partnering with private investment to reduce deforestation, (ii) exploiting synergies with related support to REDD+, including established bilateral and multilateral programmes, and (iii) to engage the private sector in national strategies to reduce deforestation.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **United States Agency of International Development (USAID)**
Category: **Bilateral**

Contact Information

Website: <http://www.usaid.gov/>
Location: HQ Washington D.C., USA
Telephone: +1-202-712 0000
E-Mail: pinquiries@usaid.gov
Contact Person: ITTO contact point / TFA 2020, Lexine Hansen, lhansen@usaid.gov

Objectives

U.S. foreign assistance has the twofold purpose of furthering America's interests while improving lives in the developing world in the following areas [economic prosperity](#); [democracy and good governance](#); [human rights](#); [global health](#), [food security and agriculture](#); [environmental sustainability](#); [education](#); societies [prevent and recover from conflicts](#); and [humanitarian assistance](#). On forests, the objective is to improve the management of forests as a means to promote sustainable social and economic development.

Operational Countries/Regions

Global

Priorities

Biodiversity; biotechnology; climate change; energy; environmental compliance; forestry; land management; policy development; pollution prevention; water

Financing Policy

Forestry: USAID supports management of forests by providing assistance to foreign governments at the national, state, and local levels, as well as non-governmental organizations and local communities. Work areas include on-the-ground efforts to reduce illegal logging, management of protected forest areas, agroforestry, empowering communities, and adoption of reduced impact logging techniques. **Climate change:** to spur reductions in global greenhouse gas emissions and to promote climate change adaptation in vulnerable countries and communities

The Tropical Forest Conservation Act (TFCA) (1998) offers eligible developing countries options to relieve certain official debt owed the U.S. Government while at the same time generating funds in local currency to support tropical forest conservation activities (<http://1.usa.gov/12LhuUB>).

Project Types

The Tropical Forest Alliance 2020 (TFA 2020) is a public-private partnership with the goal of reducing tropical deforestation associated with key global commodities in which partners take voluntary actions, , to reduce the tropical deforestation associated with the sourcing of commodities such as palm oil, soy, beef, and paper and pulp. The Alliance tackles drivers of tropical deforestation using a range of market, policy, and communications approaches. Work areas: Improve planning and management for tropical forest conservation, agricultural land use, and land tenure; Share best practices for tropical forest and ecosystem conservation and commodity production, including working with smallholder farmers and other producers on sustainable agricultural intensification, promoting the use of degraded lands, and reforestation; Provide expertise to assist with the development of commodity and processed commodity markets that promote the conservation of tropical forests; Improve monitoring of tropical deforestation and forest degradation to measure progress. Current TFA 2020 membership includes the U.S. Government, the Consumer Goods Forum, and the Government of the Netherlands. The Alliance is open to new members, including countries, private sector companies, and civil society organizations that agree to undertake specific actions to address commodity-driven tropical deforestation. (<http://1.usa.gov/10NQkHr>)

A large number of biodiversity and forestry programs and projects (<http://1.usa.gov/10VwaM1>)

Current/Past Projects of Relevance to ITTO

East Aberdare Forest Rehabilitation Project, Kenya with Green Belt Movement. 1) restore degraded areas of key watersheds in the Aberdare ecosystem; 2) conserve biodiversity and support livelihoods; and 3) assist communities adapt to climate change.

Environmental Management and Forest Governance Support Activity, Peru through strategic alliances to increase forest and environmental management capacity; promote the active engagement of indigenous and local communities, and the private sector; and to expand sustainable forest-based economic opportunities through technical assistance, increased private investment and market alliances.

Forest and Climate Support (IFACS), Indonesia reduces the threats of deforestation and climate change and helps the Government conserve the country's tropical forests, wildlife (including orangutans), and ecosystem services.

Forest Enterprise Cluster, Brazil with USFS (see separate fact sheet) promotes and improves sustainable management of natural resources and conservation of biodiversity by focusing on capacity building, forest monitoring, and collaboration with state and federal agencies on forest administration and management.

Forest Resource Management, DR Congo program supports to forested landscape management and to design and develop REDD+ policies and programs.

Forestry Enterprises in Guatemala provides technical assistance for the development of certified timber and non-timber forest products, business administration, business planning and other skills development, strategic alliances, capacity building for product development.

Improved Governance & Sustainable use of Forest Resources in Central Africa, DR Congo with WRI produces timely and reliable information on the outcomes and impacts of economic activities on the environment to decision-makers and the public by developing reliable tools and methodologies to monitor forest land use allocation and forest based extractive activities.

Ka'aguy Retã: Forests and Development, Paraguay with World Conservation Society promotes alternative economic uses for existing forests and develops biological corridors reducing the pressure on native forests by identifying and promoting alternative income opportunities to both small producers and cattle farmers/investors.

Mexico's Reduced Emissions from Deforestation and Degradation (MREDD) with The Nature Conservancy supports efforts to reduce greenhouse gas emissions from REDD+.

Peru Forest Sector Initiative (PFSI), in coordination with the U.S. Department of State, and U.S. Trade Representative's Office and the USFS, provides training and technical assistance in supporting institutional strengthening for forest and protected area management, law enforcement, concession management, chain of custody and information system management, community forestry development, legal verification, and forest inventory.

Up-scaling Forest Restoration Efforts in Key Biodiversity Areas, Philippines improves biodiversity conservation through restoration and management through 1) knowledge management; 2) partnership building; 3) natural resources management; and 4) a forest restoration monetary incentive fund.

Funding Range

Substantial

Action Proposals

Disseminate on documents on timber legality, law enforcement, market transparency, the TFLET and CITES programmes (pamphlet, booklets, video, etc.). Maintain close contacts, including visits to share the results and explore funding possibilities in USAID priority areas.

USA has many cooperation organizations, which have been involved in ITTO's work (e.g. RRI, the Forest Trends, Tropical Forest Foundation, etc.). Consultations should be carried out with these organizations on new possible partnerships. Potential advantages of TFA 2020 membership to be identified in view of expanding potential donor pool from private sources.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **United States Forest Service (USFS)**
Category: Governmental organization

Contact Information

Website: <http://www.fs.fed.us/global/aboutus/welcome.htm>
Location: HQ in Washington, D.C, USA
Telephone: +1(202)-205-8333
E-Mail: -
Contact Person: Illegal Logging, Jennifer Peterson, jenniferpeterson@fs.fed.us;

Objectives

USFS, through its International Programs (IPs) office, actively works around the globe to reduce illegal logging, which is a complex problem with myriad implications for the supply and demand aspects of the timber market, both in the US and abroad, and with a diverse array of implications for other sectors including those pertaining to land tenure, enforcement capacity, corruption, rural poverty and environmental management.

Operational Countries/Regions

Global (59 countries)

Priorities

Improve management in some of the world's most threatened forests including in the Amazon Basin, DR Congo, Russia and Indonesia; protect forests in the United States and other countries from invasive species; work with other countries to protect declining bird species that migrate across national borders; recover the habitat of the world's endangered species; develop policies worldwide to promote forest sustainability; promote level playing field in international trade by reducing the amount of under-priced timber on the world market; bring important research knowledge and technology gained overseas back to the United States; and provide humanitarian response support to disasters around the world.

Financing Policy

Projects are initiated across different technical areas that encompass many of the most pressing forestry issues such as fire management, forest monitoring and remote sensing, forest health and invasive species, migratory species and habitat management, watershed management, protected areas and ecotourism, and sustainable forestry practices. Work has also addressed enterprise development of non-timber forest products, urban forestry, the illegal hunting of endangered game (e.g., the bushmeat trade) and market incentives for improved forestry practices. Sustainable forest management and biodiversity conservation are promoted, including through international criteria and indicators of forest sustainability adapted to the domestic level.

Project Types

Bilateral technical interventions: International Programs have a large ongoing partnership with USAID in approximately thirty countries to advance sustainable land management. Most of these partnerships are focused on improving forestry practices and are aimed at improving legality in the forestry sector. **Assisting with Enforcement of the Lacey Act** provides help to wood products importers use only legally-sourced materials and officially declare the genus and species of wood contained in their shipments.

Current/Past Projects of Relevance to ITTO

The Peru Forest Sector Initiative assists in complying with the obligations of the US-Peru Trade Promotion Agreement through development of an information and control system for chain of custody for CITES-listed species, support for population studies for mahogany and cedar, design of

forest inventories, specialized expertise in yield determination and methodology, development of skills in forest and wildlife management, organized design and training to regional governments, anti-corruption plans for the forest sector, and environmental investigation and prosecution training.

The Lacey Act support assists forestry and timber industry in the Asia/Pacific region to meet legal compliance for exports to the US by sharing technologies between producers in the region, identifying technology gaps and sharing best practices to enhance traceability of chain of custody as well as address other challenges to legality.

Funding Range

Substantial

Action Proposals

Cooperation to be continued and efforts to be enhanced, particularly in the areas of the Thematic Programmes on TFLET and Trade and Market Transparency.

ANNEX IV

FACTSHEETS OF MULTILATERAL, INTERNATIONAL AND REGIONAL ORGANIZATIONS

AfDB	African Development Bank
AFoCO	ASEAN Forest Cooperation Organization
ABD	Asian Development Bank
APFNet	Asia-Pacific Network for Sustainable Forest Management and Rehabilitation
CAF	Andean Development Corporation
CBFF	The Congo Basin Forest Fund
CFC	Common Fund for Commodities
CIFOR	Center for International Forestry Research
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
ECOWAS/EBID	Economic Community of West African States (ECOWAS) ECOWAS Bank for Investment and Development (EBID)
GEF	Global Environment Facility
IADB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
INTERPOL	International Criminal Police Organization
IsDB	Islamic Development Bank
OFID	OPEC Fund for International Development
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organization
WB	World Bank

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **African Development Bank (AfDB)**
Category: Regional development bank

Contact Information

Website: <http://www.afdb.org/en/>
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E-Mail: afdb@afdb.org
Contact Person: CBFF Coordinator, Clotilde Ngomba tel. (216) 7110 3219; FIP Focal points Mafalda Duarte, CIF Coordinator and Chief Climate Change Specialist, m.duarte@afdb.org; Principal Forestry Expert (OSAN) Mr. Abdoulaye Dagamaissa a.dagamaissa@afdb.org; Albert Mwangi, Forestry Advisor, a.mwangi@afdb.org

Objectives

AfDB's four strategic objectives are (i) promotion of economic growth through economic reforms and sound economic and social frameworks; (ii) reduction of poverty; (iii) support to agriculture and rural development; and, (iv) protection of the environment and sustainable management of natural resources.

Operational Countries/Regions

Africa

Priorities

Core investment areas are to fragile states, low income countries, middle-income countries, agriculture and rural development (including forestry), social and human development, the environment and climate change (including reforestation), and gender issues.

Financing Policy

Agriculture and rural development is to support the technological, institutional and policy changes that would trigger a lasting transformation of the rural economies of RMCs by empowering their rural populations to improve their productivity and real incomes in an equitable and environmentally sustainable manner. In Natural Resource Management, the emphasis is on improved conservation, utilization, governance and management regimes for land, water, fish and forest resources as well as conserving biodiversity. Particular focus is given to operations demonstrating production of regional public goods. Climate change strategy supports (i) promote climate resilience through climate proofing of investments also contributing to reduced poverty; (ii) use part of support to policy, legal and regulatory reforms; and (iii) strengthen capacity to develop and use climate information and climate adaptation best practices for further climate risk management. Private Financing Policies respects for Regional Member Countries' 'ownership' of private sector development; focuses on efficiency and inclusive development results; leveraging enhanced partnerships; 'crowding in' private operators; promoting open markets and fair competition; embedding social and environmental responsibility in private sector development (good practices and ethical standards, capacity strengthening assistance to RMCs and private sector clients); financial integrity of AfDB; continuing relevance to all RMCs, (<http://bit.ly/XDGIA9>).

Project Types

Communal forests management support project to support development and reduce poverty and is to conserve and restore forest ecosystem while ensuring the sustainable community development through environmental protection, socioeconomic development, and local capacity building activities.

The Forest Investment Program (FIP), AfDB is supporting nations as they coordinate with their respective civil societies, private sectors and other development partners to develop their FIP investment strategies, (<http://bit.ly/AqAvBu>).

Green Growth Initiative (GGI) to enhance livelihood security, increase economic prosperity and promoting green growth with addressing challenges without locking into pathways that deplete natural capital and leave economies and livelihoods more vulnerable to climate change and other environmental, social and economic risks through developing conceptual, programmatic and knowledge-based guidance; capacity development; and supporting transitioning to a green economy, (<http://bit.ly/10hYG9V>).

African Carbon Support Program technical assistance program to highlight research findings in the area of climate change vulnerability and adaptation options and it is towards assisting regional member countries to access carbon finance and ensure the commercial viability of their investments including supporting project owners to successfully commercialize the carbon potential of projects.

Climate for Development in Africa (ClimDev-Africa) Initiative to improve the provision and use of appropriate climate information to promote planning for sustainable development through generation and wide dissemination of reliable and high quality climate information in Africa; capacity enhancement and policy support to integrate climate change information into development programs; and implementation of pilot adaptation practices demonstrating the value of climate information into development.

Current/Past Projects of Relevance to ITTO

AfDB's portfolio in the forest sector has benefited in more than 20 countries. The projects have covered industrial plantations, conservation, restoration of degraded forests, agroforestry and institutional capacity. The Bank also gives emphasis on public-private partnerships, management planning, regulatory frameworks, research and rural bio-energy. AfDB is managing the Congo Basin Forest Fund (see separate fact sheet).

Funding Range

Several million

Action Proposals

Follow-up the positive outcomes of the consultations with AfDB in May 2013, including identifying areas of mutual interest, with a purpose to develop an active partnership with AfDB for capacity building and private sector development, including forest industry.

FACT SHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **The ASEAN Forest Cooperation Organization (AFoCO)**
Category: Regional/Republic of Korea

Contact Information

Website: <http://www.afocosec.org/>
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Telephone: +82 2 785 8961
E-Mail: contact@afocosec.org
Contact Person: Executive Director, Hadisusanto Pasaribu, exec_dir@afocosec.org; Acting Executive Director, Chongho Park, +82 10 5349 3119, jhp61@afocosec.org; International Cooperation Senior Manager, Htain Lin, +82 10 5596 1611, htain.lin@afocosec.org; International Cooperation Coordinator, Yeong-joo Lee, +82 10 2913 9009, yeongjoo@afocosec.org

Objectives

To facilitate forest cooperation, undertake projects and translate sound forest policies and proven technologies into action with a mission to rehabilitate degraded forest land and to prevent deforestation and forest degradation in the context of sustainable forest management as well as under the broader scope of addressing the impact of climate change.

Operational Countries/Regions

ASEAN member states and Republic of Korea

Priorities

The objectives are strengthening forest cooperation among the members to prevent deforestation and forest degradation and promoting SFM on ecological, environmental, and economical aspects and ultimately contribute to green growth of ASEAN and Republic of Korea

Financing Policy

Field-oriented collaborative actions will be carried out over the course of two years addressing primarily on SFM and climate change issues in the region. Develop long-term projects and detailed implementation plan, enhance cooperation with international organizations (adopt MOUs), implement joint projects with other organizations and/or research institutes, implement joint projects between developing-developed countries, authorize the hosting country to take responsibility of post-management of projects in order to enhance accomplishment and expand areas of cooperation

Project Types

Forest rehabilitation and prevention of forest disasters: rehabilitate forest ecosystem to prevent calamities; rehabilitate degraded tropical forests and mitigate desertification in Asia; and prevent forest disaster and restore affected areas.

Strengthening forestry sector in climate change: promote development of plantation projects earning carbon credits; support REDD activities; and reinforce sound industrial plantation within region.

Sustainable forest management: promote sustainable forest management practices; encourage sustainable trade of forestry products; protect livelihood of forest dependent and indigenous communities; and expand and secure forest resources for carbon sink.

Forestry technology transfer: establish human resources development institution for fostering and capacity building of forestry experts; joint research on emerging forest issues, including forest ecosystem restoration, SFM, REDD, etc.; and establish database for comprehensive information sharing.

Current/Past Projects of Relevance to ITTO

Two regional projects: (1) Reclamation, Rehabilitation and Restoration of Degraded Forest Ecosystems through pilot testing, exchange of expertise and capacity development (RRR-DFE): the Mekong sub-regional project is being drafted by Thailand and a draft project document has been circulated to Cambodia, Lao PDR, Myanmar and Viet Nam since 31 July 2012 for their internal discussion, the Malaysia has taken a lead in drafting and coordinating the other sub-regional project and the project document is being discussed by Brunei, Indonesia, Malaysia, the Philippines and Singapore (BIMPS) group. (2) Capacity Building on Improving Forest Resources Assessment and Enhancing the involvement of the local communities to address the adverse impacts of climate change: Indonesia has drafted a proposal for the project and submitted to the ASEAN Secretariat in 14 June 2012.

2012-2013 the identified areas of cooperation are as follows: mitigation of climate change effects through the rehabilitation/restoration of degraded forest and ecosystem, environmental services, community forestry and REDD+ activities; conservation of biodiversity and eco-tourism; non-timber forest products development, and renewable biomass energy; and human capacity development (scholarship and training programs). These include: improving capacity on forest restoration in Cambodia; development of wood processing workshop and capacity building for forestry vocational high school (SMK) students at Kadipaten, West Java, Indonesia; enhancing capacity for village forestry in Laos; mitigation of climate change impacts through restoration of degraded forests and REDD+ activities in Bago Yoma region, Myanmar; climate-proofing of the Philippine revised master plan for forestry development; REDD in Nam Reab watershed at Nam province of Thailand: a community forestry initiative for REDD+ concept based on climate change adaptation and sustainable forest management; and developing non-timber forest products (NTFPs) in the northwest of Viet Nam as the mechanism for sustainable forest management and livelihood improvement for local communities.

Funding Range

No actual funding activities

Action Proposals

Continue consultations with AFoCO to expand cooperation, possibly through a regional capacity building project in the ASEAN.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Asian Development Bank (ADB)**
Category: Multilateral

Contact Information

Website: <http://www.adb.org/>
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E-Mail: information@adb.org
Contact Person: FIP Focal points: Javed Mir, Director, jhmir@adb.org; Ancha Srinivasan, asrinivasan@adb.org & Samuel Tumiwa, Deputy Regional Director, stumiwa@adb.org Directors Environment, natural resources & agriculture: South Asia, Takashi Matsuo tmatsuo@adb.org; Central and West Asia, Makoto Ojira mojiro@adb.org; East Asia, Yue-Lang Feng; South East Asia, Javed Mir, jhmir@adb.org; Pacific Ikuko Matsumoto imatsumoto@adb.org

Objectives

Loans and equity investments to its developing member countries (DMCs). Technical assistance for the planning and execution of development projects and programs and for advisory services. Promotes and facilitates investment of public and private capital for development and assists in coordinating development policies and plans of its DMCs

Operational Countries/Regions

Asia-Pacific region

Priorities

Core operational areas are infrastructure, environment (expanding the use of clean energy; promoting sustainable transport and urban development; managing land use and forests for carbon sequestration; building the climate resilience of the DMCs and the region; and strengthening related policies, governance, and capacities), regional cooperation and integration, finance sector development and others.

Financing Policy

Capacity Development TA (CDTA) offers to undertake institutional and organizational capacity development and to support the implementation, operation, and management of ADB-financed projects. Project Preparatory TA (PPTA) helps in preparing private sector projects for financing by ADB and/or other external sources. Policy and Advisory TA (PATA) helps the public sector by financing sector-, policy-, and issues-oriented studies. Research and Development TA (RDTA) strengthen ADB's role as a knowledge platform to address development issues of a global or Asia and Pacific wide nature. Regional TA helps in project preparation, policy advice, or capacity development for operations covering more than one country-specific borrower. Research and development is by ADB definition considered a regional activity. Small-scale TA is defined by its size, for amounts up to US\$225,000, and employs streamlined processing.

Project Types

Capacity development, project preparatory, policy and advisory, R&D, regional and small-scale projects in core operational areas.

Current/Past Projects of Relevance to ITTO

Several examples: TA project "Support to the Convention on International Trade in Endangered Species of Wild Fauna and Flora" US\$225 000; Proposal for "Sustainable Forest and Biodiversity Management in Borneo" (US\$700 000) with outcomes such (i) expansion of forest cover; (ii)

improvement in the proportion of timber produced from sustainable tree plantations relative to the volume sourced from wild stock; and (iii) reduction in carbon dioxide emission.

Funding Range

Large scale, depending on the proposed project. Amounts under US\$225 000 are considered small-scale.

Action Proposals

Re-establish communication with the ADB and investigate the possibility of cooperation, identifying areas of mutual interest, including R&D in regional projects.

Explore MOU possibilities for better access to TA; ADB has MOUs with GEF, WWF International, IUCN, among others, which could serve as reference for an MOU with ITTO.

FACT SHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Asia-Pacific Network for Sustainable Forest Management and Rehabilitation (APFNet)**
Category: China (network)

Contact Information

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Contact Person: Director, Division of Planning & Development,
Mr. Zhuang Zuofeng, +86-10-8421 8108, zhuang_zuofeng@apfnet.cn

Objectives

To help promote and improve sustainable forest management and rehabilitation through capacity building, information exchange, and support for regional policy dialogues and pilot projects.

Operational Countries/Regions

Asia

Priorities

Expand forest cover and improve forest ecosystem quality in Asia and the Pacific; promote the multiple functions of forests; mitigate and adapt to climate change; and meet the changing socio-economic and environmental needs of the region.

Financing Policy

APFNet has prioritized: four key areas that have the strongest learning and leverage potential in relation to the objectives: (1) Promoting forest rehabilitation to meet multi-functional objectives works with other key domestic and international organizations and institutions focused on forest rehabilitation to spread the understanding of ecosystem-based approaches to forest rehabilitation and the practice of forest landscape restoration to meet multi-functional objectives. (2) Improving forest management to reduce forest loss and degradation works to strengthen and extend existing efforts to rapidly improve forest conservation and management on the ground. Specific areas of support will include: Assisting regional economies to develop pilot sites conforming with international best practice to act as a focal point for domestic capacity building and extension; documenting best practices and giving recognition to excellence in forest management; and supporting capacity building and information exchange in key areas such as forest auditing and verifying forest management performance against domestic legality and certification standards; participatory forest management planning and conflict management, and promoting effectiveness in protected area management. (3) Enhancing the socio-economic benefits of forests with attention to emerging regional experience with the PES systems and ecotourism, provide support for the development of community-based forest enterprises as well as promote the corporate social responsibility. (4) Monitoring progress towards the APEC 2020 forest cover objective adds value by using expert groups to synthesize the best available information and lessons learned emerging from new investments to periodically provide APEC leaders and senior officials concerned with regular reports on progress towards their aspirational forest cover objective for the year 2020.

Key implementation tools and approaches are: capacity building, information sharing, supporting regional policy dialogues and demonstration projects. As the APFNet develops, the priorities for APFNet activities will be further amended and improved in the changing context.

Project Types

Capacity building concentrate on institutional capacity enhancement, including institutional planning, decision-making and enforcement; to training of forestry officials through all forms and

channels and variety of approaches, in particular, sponsoring and organizing technical and professional training for policy-makers and practitioners; supporting the cultivation of new generations of foresters through scholarships and internships; and supporting regional efforts to enhance forestry education through promoting cooperation among the forestry universities, colleges, schools and institutions in the region. Develop a range of learning and sharing opportunities in collaboration with regional partners to enhance synergy between training activities within the region in two thematic training domains: forestry and rural development, and sustainable forest resource management. In the first domain, the focus will be on enhancing the socio-economic benefits of forests. In the forest resource management, the focus will be on promoting forest rehabilitation for multi-functional objectives and improving forest management to reduce emissions from forest loss and degradation, and enhance biodiversity conservation in the region.

Information sharing supports regional efforts to collect, collate, update and share information and data on experiences, lessons learned and best practices being developed in regional SFM and rehabilitation practice through both the documentation of case studies on best practice as well as innovations in forest policy and the deepening of knowledge and information within and between economies in key technical areas through study tours and other activities and to ensure that all information and learning materials produced by APFNet participants and partners are widely available to forest stakeholders in the region through the establishment of a learning hub.

Supporting regional policy dialogues concentrates on institutional capacity enhancement, including institutional planning, decision-making and enforcement; with due consideration given to training of forestry officials through all forms and channels, and, with partners, to support activities that can enhance forest policy analysis and dialogue including in cooperation between existing initiatives through: support for documentation of regional case studies on innovation in forest policy development, highlighting lessons learned; support for capacity building and information exchange in the area of forest policy analysis and development; and support for high-level forestry official dialogues in the region by means of meetings to facilitate mutual learning in policy-making and enforcement.

Demonstration projects are mainly small-scale and demonstrate best practices in forest management and rehabilitation in a cost-effective manner offering opportunities for testing both new policy prescriptions and innovations in field practice as well as for practical training and experience required to mainstream improvements in forest policy and practice. Supported demonstration projects are one of the key vehicles that APFNet uses to assist developing economies in increasing their capacity for SFM and rehabilitation by demonstrating best practices. Particular emphasis will be given to pilot and showcase practical techniques and good practices relating to the rehabilitation of degraded forest lands, secondary forest management, biodiversity conservation and the mitigation of and adaptation to climate change.

Current/Past Projects of Relevance to ITTO

2012: Strengthening urban forestry demonstration site of Bang Kachao (Thailand) for biodiversity conservation and natural learning center; Sustainable forest rehabilitation and management for the conservation of trans-boundary ecological security in montane mainland Southeast Asia – Pilot demonstration project of Lao PDR, Myanmar and China/Yunnan.

2011: Adaptation of Asia-Pacific forests to climate change; multi-functional forest restoration and management of degraded forest areas in Cambodia; Pilot project of multifunctional forests (China).

Funding Range

N/A

Action Proposals

ITTO is already partner in AFPNet and there is a significant overlap between the two organizations. There are cooperation possibilities particularly in capacity building and demonstration projects, analytical work, organization of policy dialogues, and knowledge sharing events. Close contacts to be maintained to enhance cooperation, possibilities to execute joint projects to be identified.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Andean Development Corporation (CAF)**
Category: Regional

Contact Information

Website: <http://www.caf.com/>
Location: HQ in Venezuela
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E-Mail: Infocaf@caf.com
Contact Person: -

Objectives

Promote sustainable development and regional integration, generating specific strategies and applying programs and initiatives. Building sustainable development that will enable them to migrate to low-carbon economies.

Operational Countries/Regions

Andean Group

Priorities

Environment (environmental strategy, strategic programs, biotrade, forest, climate change, Special Financing Program for Clean Energy Projects (PROPEL); public policies and research (competitiveness, corporate governance, research and economic studies); social development (ensuring social investment, governance, integrated community development).

Financing Policy

Technical Cooperation: technical cooperation projects have to meet certain eligibility criteria and must be compatible with CAF's development goals. Including the following: pre-investment feasibility studies, investment projects aimed at creating or expanding manufacturing, institution building, industrial development, export development, financial or capital markets development and integration, technology transfer, climate change and environmental protection, social development and promotion of cultural values, among others, (<http://bit.ly/13Xlty0>).

Project Types

Projects that help improve technical capacity in shareholder countries, with the goal of generating innovative programs that contribute to sustainable development and regional integration. Technical cooperation projects are aimed at companies, international agencies or public and private organizations. In several countries, applications from public entities are prioritized through a single government agency, to meet technical assistance programs within their national or regional development plans. Private sector projects are restricted to trade unions, small and medium-sized enterprises and financial institutions that specialize in supporting SMEs.

Current/Past Projects of Relevance to ITTO

Technical cooperation agreement projects include forestry activities in different forms and extents.

Funding Range

Applying organization must cover 50% of project's total expenses. Financing available for technical cooperation projects depends upon a number of factors.

Action Proposals

Technical cooperation possibilities to be identified, particularly in view of CAF possibly becoming a GEF Project partner organization.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **The Congo Basin Forest Fund (CBFF)**
Category: Regional multi-donor fund

Contact Information

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Location: Secretariat, Tunis, Tunisia
Telephone: (+216) 7110 3219 / (+216) 7110 3351
E-Mail: CBFFSecretariat@afdb.org
Contact Person: -

Objectives

Mobilize resources to finance activities and projects aimed at promoting the equitable and sustainable use, conservation and management of the Congo Basin forests and ecosystems for poverty alleviation, sustainable social-economic development, regional cooperation and environmental conservation.

Operational Countries/Regions

COMIFAC member countries (Burundi, Cameroon, Congo, Gabon, Equatorial Guinea, Central African Republic, Democratic Republic of Congo, Rwanda, Sao Tome & Principe and Chad).

Priorities

Forest management and sustainable practice; livelihoods and economic development; monitoring, assessment and verification of forest carbon and emissions; benefits from carbon markets and payment for ecosystem services; capacity building in REDD; monitoring, assessment and verification; and sustainable forest management.

Financing Policy

Providing short and medium-term learning points to actors in the COMIFAC countries and particularly in the forest countries of the Congo Basin, in view of the needs of forest-environment sector actors and the contributions of the CBFF in the mitigation of climate change and reduction of poverty in its diverse dimensions. Eligible projects include many types of forestry and sustainable land management practices that contribute to the CBFF objectives and priorities.

The CBFF/AfDB Secretariat selected a Fund Management Agent (FMA) comprising PwC and the Netherlands Development Organization (SNV) acting as a consortium to manage grant funds of less than EUR 2.5 million (about US\$3 million). Grant funds above this value are managed directly by the CBFF/AfDB Secretariat. Within the consortium, PwC is responsible for the financial aspects of project implementation while SNV is in charge of the technical aspects. The FMA is therefore the operational link between the CBFF/AfDB Secretariat and grant beneficiaries during project implementation. The funding cycles of CBFF/AfDB projects are three years non-renewable though possibilities of no-cost extensions are feasible.

Project Types

CBFF will operate over a period of 10 years until the year 2018, with possible extension in cooperation with COMIFAC and DFID to mobilize resources to finance activities and projects aimed at promoting the equitable and sustainable use, conservation and management of the Congo Basin forests and ecosystems for poverty alleviation, sustainable social-economic development, regional cooperation and environmental conservation, (<http://bit.ly/118deuW>).

Current/Past Projects of Relevance to ITTO

Sustainable forest management in Rwanda to safeguard natural forests, increase forest productivity and carbon sinks; Support to the wider program of training in forest resource management in the Congo Basin; Working with communities to reduce deforestation and alleviate poverty in the

Virunga-Hoyo region in DR Congo; Beyond timber: Reconciling the needs of the logging industry with those of forest-dependent people in Cameroon, Gabon and DR Congo; Achieving Conservation and Improving Livelihoods through the Sustainable Management of Community-Based Forest Operations in Cameroon, (all accepted proposals see <http://bit.ly/Zxh1xX>; <http://bit.ly/11cxCd0> and <http://bit.ly/Zn8m53>)

Funding Range

From US\$300 000 up to US\$8.5 million

Action Proposals

Possibilities for project proposals in the Congo Basin to be identified in cooperation with COMIFAC governments, particularly in view of sub-regional projects.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Common Fund for Commodities (CFC)**
Category: Inter-governmental financing organization

Contact Information

Website: <http://www.common-fund.org/>
Location: HQ in Amsterdam, The Netherlands
Telephone: +31-20-5754949
E-Mail: managing.director@common-fund.org
Contact Person: CFC Operational Programme Director

Objectives

Enhance socio-economic development of commodity producers and to contribute to the development of the society as a whole. CFC finances projects for smallholder farmers, as well as small and medium sized enterprises involved in commodity production, processing and trade in developing and least developed countries.

Operational Countries/Regions

Global, commodity dependent developing countries

Priorities

Operates with an exclusive commodity focus in (i) the projects which address issues related to commodity production, processing and trade, which are commonly shared by all or a number of producing or consuming countries. The outcomes of such projects are, therefore, of relevance to a number of countries and can be extended to reach many beneficiaries. The Fund should ensure that technology, good practices and know-how obtained from projects are disseminated as widely as possible. The Fund's communications strategy should aim at achieving this goal. (ii) The projects after being endorsed by designated ICBs concerned that should aim at promoting the commodity and as such be devoid of any action that would undermine the structural balance and the global economy of the commodity concerned.

Financing Policy

The aim is to realize the potential of commodity production, processing, manufacturing, and trade for the benefit of the poor. The CFC supports implementation of interventions that: (i) are innovative and target new opportunities in commodity markets leading to commodity based growth, employment generation, increase in household incomes, reduction in poverty, and enhancement of food security. (ii) are scalable, commercially viable and financially sustainable, (iii) have a measurable positive socio-economic impact on the stakeholders in commodity value chains, (iv) develop stronger connections with existing markets or create new markets along the value chain, (v) increase financial services to commodity producers and commodity based businesses; and (vi) enhance knowledge generation and information dissemination.

In 2013-2017 CFC is expected to finance projects that will be mainly in the form of loans, equity, quasi equity, lines of credit and guarantees. Limited amount of grants will, however, be provided, where necessary, to support specific new activities or support the loan based projects that are directed towards complementary activities such as capacity building and technical assistance. CFC has also indicated that grant funding will not exceed US\$2.0 million a year.

Project Types

2008 – 2012 Small-scale processing and value addition of tropical timber and other forest products; Marketing and Trade of Sustainable Produced Timber and Non-Timber Forest Products; Applied Research and Development. Based on an anticipated average project size of US\$250,000, about 8 projects per year could be supported by CFC. The maximum CFC contribution for a grant project is therefore in the range of US\$500 000.

Current/Past Projects of Relevance to ITTO

Four ongoing projects with ITTO from USD 250 000 to US\$1.2 million. The contributions of the CFC in the past have been quite irregular. CFC has provided funds to 13 projects amounting to US\$6.5 million since the establishment of the Organization. The major issues for funding to ITTO are the criteria established by the CFC for their support, in particular the focus on regional projects or projects which may provide room for disseminating the results, and the focus on poverty alleviation.

Funding Range

Based on an anticipated average project size of US\$250,000, about 8 projects per year could be supported by CFC. The maximum CFC contribution for a grant project is therefore in the range of US\$500 000. From US\$10 000 up to over US\$1 million, most likely from US\$250 000 to 500 000.

Action Proposals

Suitable project proposals may still to be identified with CFC which is periodically seeking applications for support of commodity development activities in its member countries.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Center for International Forestry Research (CIFOR)**
Category: Intergovernmental Organization

Contact Information

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E-Mail: cifor@cgiar.org
Contact Person: Peter Holmgren, Director General, p.holmgren@cgiar.org, [Robert Nasi, r.nasi@cgiar.org](mailto:Robert.Nasi@cgiar.org)

Objectives

To improve the scientific basis that underpins balanced management of forests and forest lands, to develop policies and technologies for sustainable use and management of forest goods and services and to assist partner governments improve their capacity to research and support the optimal use of forests and forestlands

Operational Countries/Regions

Over 40 countries, with specific focus on tropics, such as Borneo, the Congo Basin, the Amazon, Miombo Woodlands, South India, South East Asia, Central America

Priorities

CIFOR's six domains are (i) enhancing the role of forests in climate mitigation (with a focus on REDD), (ii) enhancing the role of forests in adaptation to climate change, (iii) improving livelihoods through smallholder and community forestry, (iv) managing trade-offs between conservation and development at landscape scale, (v) managing the impacts of globalized trade and investment on forests and forest communities, and (v) sustainable management of tropical production forests.

Financing Policy

No financing activities. Possible co-financing of research projects

Project Types

Enhancing the role of forests in mitigating and adapting climate change, improving livelihoods through smallholder and community forestry, managing trade-offs between conservation and development at the landscape scale, managing impacts of globalized trade and investment on forests and forest communities, sustainably managing tropical production forests

Current/Past Projects of Relevance to ITTO

Several cooperation projects with CIFOR and ITTO.

Funding Range

-

Action Proposals

Consultations to re-activate cooperation; possibilities could be identified in the area of forest management, certification impacts, legality, concessions, and the informal sector.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)**
Category: Intergovernmental organization

Contact Information

Website: <http://www.cites.org/>
Location: Secretariat in Geneva, Switzerland
Telephone: +41-(0)22-917-81-39/40
E-Mail: info@cites.org
Contact Person: -

Objectives

To ensure that international trade in specimens of wild animals and plants does not threaten their survival.

Operational Countries/Regions

Global

Priorities

The CITES Strategic Vision: 2008 – 2013 has the following priorities: (i) contributing to the UN Millennium Development Goals relevant to CITES; (ii) contributing to the WSSD target of significantly reducing the rate of biodiversity loss by 2010; (iii) contributing to the conservation of wildlife as an integral part of the global ecosystem on which all life depends; (iv) cultural, social and economic factors at play in producer and consumer countries; (v) promoting transparency and wider involvement of civil society in the development of conservation policies and practices; and (vi) ensuring that a coherent and internationally agreed approach based on scientific evidence is taken to address any species of wild fauna and flora subject to unsustainable international trade.

Financing Policy

No financing activities.

Project Types

ITTO-CITES specific priorities: sustainable forest management, and capacity building to ensure that international trade in CITES-listed timber species is consistent with their sustainable management and conservation.

Current/Past Projects of Relevance to ITTO

Joint ITTO/CITES programme aimed at ensuring that international trade in CITES-listed timber species is consistent with their sustainable management and conservation. Currently, there are 6 CITES Appendix I species, 13 Appendix II taxa (eleven species and two genera), and 120 CITES Appendix III species used for sawnwood or other wood products. (See the Programme description in the main report)

Funding Range

-

Action Proposals

Within the framework of the CITES-ITTO MOU continue to develop the cooperative programme.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Economic Community of West African States (ECOWAS)
ECOWAS Bank for Investment and Development (EBID)**
Category: Regional group

Contact Information

Website: <http://www.ecowas.int/> / <http://www.bidc-ebid.org>
Location: HQ Abuja, Nigeria / EBID HQ in Lome, Togo
Telephone: (234) (9) 31 47 647-9 / EBID (00228) 221 68 64
E-Mail: info@ecowas.int / EBID bidc@bido-ebid.org
Contact Person: -

Objectives

ECOWAS: To promote economic integration in all fields of economic activity, particularly industry, transport, telecommunications, energy, agriculture, natural resources, commerce, monetary and financial questions, social and cultural matters EBID: A financial institution for private sector to support poverty alleviation, wealth creation and job promotion, provide the technical assistance necessary for the study, preparation, financing and execution of development projects and programmes, carry out any commercial, industrial or agricultural activity.

Operational Countries/Regions

Benin, Burkina Faso, Cape Verde, Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo

Priorities

ECOWAS Bank for Investment and Development (EBID) consists of two subsidiaries. ECOWAS Regional Investment Bank (ERIB) focuses on private sector in telecommunications, energy, water, infrastructure, environment, industry, health, real estate. ECOWAS Regional Development Fund (ERDF) focuses on public sector in infrastructure, microfinance, health, education, rural and semi-urban development, environment (supporting grassroots development organisations), development of economic infrastructure and integration of regional production to global economy

Financing Policy

The bank operates with national and sub-regional development organizations and it cooperates with other international organizations within similar aims, and other institutions. Instruments consists of grants, subventions, lines of credit or special funds. Interventions are partly through direct funding of projects or funding through intermediaries such as NGOs, associations, local banks etc., and partly mobilizing the required financial resources from donors. Activities are laying emphasis on the financing basic economic infrastructure and projects relating to the social sector, rural development and the environment, in accordance with regional strategies, (<http://bit.ly/ZZI1Gf>).

Project Types

EBID intervenes in all sectors of activity. Among them on rural development and the environment (irrigation, floodwater control, rural water projects, agriculture, livestock raising, fishing, protection of the ecosystem, capacity building); social sector; industry (agribusiness, mining, other industries, transfer of technology, technological innovation); services.

Current/Past Projects of Relevance to ITTO

Accra workshop, 2008

Funding Range

US\$1.5-15 million in national projects and in regional projects larger amounts.

Action Proposals

Consultation to explore project funding of sub-regional projects on industry and trade; possibility to explore funding of selected activities of PD700(I).

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Global Environment Facility (GEF)**
Category: Multilateral

Contact Information

Website: <http://www.thegef.org/>
Location: HQ Washington D.C., USA
Telephone: Secretariat +1(202) 473-0508 / Evaluation Office +1(202) 473-4054
E-Mail: secretariat@thegef.org / gefeo@thegef.org
Contact Person: Forestry specialists: Ulrich Apel (uapel@thegef.org) and Ian Gray (igray@thegef.org).

Objectives

The GEF provides grants to developing countries and countries with economies in transition for projects benefiting the global environment, linking local, national, and global environmental challenges and promoting sustainable livelihoods.

Operational Countries/Regions

Global

Priorities

Biodiversity, climate change, international waters, land degradation, SFM / REDD + and ozone layer Depletion. In biodiversity, GEF supports projects that address the key drivers of biodiversity loss which focus on the highest leveraging opportunities to achieve sustainable biodiversity conservation. In climate change the focus is to mitigation by reducing or avoiding GHG emissions in the areas of renewable energy; energy efficiency; sustainable transport; and management of land use, land-use change, and forestry (LULUCF) and adaptation: aiming at developing countries to become climate-resilient by promoting both immediate and longer-term adaptation measures in development policies, plans, programs, projects, and actions. In land degradation, GEF acts as a financial mechanism to fulfill UNCCD objectives.

Financing Policy

A project proposal has to fulfill the following criteria: (i) an eligible country, (ii) consistent with national priorities and programs; (iii) addresses one or more of the GEF focal areas, (iv) improving the global environment or advance the prospect of reducing risks to it; (v) consistent with the operational strategy; (vi) financing only for the agreed-on incremental costs on measures to achieve global environmental benefits; (vii) involvement of the public in project design and implementation; and (viii) endorsement by the government(s) of the country(ies) (<http://bit.ly/11KWm18>).

Project Types

Full Sized Projects (FSPs) are developed by governments, non-governmental organizations, communities, the private sector, or other civil society entities, and must respond to both national priorities and GEF focal area / LDCF/SCCF strategies and objectives, Medium-sized Projects (MSPs): the same as previous in smaller scale. Enabling Activities (EAs) are related to the conventions on biodiversity, climate change, and persistent organic pollutants, to help countries prepare national inventories, strategies, action plans, and reports under these conventions (see Operational Guidance for Enabling Activities).

Current/Past Projects of Relevance to ITTO

Forest projects can be broadly classified into three categories: forest conservation, sustainable use of forests (forest production landscapes), and sustainable forest management (addressing forests and trees in the wider landscape).

Examples are Building Local Capacity for Conservation and Sustainable Use of Biodiversity in the Okavango Delta; Biodiversity Conservation in the Productive Landscape of the Venezuelan Andes; Development and Implementation of a Sustainable Resource Management Plan for Marsabit Mountain and its associated Watersheds; Sustainable Land Management in Drought Prone Areas of Nicaragua; Improved Certification Schemes for Sustainable Tropical Forest Management; Central American Markets for Biodiversity (CAMBio): Mainstreaming Biodiversity Conservation and Sustainable use within Micro, Small and Medium-sized Enterprise Development and Financing, among others.

Funding Range

EAs < US\$450 000, MSPs US\$450 000 – 2 million, FSPs > US\$2 million

Action Proposals

In view of the planned SFM Program of the GEF 6th Replenishment to achieve multiple environmental benefits from improved management of all types of forests and trees outside forests, pursue efforts for obtaining accreditation of ITTO as GEF Agency or GEF Project Agency which are responsible for creating project proposals and for managing GEF projects. GEF Project Agencies will be entitled to work directly with the GEF Secretariat and the Trustee to assist recipient countries in the preparation and implementation of GEF-financed projects, which will enable them to access resources from GEF-managed trust funds directly. As a fallback approach, investigate the possibility to work through partnerships with those current GEF Agencies which are or could be collaborating with ITTO (e.g. FAO, ADB, AfDB,). The support of the Government of Japan and other key GEF/ITTO donors would be useful in the pursuit of ITTO becoming GEF Project Agency.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Inter-American Development Bank (IADB)**
Category: Multilateral

Contact Information

Website: <http://www.iadb.org/en/>
Location: HQ in Washington D.C., USA
Telephone: +1-(202) 623-1000 / MIF (202) 942-8211
E-Mail: mifcontact@iadb.org
Contact Person: FIP Focal point: Gloria Visconti, Sr. Climate Change Specialist,
(gloriav@iadb.org)

Objectives

Reducing poverty and social inequalities; addressing the needs of small and vulnerable countries; fostering development through the private sector; addressing climate change, renewable energy and environmental sustainability; and promoting regional cooperation and integration.

Operational Countries/Regions

Latin America and Caribbean

Priorities

Five sector priorities: (i) social policy for equity and productivity; (ii) infrastructure for competitiveness and social welfare; (iii) institution for growth and social welfare; (iv) competitive regional and global international integration; and (v) protect the environment and respond to climate change, (<http://bit.ly/bUFW0g>).

Financing Policy

Technical cooperation activities are to transfer technical know-how and expertise for the purpose of supplementing and strengthening the recipient capacity. MIF grants support small-scale, targeted interventions that pilot new approaches and act as a catalyst for larger reforms. MIF is a major source of technical assistance grants for private sector development in Latin America and the Caribbean. For grant financing, private sector institutions must be non-profit and can include non-governmental organizations (NGOs), industry associations, chambers of commerce and foundations. MIF investment resources typically institutions, which can then on-lend to the benefit of micro and small businesses. Resources can be used to cover consulting services, seminars and/or workshops, trainers, speakers or facilitators, development of training materials and purchase of licenses.

Project Types

Technical cooperation programs can be nonreimbursable (grants), reimbursable (loans), or contingent-recovery (reimbursable if the program is financed by another lending institution). MIF includes environment and market development and functioning in its project topics.

Current/Past Projects of Relevance to ITTO

An example of MIF projects in implementation is "Forest Conservation through Certification, Commercialization and Strengthening of Small and Medium Forestry Enterprises".

Funding Range

Technical cooperation programs are typically US\$150 000 to 400 000; but can be up to several millions. MIF project are larger a few million dollars.

Action Proposals

Re-establish communication with the IADB and investigate the possibility of cooperation, including identifying areas of mutual interest.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **International Fund for Agricultural Development (IFAD)**
Category: International Financial Institution

Contact Information

Website: <http://www.ifad.org/>
Location: HQ in Rome, Italy
Telephone: 39-0654591
E-Mail: ifad@ifad.org / grantssecretariatdesk@ifad.org
Contact Person: Rodney Cooke, Acting Coordinator, Global Environment, tel. +39 06 5459 2450, GECCregistry@ifad.org; Ides de Willebois, Director West and Central Africa, +390654592397, i.dewillebois@ifad.org; Perin Saint-Ange, Director East and Southern Africa Division, +390654592448, p.saintange@ifad.org; Hoonae Kim, Director Asia and Pacific Division, + 390654592640, hoonae.kim@ifad.org; Josefina Stubbs, Director Latin America and the Caribbean Division, +390654592318, j.stubbs@ifad.org

Objectives

Rural poverty reduction, working with poor rural populations in developing countries to eliminate poverty, hunger and malnutrition; raise their productivity and incomes; and improve the quality of their lives (<http://bit.ly/10bKxt4>).

Operational Countries/Regions

Global

Priorities

Priorities are related to poverty reduction and land degradation through facilitating policy dialogue promoting applied research and implementing activities at the country level; promoting community-based forestry activities that can generate environmental and social benefits at the time; financing SFM and seeking means of implementation; conserving forests and their biodiversity, including protected forest areas; reversing the loss of forest cover, preventing forest degradation in all types of forests and combating desertification; evaluating the potential impacts of climate change on forests

Financing Policy

Eligible partners in implementing grant-financed activities include: (i) developing Member States; (ii) intergovernmental organizations in which such Member States participate; (iii) civil society organizations, including NGOs; and IFAD-hosted initiatives. All grant proposals need to have an IFAD staff member as focal point/champion who sponsors the grant. Technical assistance is usually provided on a grant basis. IFAD may provide, in cooperation with other agencies, grants for suitable activities of international, regional and national research institutions, (<http://bit.ly/14w7bFi>).

Project Types

In West and Central Africa about 40 per cent of projects focus on agricultural production and markets. The projects are increasingly addressing climate change and natural resource degradation within the context of smallholders. In East and Southern Africa projects support poor rural people's secure and sustainable access to land and water. One major objective is restoring ecosystems to bolster the resilience of agricultural livelihoods. Improving, the equitable and environmentally sustainable management of natural resources is increasingly important. In Asia and the Pacific investments support financial services, agricultural technologies, production services and community development for poor rural people. Natural resource management is an area of increasing investment. More than half of resources allocated to grant-funded programmes in Asia and the Pacific support research on innovative technologies, a third support training and capacity-building in rural communities. Other activities involve advocacy, policy dialogue and knowledge

sharing. Projects and Country Strategic Opportunities Programmes in Asia and the Pacific increasingly focus on enhancing the capacity of poor rural people to adapt to climate change. In Latin America and the Caribbean projects and programmes are dedicated to developing markets and rural enterprises. Other areas of intervention focus on meeting basic human needs, supporting social inclusion, strengthening south-south cooperation and strengthening environmental sustainability in the region.

Current/Past Projects of Relevance to ITTO

Global Environment and Climate Change unit is currently developing three proposals on SFM with financing from the GEF. (i) South-east Asia, supporting community efforts by the Association of Southeast Asian Nations to rehabilitate and sustainably use peatland forests, (ii) Ecuador, support the Government's efforts to preserve valuable forests, including mangroves, and to reduce land degradation in the Ibarra-San Lorenzo Corridor, enhancing key environmental services that benefit indigenous peoples, local communities and smallholder farmers, (iii) National endeavors in Viet Nam to preserve forest resources and reduce land degradation in the northern uplands.

Funding Range

Grants around US\$1 million.

Action Proposals

In view off ITTO's eligibility for IFAD funding, a partnership program to be identified, possibly with initial effort to implement joint projects. IFAD acts in partnership cooperation in all aspects of its work, including mobilizing funds (<http://bit.ly/VzESy1>). IFAD is GEF Implementing Agency and IFAD is also a member of CPF which provides further justification to explore cooperation opportunities.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **International Finance Corporation (IFC)**
Category: Multilateral

Contact Information

Website: <http://www.ifc.org>
Location: HQ in Washington
Telephone: General Inquiries (202) 473-3800 / PENSA (+62) 361 265 350
E-Mail: pensainfo@ifc.org
Contact Person: Principal, Partnerships and Donor Relations, Chris Richards, +1-(202)386 –2201 crichards@ifc.org / Sector Lead for Forest Products and Plantations, Lukas Casey tel. +1-(202)-458-9418 lcasey@ifc.org / Chief Strategist, Mark Constantine tel. +1-(202)-473-9331 mconstantine@ifc.org / [Senior Operations Officer, Catherine Cruvellier Cassagne tel. +1-202-473-4706, ccassagne@ifc.org](mailto:Senior%20Operations%20Officer,%20Catherine%20Cruvellier%20Cassagne%20tel.%20+1-202-473-4706.%20ccassagne@ifc.org)

Objectives

To promote private sector investment in developing countries, helping reduce poverty and improve people's lives by mobilizing other sources of finance for private enterprise development, promoting open and competitive markets in developing countries, supporting companies and other private sector partners where there is a gap, and helping generate productive jobs and deliver essential services to the poor and the vulnerable

Operational Countries/Regions

East Asia and the Pacific, Europe, Middle East and North Africa, Latin America and the Caribbean, South Asia, Sub-Saharan Africa and Western Europe

Priorities

Strategic priorities are strengthening the focus on frontier markets in; agribusiness (including forestry through plantations, natural forests, waste paper collection, sawmilling and wood panels, and wooden furniture); financial markets; manufacturing and services; health and education; telecom, media and technology; infrastructure; oil, gas and mining; and private equity and investment funds. IFC is also addressing climate change and ensuring environmental and social sustainability by helping to identify and adopt, reduced, and managed environmental, social, and corporate governance risks associated with their services, products, and business operations.

Financing Policy

In **East Asia and Pacific**, IFC supports sustainable, private sector-led development to ensure the region's economic growth investing especially in the poorest countries to connect rural households to electricity, improving access to healthcare, and fighting climate change by improving energy efficiency by expanding the private sector's role to fight climate change; promote inclusive rural growth and sustainable urbanization; and foster global integration.

In **Latin America and the Caribbean**, IFC focuses on (i) inclusive growth by increasing access to basic goods, and infrastructure with focus on the poor, and indigenous populations; (ii) competitiveness and innovation by public-private partnerships and improving the investment climate; (iii) regional and global integration by improving legal frameworks for trade logistics; increasing south-south initiatives; and (iv) climate change by catalyzing private-sector involvement in mitigation and adaptation. Mitigation activities address renewable energy, cleaner production, and land use while adaptation focuses on waste water treatment, disaster insurance, and zoning codes including support to Amazon, covering the Cerrado region and the Brazilian Northeast.

In **South Asia**, IFC supports the private sector for rural growth and associated advisory services in agribusiness and linking investee companies to the rural economy; promotion of energy efficiency and renewable energy investments, and monetizing carbon credits.

In **Africa**, IFC aims to remove the barriers to private investment and to support agribusiness and manufacturing competitiveness also to reduce climate change, to promote regional integration or South-South trade and high environmental and social standards.

Projects should meet the IFC performance standards for sustainability and in all activities sound environmental and social practices, encouraging transparency and accountability, and contribution to positive development impacts.

Project Types

Donor partnership program: IFC works with governments, businesses, other multilateral organizations, and foundations to foster innovative donor partnerships. Equity and loan financing for large and medium-sized enterprises

Farm Forestry Programme in India to encourage small farmers to plant fast-growing trees on unproductive land in partnerships with the pulp mills by foresting barren wasteland, new tree growth to absorb CO₂, increasing local wood supply to reduce transportation-related energy consumption and CO₂ emissions, to use of eco-friendly industrial

Indonesia Sustainable Forestry Programme helps companies and communities work together in commercial rehabilitation of degraded grasslands and supporting companies explore plantation-based climate change mitigation projects for the CDM. Assisting communities to make positive use of community-forestry concessions granted by government.

The Biodiversity and Agricultural Commodities Program (BACP) is a grant-making facility funded by GEF to reduce threats by leveraging market forces at all levels of the value chain (Brazil, Indonesia, Malaysia, Papua New Guinea, Ghana, Liberia, Cameroon, Gabon and Côte d'Ivoire). (<http://bit.ly/11PF8M3>)

PENSA technical assistance facility in Indonesia promotes supply chain linkages in forestry/furniture sector, supporting by forests, sawmills, furniture manufacturers and buyers to gain business advantage from using responsibly sourced timber.

SME Initiative in Sub-Saharan Africa to provide capacity building linked with access to finance and markets in partnership with development agencies and the private sector to enhance competitiveness.

Strategic Community Investments in the natural resources, agribusiness, forestry, and infrastructure industries to increase investment in local communities and create benefits through their supply chains.

Current/Past Projects of Relevance to ITTO

Several projects in mechanical wood-working industries e.g. in Viet Nam.

IFC is developing a Carbon Monitoring and Accounting System for foundations to assess the CO₂ footprints and mobilizing additional financial resources.

Funding Range

Substantial.

Action Proposals

Partnership possibilities to be identified, including with BACP. [Potential for cooperation in Africa for funding \(e.g. selected activities of PD700/13\(1\)\), possibilities for joint organization of investment forums and support programmes to financing of community forest enterprises to be explored through consultations. Complementary interventions with IFC's country programme in Indonesia could also be explored.](#)

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **International Criminal Police Organization (INTERPOL)**
Category: Intergovernmental Organization

Contact Information

Website: <http://www.interpol.int/>
Location: HQ in Lyon, France
Telephone: +33 4 72 44 70 00 (Project LEAF)
E-Mail: environmentalcrime@interpol.int
Contact Person: David Higgins, Manager of the INTERPOL Environmental Crime Programme

Objectives

To enable police around the world to work together to make the world a safer place

Operational Countries/Regions

Global, with specific focus on the Amazon Basin, Congo Basin and Southeast Asia region

Priorities

National Environmental Security Task Forces (NESTs) to ensure institutionalized cooperation between national agencies, INTERPOL National Central Bureaus and international partners; conduct operations to suppress environmental crimes, disrupt trafficking routes and ensure the enforcement of international and national legislations on sustainable forestry; and expand awareness raising, with the aim of making a real contribution to global emissions goals, the protection of biodiversity and the prevention of environmental destruction, (<http://bit.ly/XQPofH>)

Financing Policy

NEST is a firmly established team of experts (including Inter-governmental partners) who work together to address a specific issue. NEST will require sustainable financial resources, preferably from the national government. While NEST members will continue to be paid by their respective agencies, countries may also create funds to allow the NEST to obtain financial donations from other sources. While some agencies may be understandably reluctant to commit scarce resources to a NEST, a successful NEST will bring success to the participating agencies, assisting them in their work. The NEST should therefore be viewed as a reallocation of resources to more effectively fight environmental crime, rather than an additional financial burden.

Project Types

Project LEAF (Law Enforcement Assistance for Forests) is a consortium forests and climate initiative on combating illegal logging and organized forest crime. The Project's specific objectives include: Providing an overview and review of extent, primary geographic locations, routes, causes and structure of networks involved in illegal logging, corruption, fraud, laundering and smuggling of wood products; Supporting countries in improved enforcement efforts; Providing training and operational support; Providing insights into the way organized criminals organize their activities; Developing best practices for combating REDD-related and forest-related corruption.

Current/Past Projects of Relevance to ITTO

LEAF has direct relevance to ITTO's TFLET thematic programme and the CITES programme

Funding Range

No funding provided.

Action Proposals

As NEST is working in one of the strategic focal areas of ITTO, consider establishment of partnership with Interpol through an MOU. NEST works with international and intergovernmental organizations and networks and areas of mutual cooperation can be identified in capacity building.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Islamic Development Bank (IsDB)**
Category: Regional development bank

Contact Information

Website: <http://www.isdb.org/>
Location: HQ Saudi-Arabia. office in Kuala Lumpur, Malaysia
Telephone: (+9662) 6361400 / KL (603) 2694 6627
E-Mail: idbarchives@isdb.org / KL ROKL@isdb.org
Contact Person: -

Objectives

To foster social and economic development of the Bank's member countries and Muslim communities world-wide. The functions of the Bank are to participate in equity capital and grant loans for productive projects and enterprises besides providing financial assistance to member countries in other forms for economic and social development.

Operational Countries/Regions

Member countries (56 Islamic countries), including among others Indonesia and Malaysia

Priorities

Support to member countries in key strategic areas that directly contribute to their medium- to long-term development aspirations and promotion of economic cooperation.

Financing Policy

One of the main objectives is to finance productive projects that are carefully selected and prepared, thoroughly appraised, closely supervised, and systematically evaluated. Every Bank-assisted project must contribute technically, economically, and financially sound and contribute substantially to the development objectives of the respective member country. In technical assistance, the purpose is to finance the acquisition of technical expertise to prepare or implement a particular project, or for the purpose of formulating policies, or for providing institutional support or human resources development and training. Assistance is extended directly to the project to help prepare the required technical and economic feasibility studies, detailed technical designs and tender/bid documents or to provide the necessary services for technical supervision of project implementation. Support is provided to help determining sectoral policies, preparing sectoral plans, construction program and institutional support for capacity building. TA is mainly extended to least Developed Member Countries, (<http://bit.ly/15freXJ>).

Project Types

Project financing in public and private sectors; development assistance for poverty alleviation; technical assistance for capacity building; economic cooperation among member countries; trade financing; SME financing; resource mobilization; insurance and reinsurance coverage for investment and export credit; awqaf investment and financing; special assistance and scholarships for member countries and Muslim communities in non-member countries; and advisory services for public and private entities in member countries.

Current/Past Projects of Relevance to ITTO

For instance, in IDB's Malaysian strategy 2012 – 2015 references to stimulate palm oil and commodity trade and exports, and renewable energy including biomass. In the strategy for Indonesia 2011 – 2014 Kalimantan is recognized as priority in sector programs in productivity improvement of agricultural, plantation, forestry, and fisheries.

Funding Range

Technical assistance is provided either as a grant up to a maximum amount of about US\$430 000 or in the form of an interest-free loan for 16 years, including a grace period of 4 years.

Action Proposals

Funding possibilities of technical assistance opportunities could be identified in ITTO relevant areas.

FACT SHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **The OPEC Fund for International Development (OFID)**
Category: Multilateral

Contact Information

Website: <http://www.ofid.org/>
Location: HQ in Vienna, Austria
Telephone: +43-1 515 64 0
E-Mail: info@ofid.org
Contact Person: -

Objectives

To foster South-South Partnership with fellow developing countries worldwide with the aim of eradicating poverty

Operational Countries/Regions

Africa, Asia, Latin America & the Caribbean and Europe

Priorities

Energy, transportation, water supply & sanitation, telecommunications, health, education, agriculture, industry, financial, infrastructure & mining, and multisectoral & urban development

Financing Policy

Public sector Funding comprises loans for project and program financing and for balance of payments support. The loans are given directly to the governments of cooperating countries to support development operations across a wide range of social and economic sectors. All public sector projects are co-financed with the recipient government and frequently with other donors. The projects themselves are demand-driven, reflecting the strategic priorities of the partner countries. On a cumulative basis, operations directed at the transportation, energy and agriculture sectors account for 55% of all public sector lending.

Private Sector Funding (PSF) is provided through several financing instruments (loans, lines of credit, equity, quasi-equity and leasing). PSF supports commercially viable, privately owned enterprises. Public-private partnership projects are supported when operated on private enterprise principles. Projects selected are required to have a high developmental value for employment generation and poverty alleviation.

Trade Finance Facility (TFF) targets developmentally and socially sound transactions to facilitate import and export activities and to address working capital requirements in developing countries. TFF operations are available to governments, private entities, commercial banks, etc. Strengthening of operations in the Middle East and North Africa region, for strategic commodities, is one of the priorities.

Grant Program provides financing for development activities that fall outside the scope of lending operations. These primarily include small-scale social projects, research and studies and humanitarian causes. The grants window also encompasses Special Programs for to help combat energy poverty. The program includes technical assistance for small-scale social schemes, sponsorship for research and other intellectual pursuits working with UN agencies and a host of international and national NGOs, among many other partners.

Project Types

Agriculture includes assistance for: crop and livestock production; artisanal fisheries; agro-processing; marketing and trade; sponsoring agricultural research and other activities that foster knowledge exchange and training; and investment in rural infrastructure. OFID also works closely with the Common Fund for Commodities, providing financing to help develop improved production technologies and secure market access for small-scale commodity producers.

Industry supports the construction of infrastructure through the production of materials such as steel and cement, and may also generate foreign exchange earnings if locally manufactured products are exported. Development is supported in a number of ways and through a variety of mechanisms, including public sector loans, private sector investment and trade financing. In Tanzania pulp and paper mill project consists of the following components: (a) a pulp and paper mill and all related equipment; (b) a railway spur to the site of the mill; (c) township facilities; (d) escarpment road linking the mill with Mufindi Circle Road; (e) power transmission lines to national power grid; and (f) expansion of coal mining facilities to provide coal to the mill.

Multisectoral projects are often carried out within an integrated framework, whereby funded activities cover more than one sector in rural areas, or when initiatives involve a large number of small-scale sub-projects. Such initiatives are usually demand-driven at a local level with a strong element of community participation and a measurable impact on the ground as a response to OFID's commitment to "people-centered" development.

Current/Past Projects of Relevance to ITTO

In Asia an agricultural resource management project aims at reducing poverty and improving livelihoods through social mobilization, participatory investment planning and land titling; community watershed conservation, forest management and agro-forestry; agriculture and agribusiness development and income generation activities.

Technical assistance has been provided in Honduras for the use of forest production for domestic energy and in multiregional stage for the International Centre of Insect Physiology and Ecology (ICIPE) a project that applies in forest conservation processes the techniques of raising bees and silkworms for rural income generation and emphasizes on the social and economic development through sustainable use of natural resources.

Funding Range

US\$300 000 to US\$12 million

Action Proposals

Possibilities for funding to be identified; as OFID's focus is strongly on poverty reduction. A link with the CFE TP would be particularly relevant.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **United Nations Environment Programme (UNEP)**
Category: Specialized Agency of UN

Contact Information

Website: <http://www.unep.org/>
Location: HQ in Nairobi, Kenya
Telephone: (254-20) 7621234
E-Mail: unepinfo@unep.org / forest@unep.org
Contact Person: -

Objectives

Catalyzing action to address major environmental threats, monitoring the status of the global environment, facilitating the coordination of UN activities on matters concerned with the environment, and ensuring, through cooperation, liaison and participation, that their activities take environmental considerations into account. Helping, upon request, environment ministries and other environmental authorities, in particular in developing countries and countries with economies in transition, to formulate and implement environmental policies. Providing expert advice on the development and use of environmental concepts and instruments and developing regional programmes for the environment.

Operational Countries/Regions

Global

Priorities

Ecosystem management and valuation, environmental conservation, green economy and REDD+. UNEP is an Implementing Agency of the GEF. UNEP's comparative advantage within the GEF has been defined as; scientific assessments, monitoring, early warning; linking science to policy (capacity building, enabling activities) at national, regional and global levels; innovation, technology transfer and lifting barriers; regional and global cooperation and awareness raising, advocacy, and knowledge management.

Financing Policy

As a GEF implementing agency, see GEF fact sheet.

Project Types

Policy development, capacity building, ecosystem valuation, The Economics of Ecosystems and Biodiversity (TEEB). Ecosystem management: REDD; Congo Basin Forest Partnership (CBFP); Great Apes Survival Partnership (GRASP); Mau Forest Complex. Green Economy: payments for ecosystem services (PES); REDD+. UNEP-GEF; Several different types. Economics of forest and forest carbon projects – translating lessons learned into national REDD+ implementation (funded by the UN-REDD Programme.). The Role and Contribution of Montane Forests and Related Ecosystem Services to the Kenyan Economy. Orangutans and the Economics of SFM in Sumatra”

Current/Past Projects of Relevance to ITTO

See above

Funding Range

GEF Projects: expedited enabling activity (EA) < US\$450 000, medium-sized project (MSP) US\$450 000 – 2 million, full size project (FSP) > US\$2 million

Action Proposals

Cooperation with UNEP to be continued within the CPF framework.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **United Nations Industrial Development Organization (UNIDO)**
Category: Specialized Agency of UN

Contact Information

Website: <http://www.unido.org/>
Address: See website, HQ in Vienna, Austria
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E-Mail: -
Contact Person: Barbara Kreissler, Business Partnerships Team
tel +43-(0)1-26026-3420, businesspartnerships@unido.org

Objectives

To improve the living conditions of people and promote global prosperity through offering tailor-made solutions for the sustainable industrial development of developing countries and countries with economies in transition. Two core functions: as a global forum, it generates and disseminates industry-related knowledge; as a technical cooperation agency, it provides technical support and implements projects.

Operational Countries/Regions

Global

Priorities

UNIDO's three thematic priorities are poverty reduction through productive activities (sub priority Agribusiness and rural entrepreneurship development, including Wood and non-wood forest products industry), trade capacity-building, and environment and energy. Strategic areas UNIDO engages with partners: Providing goods and services: developing innovative goods and services tailored to meet the needs of low-income populations; Supporting local business development: through capacity building, technology transfer and advisory services; Building inclusive and sustainable value chains: upgrading and strengthening the competitiveness of local producers for their successful inclusion in local, regional and global value chains; Enhancing compliance with international norms and standards: Capacitating SMEs in developing countries to comply with international trading standards, so as to improve their access to global markets; Promoting Green Industry: promoting the more efficient use of energy and raw materials in industrial manufacturing processes and services. As a technical cooperation agency, UNIDO designs and implements programmes to support the sustainable industrial development of its clients. The emphasis is on strengthening institutional capacities, such as industry associations or chambers, technology and research institutions and relevant government bodies.

Financing Policy

Funding in Partnerships is "shared financial resources" based. Three different partnership models: Core Business and Value Chains Partnerships harness the core strengths of the private sector and/or aim for changing the way businesses operate to be more in line with social, environmental and development goals. Social Investment and Philanthropy Partnerships provide the UN system with different types of support, including traditional philanthropy, social venture funds, hybrid or blended-value financing mechanisms, employee volunteers or contribute core business expertise, products or services to the public cause. Multi-stakeholder and Transformational Partnerships enable dynamic processes for issue-focused consultation and scalable operations among numerous private and public parties, as well as including private sector representatives in their governance structures.

Project Types

See Financing Policy

Current/Past Projects of Relevance to ITTO

UNIDO AIT Unit undertakes industrial vocational training in various African countries. Currently in Liberia, Congo DRC, Somaliland and South Sudan among in micro-industry development. The approach is based on technology transfer and industrial modernization as well as on developing industrial manufacturing skills: **Technology transfer and industrial modernization**. AIT assists countries in improving the long-term competitiveness of their agro-industries through capacity building and technical upgrading through industry mapping and assessment of modernization requirements; providing a strategic blueprint for modernization; establishing national assistance agencies; and upgrading training centres. **Developing industrial manufacturing skills**, by means of knowledge transfers and the development of advanced manufacturing skills in the fields of mechatronics and automation. In post-crisis countries, approach to vocational training. A new project will start within the coming month (May 2013) in Ghana focusing on providing industrial training to Liberian refugees still residing in Budumburan refugee settlement. The plan is to focus on wood industry, i.e. providing skills that are advanced in Ghana but lacking in Liberia on wood industry. The goal of the project is to provide industrial skills and incentives for Liberian refugees in Ghana to return to their home country and find employment. Public Private Development Partnerships are providing support to industrial skills and development. UNIDO is working with FAO to develop a project: Revitalization of forest training centres in the SADC region for green employment. The project will lead into upgrading forest training centres with the biggest potential for green employment creation as well as cross-border interaction. The aim is to have a feasibility study conducted during this year.

Funding Range

No funding provided.

Action Proposals

Consult with Business Partnership Team for identifying cooperation possibilities under BWP and the Industry Development and Efficiency thematic programme. More info: <http://bit.ly/15fHlnY> and <http://bit.ly/17GL11G>.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **World Bank (WB)**
Category: Multilateral

Contact Information

Website: <http://www.worldbank.org/>
Location: HQ in Washington
Telephone: +1-202 473-1000
E-Mail: -
Contact Person: Peter Dewees, Manager, PROFOR, pdewees@worldbank.org;
Benoit Bosquet, Africa Region, bbosquet@worldbank.org

Objectives

Reduce poverty in middle-income and creditworthy poorer countries. In forests protect vital local and global environmental services and values; harness the potential of forests to reduce poverty; and integrating forests into sustainable economic development.

Operational Countries/Regions

Global

Priorities

Human development (e.g. education, health), agriculture and rural development, environmental protection (e.g. pollution reduction, establishing and enforcing regulations), infrastructure, and governance (e.g. anti-corruption, legal institutions development).

In forests the focus is in protected areas; payments for environment services; sustainable land and watershed management; participatory forest management; legal and institutional reforms across three different forest types; carbon-financed activities and crosscutting issues in forest governance, climate change, capacity building, and gender.

Financing Policy

Activities in current strategy includes support for: (i) protected areas, e.g., the Bank has been strategic in aligning its policy advice, lending, and grant-making instruments toward protection of the Amazon; (ii) payments schemes for environment services to create financial incentives to protect the environmental values of all ecosystems and to promote forest conservation and restoration; (iii) sustainable land and watershed management with forest-related activities yielding also livelihoods gains; (iv) participatory forest management supporting livelihood benefits (generation of employment, increased incomes, and diversification of revenue streams); (v) key legal and institutional reforms across three different forest types: in Brazil to support the enabling environment and enforcement regimes and in central and west Africa to help reform the industrial timber concession regimes; in temperate and boreal forests the Bank provides institutional and policy support for countries in transition; in the dry forests and woodlands of the Sahel; and (vi) carbon-financed activities (the Bio-Carbon fund and the Forest Carbon Partnership Facility). Crosscutting issues that the Bank supports include forest governance, climate change, capacity building, and gender.. WB support to the forest sector has increased since the 2002, both in terms of project numbers and lending volume. However, the nature of this support is changing due to an increasing effort to integrate forest activities into wider-scale, landscape level management activities. Exceptions include stand-alone protected area projects financed by the GEF and projects financed through carbon funds.

The Bank's financing policy on forests may change as a result of the recent evaluation of the Forest Strategy.

Project Types

Sectoral and project loans, forestry often part of larger natural resource/rural development/environmental projects. IBRD/IDA instruments that the Bank has been using to address forest sector

issues has expanded considerably, although the Bank now provides more financing to forestry through GEF-supported projects, carbon funds, and other trust funds. In addition to standalone projects, WB has or supports

Program on Forests (PROFOR) aims to enhance accountability in the forest sector and contribute to a better understanding of forest law enforcement and governance by supporting technical assistance, empirical research and analysis. PROFOR fosters mechanisms for coordinating policy across sectors by supporting National Forest Programmes or similar multi-sectoral processes.

Critical Ecosystems Partnership Fund (CEPF), provides funding and technical assistance to non-governmental organizations and other private sector partners to protect critical ecosystems with focus on biologically richest yet most endangered areas.

Forest Carbon Partnership Facility (FCPF) assists developing countries in their efforts to reduce emissions from deforestation and forest degradation and foster conservation, sustainable management of forests, and enhancement of forest carbon stocks (REDD+);

Dedicated Grant Mechanism (DGM) to provide the communities in the eight forest Investment Program (FIP) pilot countries grants to support their participation in and complement the FIP investment programs and projects.

The Bank is also supporting (i) Growing Forest Partnerships (GFP) in Ghana, Guatemala, Liberia, Mozambique and Nepal for forest stakeholders to connect, create a common vision, develop and implement joint activities; and the Global Partnership on Forest Landscape Restoration (GPFLR) catalyzing and reinforcing a network of diverse of restoration in forests and degraded lands that deliver benefits to local communities and to nature, and fulfil international commitments on forests.

Current/Past Projects of Relevance to ITTO

Several projects have direct relevance to ITTO.

Funding Range

Very large scale

Action Proposals

Tropical production forests are not a priority for the Bank due to controversial aspects related to their utilization for timber production. ITTO should monitor possible revision of the Bank's Operational Policies related to forests and identify potential cooperation areas and modalities within that framework. ITTO should engage in the Bank's consultative processes and invite the Bank to discussions on ITTO's future work. Establish contacts with PROFOR to cooperate on payments for environmental services and other innovative mechanisms.

ANNEX V

FACTSHEETS OF FOUNDATIONS

Clinton Foundation
Fondation Chirac
Ford Foundation
Gates Foundation
Hewlett Foundation
KNCF Foundation
MacArthur Foundation
Moore Foundation
Packard Foundation
Prince of Wales Rainforest
Rockefeller Foundation
The Waterloo Foundation

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **The Clinton Foundation**
Category: Foundation

Contact Information

Website: <http://www.clintonfoundation.org>
Location: HQ in New York, USA
Email: -
Telephone: -
Contact Person: -

Objectives

Strengthen the capacity of people throughout the world to meet the challenges of global interdependence

Operational Countries/Regions

USA & Canada, Latin America and the Caribbean, Africa, Europe and Asia-Pacific

Priorities

Global health, economic inequality, childhood obesity, climate change, and health and wellness

Financing Policy

The Foundation works principally through partnerships with like-minded individuals, organizations, corporations, and governments, often serving as an incubator for new policies and programs. In the climate change the foundation works targeting root causes of climate change, developing solutions to help change the course of our planet's future. Cities can lead the charge by introducing cleaner public transportation, alternative waste management, and building retrofits. Communities that depend on forests can be engaged in conserving them. Collectively, it is possible demonstrate that measures to protect environment can also benefit economies by saving money for governments and individuals while creating local jobs.

Project Types

The Clinton Climate Initiative (CCI) is implementing programs that create and advance solutions to the root causes of climate change and also help to reduce our reliance on oil. CCI has programs to increase energy efficiency; to increase access to clean energy technology; and to reverse deforestation by preserving and regeneration of forests. CCI operates at the nexus of business, politics, and environmental groups for bridging mutual understanding. A large part of CCI's work is aimed at helping national and municipal governments turn pledges to reduce carbon emissions into action.

CCI's Forestry Program is working with governments and local partners in Indonesia, Kenya, Tanzania and Guyana in (i) developing SFM pilot projects including REDD+ and (ii) measuring forest carbon emissions to help countries reduce poverty by creating revenue from carbon credits and other forest goods and services. The Measurement, Reporting and Verification (MRV) program is to enhance national socio-economic development through sustainable land and natural resources management helping countries design and build their MRV systems by providing access to data, technical assistance, and capacity building and training.

Current/Past Projects of Relevance to ITTO

Indonesia: Seven REDD+ pilot projects, working with private investors, local government, and community organizations in areas with high biodiversity and carbon-rich peatland.

Kenya: The project will reforest over 1,300 ha of degraded land in cooperation with local communities, to also provide critical ecological services such as protecting a water catchment area, flood mitigation, and maintenance of wildlife habitat.

Tanzania: Village level projects designed for REDD+, improvement of forest governance, forest management and land use plans. CCI is now focused on developing national social and environmental safeguards for REDD+ projects.

Guyana: Cooperation with the President's Office on the design of a Low Carbon Development Strategy, including a forest monitoring plan to preserve 15 million hectares of forest.

Cambodia: In 2008-2012 CCI developed two REDD+ projects in Oddar Meanchey and Siem Reap province to legalize community forest areas under the national law. These projects have now been handed over to CCI's partners and the Cambodian Forest Administration.

Funding Range

N/A

Action Proposals

Cooperation possibilities to be identified.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Fondation Chirac**
Category: Foundation

Contact Information

Website: <http://www.fondationchirac.eu/en/>
Location: HQ in Paris, France
Email: contact@fondationchirac.eu
Telephone: +33-(0)1-47 42 87 60
Contact Person: Bastien Sachet, Managing Director, Deforestation and Desertification

Objectives

Fight against a triple threat: the danger of standardization of our diverse world cultures, the menace to our environment, and the scandal of poverty. These are major threats to peace and the very survival of our planet.

Operational Countries/Regions

Africa

Priorities

Conflict prevention, access to water and sanitation, access to quality medicines and healthcare, access to land resources, and defense of cultural diversity

Financing Policy

To contribute to a more balanced management of natural resources representing a condition for development. The program on sustainable exploitation in tropical forests has three main areas: (i) securing land rights in the most vulnerable countries; (ii) raising awareness of architects to use legal and certified timber; and (iii) sustainable forestry certification. The Foundation also focuses on land security combined with the main concerns of developing countries, i.e., the fight against extreme poverty, food insecurity, women's rights, peace between peoples, microcredit and sustainable development taking account that many fragile countries have inefficient legislation on land rights. On illegal timber, the aim is to raise awareness of responsible operations in the rainforests and to certification and good harvesting practices.

Project Types

Center of Social Excellence of the Congo Basin forests is a field-based training center that fosters dialogue between logging companies, indigenous populations and other local players. Its goal is to strengthen African competencies in sustainable forest management, especially as regards the human, social and cultural aspects with a regional scope (Republic of the Congo, Gabon, Central African Republic, Cameroon and the Democratic Republic of the Congo). The Center works in close collaboration with the universities and specialized institutes in the countries involved.

Strengthen land rights in developing countries contributes to prevention of conflicts over land use by facilitating joint management of forest and agricultural land (indisputable land registries, clear delineation of land rights and uses) while respecting human populations recognizing both customary use and rights, ensuring access to credit backed by collateral based on reliable land titles which is vital to a balanced organization of a country's land market for fighting extreme poverty, economic development and food insecurity, and to encourage sustainable certification of tropical forest and to promote diversified agriculture.

Raise awareness of architects on the use of legal and certified timber is aimed at establishing an awareness raising programme for all architecture students in France (20 000 students); involving all 20 French architecture schools; and launching an awareness campaign among all construction purchasing advisors in France.

Current/Past Projects of Relevance to ITTO

All project types are of relevance to ITTO

Funding Range

N/A

Action Proposals

Cooperation possibilities to be identified because of complementary action in the Congo Basin.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Ford Foundation**
Category: Foundation

Contact Information

Website: <http://www.fordfoundation.org/>
Location: HQ in New York, USA
Email: office-of-communications@fordfoundation.org
Telephone: (+1)-212-573-5000
Contact Person: David Kaimowitz, Director, Sustainable Development;

Objectives

The foundation is to encourage initiatives by those living and working closest to where problems are located; to strengthen democratic values; reduce poverty and injustice; promote international cooperation; and advance human achievement.

Operational Countries/Regions

United States, Africa, the Middle East, Asia and Latin America

Priorities

Democratic and accountable government, economic fairness, educational opportunity and scholarship, freedom of expression, human rights, metropolitan opportunity, sexuality and reproductive health and rights, and sustainable development, including climate change responses that strengthen rural communities and expand community rights over natural resources

Financing Policy

The Foundation works to address flawed policies that can limit poor people's access to the natural resources they depend on, and that can foster land speculation and conflict in rural areas that face severe vulnerability to the threats posed by climate change. Grants are made to support research, advocacy, networking among organizations and communications to increase awareness and training activities. Work also focuses on promoting socially just climate change policies that meet the needs of the rural poor. In community rights over natural resources, the goal is to improve the livelihood of rural poor through increased access to, and decision making on, natural resources by support to development of improved natural resource policies and programs that offer poor and marginalized groups more access and ownership over natural resources, along with greater influence in decision making on land-use planning and development through advancing these goals, partnering at the global, national and regional levels with think tanks; grassroots organizations; governments; advocacy groups; universities; and private companies.

Project Types

Climate Change Responses That Strengthen Rural Communities focuses on policymaking in Brazil, Indonesia, Mexico and Central America. The initiative generally funds projects in other countries only if the outcomes will contribute to advancements at the regional and global levels and to promote climate change policies that meet the needs of rural poor communities worldwide, through network building and convening; advocacy, litigation and reform; research and public policy analysis; and program learning. The Foundation fund efforts that promote national and global climate change policies related to forests and biofuels that benefit rural communities. The emphasis is on influencing global negotiations and international agencies and donors, as well as government policies. The initiative is also part of the Climate and Land Use Alliance, an emerging multi-foundation collaborative working to address the problems of global Greenhouse Gas emissions in ways that do not disadvantage the rights and livelihoods of forest-dependent households and communities.

Expanding Community Rights over Natural Resources supports organizations based in other countries when they have specific expertise or other particular advantages that cannot be found in the countries where they work. A wide range of organizations are supported, particularly those with a global scope and/or influence. In Brazil, China, Eastern Africa, India, Nepal, Sri Lanka, Indonesia, Mexico and Central America grants improve the livelihood of rural poor through increased access to, and decision making on, natural resources through research and public policy analysis; capacity building and technical assistance; advocacy; leadership development; communications and public education; network building and convening; litigation and reform; and cross-cutting issues. The Foundation primarily funds efforts to improve policies that affect community access to forests, grasslands and marginal agricultural lands. Sometimes improvement of natural resource management is also supported, but only when there is potential to achieve impacts at significant scales (<http://bit.ly/18eP1UM>).

Current/Past Projects of Relevance to ITTO

In Brazil Memorial Chico Mendes, for the National Council of Extractive People to participate in the development & monitor the implementation of public policies that benefit traditional communities in the Amazon's Extractive Reserves

In Eastern Africa (i) research, advocacy and capacity building to promote & facilitate implementation of the land and environment provisions of Kenya's new constitution and ensure community participation in the process and for research, advocacy and capacity building to promote & facilitate implementation of the land; and (ii) environment provisions of Kenya's new constitution and ensure community participation in the process

In India, Nepal and Sri Lanka (i) general support to build the capacities, diversify the skills and improve the livelihood security of marginalized forest-dwelling and forest-dependent communities; and (ii) to enable a deepening of its work in Odisha and for national networking on advocacy linked to the Forest Rights Act

In Indonesia (i) to strengthen community-based mediation for resolving natural resource conflicts and ensuring that the rights of local communities are respected; (ii) training, technical assistance and other activities to facilitate implementation of community-based forest management in eastern Indonesia; (iii) to help resolve forest tenure conflicts through alternative dispute resolution and government-approved community-based forest management programs; (iv) to help resolve forest tenure conflicts through alternative dispute resolution and government-approved community-based forest management programs; (v) capacity building, participatory mapping & spatial planning to help indigenous communities in West Kalimantan obtain recognition & protection of their rights over their traditional lands & forests; (vi) community organizing, training and advocacy to build the capacity & protect the rights of rural women adversely affected by oil palm and forest plantations and carbon emissions mitigation projects; (viii) research, mapping and public education to ensure that community farmland and forests are integrated within the process and implementation of district-level spatial planning in West Kalimantan; (ix) support community rights over land in conflict with oil palm and pulp and paper industries; (x) support for the Sustainable Community-Based Forest Management certification system to promote and create a market for certified products, strengthen value chains and improve livelihoods; and (xi) applied research on the feasibility of sustainable biofuels production for oil palm in West Kalimantan.

In Mexico and Central America research, publications, meetings and workshops to promote forestry policies that are favorable to low-income rural communities.

Globally (i) research, dissemination and advocacy to refocus the REDD debate from carbon trading to forest governance and forest community rights; (ii) strengthen the Roundtable on Sustainable Palm Oil's social agenda, build Indonesian smallholders' capacity to participate in the sector & empower them to use RSPO conflict resolution mechanisms; (iii) research, analysis, monitoring and communications activities with respect to REDD programs and policy making in developing countries; (iv) to ensure that good governance, transparency & civil society participation underpin international policies & national & local action to reduce carbon emissions from deforestation & forest degradation; (v) for the Asia REDD Working Group to demonstrate the effectiveness and viability of community-based approaches to REDD; and (vi) for research, networking and advocacy to identify and develop and promote policies that mitigate the impact of biofuels production on food security, land use and climate change in the Americas.

Funding Range

From US\$100 000 up to US\$500 000, majority of the grants are around US\$200 000

Action Proposals

Cooperation possibilities to be identified because of strong overlap with ITTO's activities.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **The Bill & Melinda Gates Foundation**
Category: Foundation

Contact Information

Website: <http://www.gatesfoundation.org/>
Location: HQ in Seattle, USA
Email: info@gatesfoundation.org
Telephone: +1-(206) 709-3100
Contact Person: -

Objectives

In developing countries, focusing on improving people's health and giving them the chance to lift themselves out of hunger and extreme poverty

Operational Countries/Regions

North America, South America, Europe, Africa, Asia and Oceania

Priorities

Global health, global development including agricultural development, U.S. program and global policy & advocacy

Financing Policy

Global Development Division aims to identify and fund high-impact solutions that can help hundreds of millions of people lift themselves out of poverty and build better lives working closely with partners to support innovative approaches and expand existing ones. In agricultural development, efforts are primarily in Sub-Saharan Africa and South Asia focusing on (i) research and development towards more productive and nutritious varieties of the staple crops grown and consumed by farming families; (ii) agricultural policies to support data collection, research and policy analysis to help evaluate the impact of various approaches, to get accurate information to farmers, and to assess the effects of national and international agricultural policies; (iii) livestock; (iv) access and market systems to get new and appropriate tools and farming practices for farmers, including improved seeds and access to better soil, water, and livestock solutions; and (v) strategic partnerships and advocacy to achieve the goal of sustainable agricultural productivity, relying on strong partnerships with donor countries, multilateral institutions, private foundations, and other organizations. The overall goal is to ensure that donor and developing-country investments and policies support sustainable smallholder farmer productivity.

Project Types

See above.

Current/Past Projects of Relevance to ITTO

-

Funding Range

From US\$20 000 up to US\$10 million

Action Proposals

No immediate action proposals; cooperation in community/smallholder forestry development could be proposed as part of feasible poverty reduction strategies.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **The William and Flora Hewlett Foundation**
Category: Foundation

Contact Information

Website: <http://www.hewlett.org/>
Location: Menlo Park, USA
Email: communications@hewlett.org
Telephone: +1-(650) 234-4500
Contact Person: -

Objectives

Solve social and environmental problems at home and around the world.

Operational Countries/Regions

USA and Global

Priorities

Education, environment, global development and population, performing arts, and philanthropy

Financing Policy

The foundation focuses its resources on several key issues where it believes that it can have significant impact. About half of the foundation's work is focused on international issues but also includes support local low-income communities and the field of philanthropy. Grants should solve social and environmental problems at home and around the world, including to reduce poverty in the developing world, curb carbon emissions that lead to climate change, and to improve education for students in California and elsewhere, among others. Grants are made through particular programs.

Project Types/Programmes

Environment is to ensure that energy is produced and used cleanly and efficiently, with limited impacts on human health and the environment, and that global average temperatures increase less than 2°C through five strategies; (i) reducing reliance on high-carbon fuels; (ii) increasing renewable sources of energy by pursuing policies that encourage the use of alternatives such as wind, solar, and geothermal; (iii) increasing efficiency of energy consumption by supporting policies; (iv) encouraging clean transportation; and (v) building broad support for expanding clean energy and reducing climate change.

Global development and Population programme to improve the well-being of vulnerable people. In developing countries, our grant making focuses on promoting transparent, accountable governance to deliver social services focusing on two sectors that shape the lives of low-income and marginalized people, particularly women—education and quality family planning and reproductive health services.

Current/Past Projects of Relevance to ITTO

Some funding to organizations working on the ITTO related themes.

Funding Range

Up to US\$200 000

Action Proposals

No further action proposals; the environment programme has strong focus on United States, since 2004 all environment projects are implemented in North America

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Keidanren Nature Conservation Fund (KNCF)**
Category: Foundation

Contact Information

Website: <http://www.keidanren.or.jp/kncf/en/>
Location: Tokyo, Japan
Email: charitabletrust@smtb.jp
Telephone: +81-3-5232-8908
Contact Person: -

Objectives

Nature conservation in Asia-Pacific region

Operational Countries/Regions

Asia – Pacific region

Priorities

Assistance for (1) nature conservation efforts implemented by NGO/NPO in developing countries, particularly in the Asia-Pacific region and (2) nature conservation efforts and sustainable use of nature resources in Japan

Financing Policy

KNCF supports projects that are carried out for the purpose of nature conservation in developing countries, particularly in the Asia-Pacific region. Priority is given to projects for preserving biodiversity and are expected to receive appropriate levels of cooperation from the host government agencies, related international organizations, non-governmental organizations, and the local civil society. Projects cannot serve for special interests of any specific corporation or individuals, and projects should be carried out by persons with sufficient scientific expertise, or with the advice and cooperation of persons having such expertise.

Project Types

See above

Current/Past Projects of Relevance to ITTO

In **Malaysia** afforestation in the secondary forest of tropical rainforest in Sarawak, Borneo and to develop agro-forestry through awareness raising among native people on conservation of their forest and regeneration of tropical rain forest in Sarawak; in **Cambodia** community livelihood improvement through ecological agriculture and natural resource management.

Funding Range

Around US\$40 000

Action Proposals

No action proposals

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **The John D. and Catherine T. MacArthur Foundation**
Category: Foundation

Contact Information

Website: <http://www.macfound.org/>
Location: HQ in Chicago, USA
Email: 4answers@macfound.org
Telephone: +1-(312) 726-8000
Contact Person: -

Objectives

The Foundation supports creative people and effective institutions committed to building a more just, verdant, and peaceful world.

Operational Countries/Regions

Africa, Asia, India, Latin America, Mexico, Nigeria, Russia and United States

Priorities

Human rights and international justice, peace and security, conservation and sustainable development, girls' secondary education in developing countries, migration, and population and reproductive health

Financing Policy

MacArthur supports people and organizations working for change on a variety of complex societal challenges and grants are generally long-term, strategic investments, focused on building evidence about what works and finding solutions to often intractable problems with a global reach. In conservation and sustainable development the geographical focus is on three regions: the Great Lakes of East Central Africa, the Greater Mekong and its headwaters, and the watersheds of the Andes. Each area has high biodiversity, important freshwater service, and carbon-storage value. The focus is on (i) climate change mitigation and adaptation; (ii) understanding and influencing China's consumption patterns and use of natural resources, particularly in Africa, Latin America, Asia, and the Pacific; (iii) integrating environmental and social considerations into commodities markets, (for example: carbon, timber, oil palm, cotton, and soy); and (iv) responding to the overexploitation and illegal use of marine fisheries.

Project Types

The Great Lakes of East and Central Africa focuses on conserving biodiversity and fresh water supply while addressing regional food security; describe the importance of ecosystems to sustainable economic growth persuasively to key decision makers; illustrate ways to generate positive incentives for environmental stewardship; strengthen resource use rights of local communities and Indigenous Peoples; contribute to testing and evaluating policies that distribute the costs and benefits of ecosystem management efficiently and more equitably among the users and providers of ecosystem services; and monitor the status/trends in the health of ecosystems and pressures on them with scientific rigor and share this information with a broad audience (<http://bit.ly/ZvqvM>).

The Tropical Andes focuses on helping balance the needs of rural and vulnerable communities with the prudent stewardship of diverse ecosystems through specified objectives. Objective 1 is to understand and respond to increased environmental pressures from development and climate change impacts (analyze development policies, plans and programs, evaluate their impact on biodiversity and ecosystem services, and propose alternative development scenarios and appropriate mitigating measures); strengthen the voice of affected communities in approval processes for agro-industrial plantations, dams, mining and oil extraction, and other large-scale

developments; work with the private sector to develop best practices or guidelines for locating, developing, and operating agro-industrial plantations, mining and oil extraction, and dams in an environmentally and socially responsible manner; strengthen the capacity of subnational governance structures to effectively design and manage natural resources for protection and development; develop climate change narrative that is based on real experiences and that impacts public thinking and public policy. Objective 2 is to create and expand incentives to conserve ecosystems through: raised awareness of the value of natural goods and services and increased capacity of public decision-makers and civil society leaders to apply valuation methods for natural resource management, enhance local livelihoods and integrate natural assets to national accounting systems; integrate the biodiversity and terrestrial and aquatic ecosystem service values into local, municipal, and regional land-use and development planning; pilot and expand payment/compensation for ecosystem service; develop and strengthen non-economic incentives for natural and cultural resource stewardship, engage the media as a way of increasing the accountability of public officials on environmental issues. Objective 3 is to assist the rural poor in managing their resources for multiple benefits through: support land tenure registration at priority sites for local communities and ethnic groups that recognizes historical and ancestral territorial claims; pilot and expand community-managed forestry, fisheries and natural resource enterprises that include value added certification of commodities and greater local involvement in the supply chain; develop co-management mechanisms for formal protected areas that enable community participation; pilot and expand innovative approaches to site conservation, including linking livelihood support to conservation actions through negotiated agreements and private management of land through conservation concessions. Objective 4 is to evaluate the impacts of conservation investment on biodiversity and human wellbeing through systematic monitoring through: develop common standards and systems for monitoring the impacts and effectiveness of conservation actions; invest in the professional development of current and future conservation leaders and practitioners through support to established academic and training institutions in the region; develop and test mechanisms for ensuring that monitoring results inform national policy debates and local adaptive management; develop innovative means to finance conservation and sustainably monitor its impact.

Cross-Cutting Global Issues supports to address selected global challenges to biodiversity conservation, including: climate change mitigation and adaption; the role of China in global conservation; reducing the impact of commodity production; responding to marine overfishing. The global policy is currently being developed.

Current/Past Projects of Relevance to ITTO

Forest Trends, (i) build on the Peruvian Incentives for Watershed Services Incubator and strengthen and expand local efforts to establish ecosystem service projects that are designed around water flow; (ii) assist Peru in defining national guidelines for an Environmental Compensation Regulation on impacts from infrastructure and extractive industry projects.

Centro para el Desarrollo del Indigena Amazonico to expand community forest management and biodiversity conservation by titling territory and strengthening management capacity of 20 communities in the Apurimac-Upper Urubamba and Upper Madre de Dios priority watersheds; physically demarcate and legally title common lands, strengthen organizational governance of these territories and resources, and create a conservation concession that links Manu National Park to the newly titled indigenous communal lands.

Pinchot Institute to support conservation of threatened forests in Ecuador and building a sustainable forest-based economy by improving security conditions for local communities.

BirdLife International, 2011 to improve the management of Western Siem Pang dry forest ecosystems in Northeast Cambodia, 2010 to design, test and monitor the effectiveness of site-based/ecosystem-based approaches to climate change adaptation. In the Caribbean to develop a public/private alliance among Caribbean and international agencies and organizations to conserve mangrove forests.

Peregrine Fund to create a wetland and forest protected area in western Madagascar that is sustainably managed by local communities to maintain their livelihoods and conserve biodiversity.

Funding Range

US\$30 000 up to US\$400 000

Action Proposals

Possibilities for funding to be identified in view of overlapping priorities in Africa, the Andes and global issues.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Gordon and Betty Moore Foundation**
Category: Foundation

Contact Information

Website: <http://www.moore.org/>
Location: Palo Alto, USA
Email: info@moore.org
Telephone: (+1) 650-213-3000
Contact Person: AVECITA Chicchón, Program Director, the Andes-Amazon Initiative;

Objectives

Creating positive outcomes for future generations and environmental conservation, science, and patient care. The goal is to change the ways in which people use terrestrial, freshwater, and coastal marine ecosystems to conserve critical ecological systems and functions, while allowing sustainable use.

Operational Countries/Regions

Global

Priorities

Environmental conservation, patient care, science and San Francisco Bay Area

Financing Policy

The Foundation forms and invests in partnerships to achieve significant, lasting, and measurable results and large-scale, enduring impacts; investing on a sufficient scale to make a difference on important issues, taking the long view, staying the course, and persisting and seeking to create durable change, taking calculated risks and supporting new ideas for significant change, and focusing on root causes, not symptoms, to create systemic change. The focus is given to long-term support of a small number of initiatives and program grants that pursue measurable conservation outcomes on a broad scale.

Project Types

Andes-Amazon Initiative: to maintain the climatic function and biodiversity of the Amazon Basin by promoting forest conservation and addressing the drivers of deforestation and forest degradation. The goal is to conserve the Amazonian forests, which provide habitat for biodiversity and regulate the regional climate cycle through support to work that addresses the following elements: (i) resilient protected areas and protected area systems, the transformation of frontier economies, and (ii) Basin-wide enabling conditions in areas through (1) fully implement the well tested protected area strategy, with interventions at the individual protected area level in five countries and the protected area system level in three countries; and (2) experimental grant-making in a selected subset of the driver strategies, with the intention of testing the AAI's ability to gain traction in, and produce change in these spaces. First priorities are interventions in the cattle sector in Brazil, land use management in Peru (Loreto), infrastructure (e.g. dams and roads) in the southwestern Amazon headwaters (Upper Madeira Basin), and REDD frameworks in three countries (Brazil, Colombia and Peru). These geographic locations and themes currently show the greatest window of opportunity for GBMF impact. This multi-pronged strategy is essential to generate workable solutions to deforestation in the Amazon. A monitoring and evaluation plan is being designed to support adaptive management by both measuring progress towards outcomes and testing the theories of change.

Environmental Conservation Program Grants: to support and develop conservation-based tools, methods, and new knowledge. In addition to large-scale, long-term initiatives, the program supports a limited number of special projects. These grants are evaluated based on four filters, (a project is

important, makes a difference and has enduring impact, has measurable outcomes, and contributes to a portfolio effect). The grants have addressed several areas including: establishing conservation-friendly land use in unique and irreplaceable sites; developing new environmental science, including new knowledge, research tools and methods; and supporting conservation-based changes to the economic, social or policy context within which durable environmental conservation can occur.

Current/Past Projects of Relevance to ITTO

Andes-Amazon Initiative: Carnegie Institution of Washington Forest Monitoring Techniques for Conservation Planning in the Andean Amazon; Instituto de Pesquisa Ambiental da Amazônia Monitoring the Impact of Policies to Reduce Deforestation in the Brazilian Amazon; Amazon Conservation Association Consolidate Manu-Tambopata Conservation Corridor to mitigate forest conversion in Madre de Dios, Peru; Nature and Culture International Conservation and sustainable management of biodiversity in Loreto, Peru; Virginia Tech, Department of Forestry and Environmental Conservation Economic incentives for sustainable cattle and timber production.

Program Grants: Climate Focus Catalyzing new subnational partnerships to reduce emissions from deforestation; Conservation International Incorporating natural capital into decision making: Implementing the TEEB approach and informing natural capital accounting (WAVES); WWF The Economics of Ecosystems and Biodiversity (TEEB) for Business: Enhancing the visibility of nature's benefits

Funding Range

Average is around US\$1 million

Action Proposals

Cooperation possibilities to be identified within the Andes-Amazon Initiative.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **The David and Lucile Packard Foundation**
Category: Foundation

Contact Information

Website: <http://www.packard.org/>
Location: Los Altos, USA
Email: inquiries@packard.org
Telephone: +1-650-948-7658
Contact Person: Walter Reid, Director, Conservation and Science Program, wreid@packard.org;
Kai Lee, Program Officer, Science, klee@packard.org;

Objectives

Improving the lives of children, enabling the creative pursuit of science, advancing reproductive health, and conserving and restoring the earth's natural systems

Operational Countries/Regions

Global

Priorities

Conservation and science, population and reproductive health and children, families, and communities

Financing Policy

The Foundation supports work to achieve a biologically rich, sustainable world where all families can plan for their children and all children reach their potential and also invest in efforts to learn from our work and increase the impact of our investments through targeted evaluation and communications grants. Long-term goals and strategies guide grant making across each selected programme areas and their components. The Foundation monitors and adjusts strategies to accommodate for accomplishments and changes in the fields of work, and also in response to changes in the economy that affect financial resources.

Project Types

The **Conservation and Science Program** invests in action and ideas that conserve and restore ecosystems while enhancing human well-being supporting public policy reforms, changes in private sector practices, and scientific activities to develop essential knowledge and tools for addressing current and future priorities. The Program supports actions and ideas that (i) enable the creative pursuit of scientific research, (ii) reduce the greenhouse gas emissions that cause climate change, and (iii) improve the environmental performance of agriculture and biofuels production.

The Science Sub-program aims to identify grant making opportunities where better use or application of science could dramatically accelerate progress toward the Foundation's environmental conservation goals through projects that include targeted research or other work that increases the impact of relevant research on decision makers and provides support for institutions that work at the intersection of science and public policy on issues important to the Foundation's overall conservation goals. These organizations conduct research relevant to conservation outcomes or help to bridge the gap between science and decision makers (<http://bit.ly/11x22GN>).

The Climate Sub-Program focuses on slowing tropical deforestation and supporting the energy policy reforms and global research needed to combat global warming and transitioned its grant making to focus on working to advance policies to encourage low-carbon, energy efficient practices around the world. Currently, the subprogram supports the ClimateWorks Foundation and the Climate and Land Use Alliance and unsolicited proposals are not accepted.

The Agriculture Sub-Program aims to improve the environmental performance of agriculture, while also ensuring a thriving agriculture and food system that meets the needs for nutrition, employment, and economic development. The goal is to reduce the greenhouse gas emissions and nitrogen pollution caused by agriculture in the United States and by biofuels globally.

The Biofuels Policy and Markets (global focus) portfolio aims to (i) promote globally harmonized sustainability standards, (ii) strengthen the inclusion of sustainability criteria in government policies, and (iii) promote corporate adoption of sustainability criteria (<http://bit.ly/ZXlc6a>).

Current/Past Projects of Relevance to ITTO

2012: a grant to an individual for research and analysis and stakeholder engagement in support of efforts to reduce deforestation and conflict in Southeast Asia. **2011:** a grant to continue to build on making market linkages for certified palm oil, sugar, soy, and woody biomass and address the demand for sustainable biofuels; to increase awareness of the role of palm oil in driving deforestation and encourage major food and cosmetics companies to use more sustainable alternatives; to minimize the social, environmental, and climate impacts of global palm oil trading operations. **2010:** a grant to support a meeting aimed at developing frameworks for the payment of marine ecosystem services, with an emphasis on coastal mangroves of Northwest Mexico. **2009: a grant to** develop innovative, replicable financing mechanisms for REDD to create economic incentives for the protection and sustainable management of indigenous peoples' forests in West Kalimantan; a grant to support revision of the Forest Carbon Index for mapping the distribution of investment opportunities for REDD

Funding Range

From US\$20 000 up to over US\$1 million

Action Proposals

Funding possibilities to be identified related to the Conservation and Science Program.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **The Prince's Charities (The Prince's Rainforest Project)**
Category: Charity

Contact Information

Website: <http://www.pcfisu.org/>
Location: London, UK
Email: info@pcfisu.org
Telephone: -
Contact Person: -

Objectives

International Sustainability Unit (ISU) is to facilitate consensus on how to resolve some of the key environmental challenges facing the world - such as food security, ecosystem resilience and the depletion of Natural Capital.

Operational Countries/Regions

Africa, Asia and Latin America

Priorities

Agriculture, marine and rainforests

Financing Policy

To promote awareness of the urgent need to take action against tropical deforestation and about climate change and how destruction of the world's rainforests contributes to rising temperatures and sea levels. The project is aimed at helping the world community recognize the true value of forests by identifying ways to value, and then pay for, the crucial ecosystem services rainforests provide by working with governments, businesses and non-profit organizations around the world to quickly find solutions to deforestation, with the ambition of making the trees worth more alive than dead.

Project Types

Interim REDD+ finance: Research on two core and interrelating issues: (i) delivery of interim REDD+ finance since the Oslo Agreement in May 2010; and (ii) financial and other requirements necessary to promote sustainable agricultural expansion in rainforest countries without exacerbating deforestation. In addition, analyses the contributing factors to the financing gap in Annex I and rainforest countries.

REDD+ and agricultural drivers of deforestation: three regional studies to examine the opportunities to increase production of key commodities without causing further deforestation in particular jurisdictions, as well as the investments and enabling policy frameworks required to realize those opportunities. The studies looked at the following three case studies: (i) soya and livestock in the state of Mato Grosso, Brazil; (ii) palm oil in the province of Central Kalimantan, Indonesia; (iii.) cocoa and palm oil in the Eastern and Western Regions of Ghana. To share common findings in terms of the upfront finance, policies and extension services to smallholders required to achieve this challenge. To propose potential pilot projects which could be implemented to achieve this goal, but only if part of wider jurisdictional/regional policies intended to achieve the same outcome.

Current/Past Projects of Relevance to ITTO

Boer et al., 2012. "Reducing agricultural expansion into forests in Central Kalimantan: analysis of implementation and financing gaps". Centre for Climate Risk and Opportunity Management, Bogor Agricultural University, Indonesia.

Robbins and Baffoe, 2012. "Reducing agricultural expansion into forests in the Eastern and Western Regions of Ghana: analysis of implementation and financing gaps", Doreo Partners, ProForest Initiative, London.

Strassburg et al., 2012. "Increasing Agricultural Output while Avoiding Deforestation: Proposals for Immediate Action", International Institute for Sustainability, Rio de Janeiro.

Funding Range

-

Action Proposals

Consultations for support to targeted analytical work could be identified for complementary action of mutual interest.

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **The Rockefeller Foundation**
Category: Foundation

Contact Information

Website: <http://www.rockefellerfoundation.org/>
Location: HQ in New York, USA
Email: -
Telephone: +1 (212) 869-8500
Contact Person: -

Objectives

Support the ingenuity of innovative thinkers and actors by providing the resources, networks, convening power, and technologies to move innovation from idea to impact.

Operational Countries/Regions

Global

Priorities

Revalue ecosystems (including: developing climate change resilience; harnessing the power of impact investing; sustainable employment in a green US economy (SEGUE); smart power for environmentally-sound economic development (SPEED)), secure livelihoods, transform cities and advance health

Financing Policy

The Foundation supports work that enables individuals, communities, and institutions to access new tools, practices, resources, services, and products and enhances their resilience in the face of acute crises and chronic stresses, whether manmade, ecological, or both. Significant advances toward Smart Globalization are still undermined by insufficient food, water, and shelter; inadequate health systems; worsening environmental degradation and climate change; unplanned urbanization; and declining social and economic security.

Project Types

Developing Climate Change Resilience Initiative aims to catalyze attention, funding and action to promote resilience to climate change on several levels with focus on three pivotal areas: Asian urban environments, African agriculture and US policy. Promoting awareness and guiding funders and policymakers to support broader action on climate change resilience, nationally and internationally, to help poor and vulnerable people around the world. The Foundation partners with governments, other foundations, donors, NGOs and groups from the private sector, to work (i) piloting urban-based resilience strategies; (ii) adapting African agriculture for climate change resilience; (iii) promoting policies and funding to build climate change resilience for poor and vulnerable people; (iv) building new constituencies for climate change resilience policies; (v) communicating with policymakers about climate change resilience-building tactics; (vi) building capacity and networks and (vii) developing new funding streams for resilience strategies. The Foundation aims to develop a deeper understanding of climate resilience and the capacities and resources needed to build resilience to current and future climate risks on a large scale.

Agriculture development sector in Africa Initiative supports climate resilient practices within agricultural development institutions to gain more effective agricultural systems and practices, particularly in Sub-Saharan Africa through capacity building, knowledge and experimentation, partnerships and resource mobilization and enabling policies.

Enabling Environment supports social innovation by: researching the ways organizations apply innovation methods, evolve and innovate on their own models and produce new social innovations; building the skills of leaders who seek to increase innovation capacity or activity to create

meaningful changes beyond their own organizations; linking actors across sectors and scales to foster collaborations that support innovation; replicating demonstrations of successful innovation systems and methods with social impact or promise of wider adoption. Work has three desired outcomes: organizations and individuals acquire new knowledge to adopt innovation methods or processes; innovation capabilities are increased across the sector and access to tools, techniques and networks will be greatly expanded; targeted networks, markets, communities and communication platforms for ideas that drive innovative connections and collaborations.

Harnessing the Power of Impact Investing Initiative aims to overcome the major obstacle to the growth of the Impact Investing industry by: (i) catalyzing platforms for collective action that enable leading impact investors and intermediaries to coordinate efforts, such as disseminating standards, and sharing information; (ii) supporting the development of scaled intermediation vehicles that help absorb impact investments at a scale necessary to attract the institutional investors who are seeking social impact; (iii) building industry-wide infrastructure that enables broader and more effective participation in the Impact Investing industry; and (iv) supporting research and advocacy to promote an analytical understanding of the impact investing industry and take necessary steps to facilitate its maturation. This initiative helps accelerate the development of an industry that can efficiently place for-profit impact investments to improve a wide range of social and/or environmental conditions..

Current/Past Projects of Relevance to ITTO

Forest Trends: Support to launching an African Agriculture Climate Finance Facility (AACFF) in two countries in an effort to innovate, test and document a new transaction models to access carbon and climate finance sources for smallholder farmer-driven agricultural climate mitigation and adaptation projects.

Institute for Social and Environmental Transition: to restore the ecosystem of a mangrove forest in an urban lagoon of Quy Nhon, Vietnam, using co-management practices to enable positive community benefits and successful forest regeneration.

CIFOR: Developing national policies for adaptation to climate change among farmers living adjacent to forests in Kenya and Uganda.

World Agroforestry Center: Prepare a report assessing water resources management strategies to improve the capability of smallholder farmers in sub-Saharan Africa to adapt to climate change.

Cooperative for Assistance and Relief Everywhere (CARE-USA): Support the Poverty, Environment and Climate Change Network to develop and implement a sustainable agriculture and land management carbon project in western Kenya.

Egerton University, Tegemeo Institute of Agricultural Policy and Development: Building institutional capacity in climate change research and analysis by conducting a socio-economic study on the effects of climate change on rural communities in Kenya and identifying adaptation responses.

Funding Range

From less than US\$100 000 up to US\$3 million

Action Proposals

Opportunities for funding to be identified, possibly together with the Forest Trends or CIFOR

FACTSHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **The Waterloo Foundation (TWF)**
Category: Foundation

Contact Information

Website: <http://www.waterloofoundation.org.uk/>
Location: Cardiff, UK
Email: info@waterloofoundation.org.uk
Telephone: +44-2920 838980
Contact Person: -

Objectives

Overall focus on projects that help globally particularly in the areas of the disparity of opportunities and wealth and the unsustainable use of the world's natural resources

Operational Countries/Regions

The UK and world-wide; Sub-Saharan Africa, South Asia

Priorities

World development, the environment, child development and Wales

Financing Policy

TWF makes grants internationally and in Wales to address wealth disparity and climate-related issues. The first two programs (World Development; Environment) focus on issues in the developing countries. In **World Development** TWF aims to support organizations helping the economically disadvantaged build the basis of sustainable prosperity committed to providing support to developing countries which are used in a sustainable way with lasting impact, and which avoids promoting a culture of aid-dependency. Two principal themes are: (i) improving access to education, and (ii) supporting communities to have access to water, sanitation and hygiene

In **Environment** TWF supports projects which can help mitigate the damaging effects that humans are having on the environment and contribute to a positive change. with two main themes: (i) Marine to support for projects working to halt declining fish stocks and (ii) Tropical forests to support projects protecting tropical rain forest, principally through avoided deforestation. TWF does not fund tree planting projects or projects that have animal conservation, fuel efficient stoves or environmental education as the main focus. (<http://bit.ly/11RoUkM>)

Project Types

Enterprise development: soft loans to help the growth of individual enterprises, as well as grants to support livelihood and skills training programmes, currently in apiculture and sustainable aquaculture.

Tropical Forests: support to initiatives working to protect tropical rain forests for their value to the climate, communities and biodiversity, principally through avoided deforestation. (i) Local projects are working on a specified tropical forest area, defined in hectares including exposing, addressing and overcoming the local drivers of deforestation; management of the specified area; methods to measure and monitor the protected area; and sustainable livelihoods for forest-dependent communities. (ii) Strategic projects are working on addressing the drivers of deforestation on a wider or international scale including; working on international or regional forest policy; campaigning for improved practices in commerce; innovative ways of reducing deforestation e.g. financial systems or solutions based on the value of forest ecosystem services.

Current/Past Projects of Relevance to ITTO

Rainforest Concern: Support to facilitate development of sustainable economic alternatives in local communities that directly support long-term conservation and reforestation of the Paso Alto Protected Forest Reserve in the Chocó Andean Rainforest Corridor of northwest Ecuador.

Forest Peoples Programme: Support to enable the Bagyeli people them to produce detailed maps of their traditional lands.

Greenpeace: Support to achieve a moratorium on forest conversion and industrial logging in the Paradise Forest area of South East Asia.

Global Canopy Programme: Provision of core funding during five years for making them more responsive and effective as an organization.

Funding Range

£50 000 - £100 000 (US\$78 000 – US\$155 000)

Action Proposals

Possibilities for grants to be identified

ANNEX VI

FACTSHEETS OF SELECTED OTHER POTENTIAL PARTNERS

AFP	Asia Forest Partnership
ATIBT	Association Technique Internationale des Bois Tropicaux
AWF	African Wildlife Foundation
CI	Conservation International
FFI	Fauna & Flora International
ISME	International Society for Mangrove Ecosystems
TFT	The Forest Trust
TNC	The Nature Conservancy
WCS	Wildlife Conservation Society
WWF	Worldwide Fund for Nature

FACT SHEET OF POTENTIAL FUNDING SOURCES

Organization

Name: **Asia Forest Partnership (AFP)**
Category: Network

Contact Information

Website: <http://www.asiaforests.org>
Location: HQ in Bogor, Indonesia
Telephone: +62-251-8622-622
E-mail: AFP@cgiar.org
Contact Person: -

Objectives

Promote cooperation and catalyze action among governments, civil society and business to achieve sustainable forest management in Asia and the Pacific and thereby maintain and enhance the provision of forest products and ecosystem services, and their contribution to human well-being.

Operational Countries/Regions

Asia and the Pacific

Priorities

Reducing forest loss, illegal logging, livelihood, governance, capacity building and financing for SFM

Financing Policy

Functions are to facilitate and promote: multistakeholder dialogue to support progress on key themes and emerging issues; partners' engagement with and inputs to relevant national, regional and global institutions and processes; increased synergy among existing projects, programs and initiatives; opportunities for partners to develop collaborative initiatives; and information sharing among partners concerning relevant ongoing and planned projects, programs, and policies.

Project Types

Reducing forest loss and degradation and enhancing forest cover to maintain the provision of forest products and ecosystem services, including mitigation of and adaptation to climate change, watershed and land resource protection, and conserving biological diversity. The intention is to serve as an important regional venue for informal and multi-stakeholder dialogue and possible cooperation in this vital area, with respect to both voluntary carbon markets, and any compliance-based system that may emerge from the international negotiating process.

Combating illegal logging and associated trade is to fully take into account the expanding trade in forest products in the region, with continued rapid growth in China's imports (and re-exports) and the emergence of India as a new major importer. AFP also seeks to promote greater cooperation between these two growing consumer countries and the exporting countries to encourage mitigation of the harmful side effects of the growing trade.

Considerations: Livelihoods is to protecting and enhancing rights, security and well-being of forest-dependent people; forest-related governance is a central concern and has been widely demonstrated to be a key precondition for the success of a variety of forest interventions and initiatives; Capacity building for sustainable forest management by strengthening institutions; and financing for SFM AFP focuses to turn ideas and dialogue into concrete action on the ground by considering a broad variety of funding sources and mechanisms including payments for forest ecosystem services (including voluntary markets for "avoided deforestation"), enhanced incentives for private sector investment in SFM, mobilizing new sources of private philanthropy, innovative ways to generate local forest-based incomes, ecotourism, debt rationalization mechanisms and the like.

Current/Past Projects of Relevance to ITTO

Partners participate actively in achieving AFP's goal; communicate and exchange of information from their organization to the Partnership and distribute relevant information from the Partnership within their organization; and encourage wider participation in AFP by other organizations in their country, sector, or networks.

Funding Range

No funding provided

Action Proposals

ITTO is already partner of AFP. Possibilities for concrete cooperative action to be identified.

FACTSHEET OF POTENTIAL PARTNERS

Organization

Name: **Association Technique Internationale des Bois Tropicaux (ATIBT)**
Category: International organization (in transition to becoming an international organization based on an international treaty ratified by Member States.)

Contact Information

Website: <http://www.atibt.org/en/>
Location: HQ Paris, France
Telephone: +44 (0) 1355 84 3132
E-Mail: See below
Contact Person: Denis Loyer, President, denis.loyer@atibt.org; Ralph Ridder, General Director ATIBT- IFIA, ralph.ridder@atibt.org; Bérénice Castadot, Project Director, berenice.castadot@atibt.org, tel. +33 01 43 42 42 00

Objectives

ATIBT supports the development of a sustainable tropical timber sector and trade that is economically viable, socially equitable and conserves forest ecosystems.

Operational Countries/Regions

Global

Priorities

Market access of legal and certified tropical timber products; industrialization in producer countries and responsible management of forests. Going further from good practices by encouraging certification, encouraging best practices throughout the timber industry, actively involved in the area of forest certification. Taking commitments in favour of a "low-carbon economy", the tropical forest timber industry operates in a world of limited resources. This industry must therefore meet the challenges of climate change among which are included the reduction of greenhouse gas emissions (GHG). In this respect, the tropical timber industry is able to provide concrete solutions thanks to the intrinsic qualities of tropical timber. A technical eye on market evolutions, regulations and standards continuous monitoring on technical and strategic challenges, from whose achievements its members are primary beneficiaries. Promoting tropical timber as today's solution for tomorrow's challenges promoting responsibly harvested tropical timber and particularly African tropical timber on the global market. This approach is implemented by actions targeting all activity sectors where these species of remarkable mechanical performances and esthetical qualities are consumed (maintaining relations with the trade press, elaborating technical documents, publishing statistics and market studies, organising professional events)

Financing Policy

No actual financing activities

Project Types

Strengthening of industry board capacities in various African countries, funded by the EU Commission. Supporting voluntary partnership agreement (VPA) processes in various African countries and supporting EU Timber Trade Regulation (EUTR) implementation in Europe, funded by the EU Commission, French Global Environment Fund (FFEM), FAO, European Forest Institute (EFI), European Timber Trade Federation (ETTF). Fostering the use of cogeneration by timber industry in central Africa, funded by the FFEM. **Fostering** forest certification, funded by the FFEM, German development bank (KfW), Dutch Sustainable Trade Initiative (IDH). Further development of forest management plans, funded by FFEM. Contributing to tropical timber standardization processes in the EU.

Current/Past Projects of Relevance to ITTO

Preparation of a white book on timber industrialization in central Africa, funded by FAO and ITTO and ATIBT.

Funding Range

Annual budget of ATIBT during last three years has been EUR 2 million/year.

Action Proposals

Possibilities for enlarged partnership/cooperation to be identified (e.g. in project PD700/13). ATIBT is a TAG member.

FACTSHEET OF POTENTIAL PARTNERS

Organization

Name: **African Wildlife Foundation (AWF)**
Category: NGO

Contact Information

Website: <http://www.awf.org/>
Location: HQ in Nairobi, Kenya
Telephone: HQ +254 20 2765000; International office: +1-202 939 3333
E-Mail: africanwildlife@awf.org
Contact Person: Patrick J. Bergin, CEO; Joanna Elliott, VP, Program design; Kathleen Fitzgerald, VP, Conservation strategy; Daudi Sumba VP, Program operations; David Loubser, Program Director, Climate Change; Jimmiel Mandima, Program Design Director of Policy

Objectives

Ensure the wildlife and wild lands of Africa to endure forever.

Operational Countries/Regions

Africa (the Congo Basin, Kazungula, Kilimanjaro, Limpopo, Maasai Steppe, Samburu, Virunga and Zambezi heartlands)

Priorities

Wildlife conservation, land and habitat protection, capacity building and community empowerment, and economic development

Financing Policy

Strengthen conservation at every level through influencing policies and legislation, and facilitating land-use practices that help from small communities to manage their lands sustainably and to empower communities living outside of protected areas.

Establish land trusts, engage local communities in land-use planning, identify and protecting wildlife corridors and promote transboundary cooperation.

Build capacity to manage land and promote conservation enterprises and assess training, education and capacity building needs of locals fostering formal education and developing skill-specific training.

Support enterprises that produce income for local communities while supporting conservation efforts. The projects promote conservation tourism, culture-based tourism, livestock and fisheries management, traditional handicrafts craft-making, shipping projects, and non-timber forest products as well as applied research and conservation programs.

Project Types and Current/Past Projects of Relevance to ITTO

African Heartland Programme works develop priority interventions in land and habitat conservation, species conservation and applied research, conservation enterprise, capacity building, and policy. **Climate change** encouraging land conservation and forest management by arranging carbon payments through REDD+, the sustainable management of forests and enhancement of forest carbon stocks; land-use plans and proposals for government forest reserves, and to training of farmers in sustainable agricultural practices. **The International Gorilla Conservation Program (IGCP)** (Congo DR, Rwanda and Uganda) develops regional collaboration, improves transboundary policy, and increases respect for effective natural resource management and protects areas and the mountain gorillas.

Action Proposals

Cooperation possibilities on project level could be identified in the Congo Basin in strengthening of local communities and conservation efforts. Consider to encourage engagement of AWF in CSAG's work.

FACTSHEET OF POTENTIAL PARTNERS

Organization

Name: **Conservation International (CI)**
Category: NGO

Contact Information

Website: <http://www.conservation.org/>
Location: HQ in Arlington (Washington D.C.), USA
Telephone: + 1(703) 341-2400
E-Mail: -
Contact Person: See regional and operative contact persons <http://bit.ly/Zxlpf4> / CEPF: cepf@conservation.org / GCF: Chris Stone, Grant Director: c.stone@conservation.org; CF: Managing Director, Agustin Silvani tel. +1(703)341 2767, asilvani@conservation.org / SLP: Simon Badcock, +1(703)341-2400, sbadcock@conservation.org

Objectives

Measuring the contribution of healthy ecosystems to human well-being; assessing the implications of development decisions; putting cutting-edge, rigorously tested information in the hands of decision-makers and the public; and demonstrating through field models how economic opportunity and the stewardship of natural resources can leverage change at an international scale.

Operational Countries/Regions

Global

Priorities

Climate, fresh water, food, health, cultural services, biodiversity

Financing Policy

CI's International Policy work focuses on three main areas: (i) Climate change to provide incentives to reduce emissions from deforestation and to include ecosystem-based and community approaches to climate change adaptation and mitigation. (ii) Engaging national level policy efforts to protect biodiversity and engage in the CBD to help determine priority areas for species and ecosystem conservation and forward concepts about the value of nature to human well-being. (iii) Supporting the ratification of the UN Watercourses Convention. International conservation programs work to stop the illegal extraction of natural resources, helping to ensure legitimate export markets for U.S. businesses. Engaging with the EU to achieve CI's vision of human well-being through healthy sustainable ecosystems.

Project Types and Current/Past Projects of Relevance to ITTO

Critical Ecosystem Partnership Fund (CEPF) (with the AFD, the GEF, the Gov. of Japan, the MacArthur Foundation, and the WB) is managed by CI to protect Earth's most biologically rich and threatened areas (35 biodiversity hotspots). It invests in target hotspots for maximum impact guided by region-specific ecosystem profiles through support to civil society groups and working alliances among diverse groups, (<http://bit.ly/10amnX7> and operational guidelines <http://bit.ly/15ieiAE>).

Global Conservation Fund (GCF) project grants are designed to create or expand critical areas for conservation and contribute to the financial sustainability and effective management of those areas with the focus on ensuring effective management (<http://bit.ly/YPNYuG>).

Carbon Fund (CF) tropical forests b provides the incentives to stop deforestation, improve land use and advances policies at both international and national levels, capacity, development of standards and establishment of early-stage financing mechanism. Protect biodiversity by conserving natural habitats that provide critical ecosystem services. (<http://bit.ly/ZxRG6Q>).

Sustainable Landscapes Partnership (SLP) is a public-private partnership (USAID and the Walton Family Foundation) for REDD+ and low emissions development projects in Indonesia through low

emission business models the development and implementation of strategies to improve fuelwood harvesting practices and use by local communities, sustainable management of tropical forest and peat landscapes, and the creation of markets for sustainably sourced products and supply chain efforts, (<http://bit.ly/11dIAih>).

Makira Forest Initiative, Madagascar, is Sierra Madre, Philippines, provides multiple benefits including carbon sequestration, water and soil conservation, and income-generation for local communities. (See all <http://bit.ly/13gMfxn>)

Funding Range

CEPF < US\$1 million, others N/A

Action Proposals

CI is dealing with several important areas of ITTO's work. Consultations could assess the possibility for cooperation through complementary mutually-supportive work on project level and joint research/analytical work on SFM in tropical forestry. Consider to encourage engagement of CI in CSAG's work.

FACTSHEET OF POTENTIAL PARTNERS

Organization

Name: **Fauna & Flora International (FFI)**
Category: NGO

Contact Information

Website: <http://www.fauna-flora.org/>
Location: HQ in Cambridge, UK
Telephone: +44-(0)12 23 57 10 00
E-Mail: info@fauna-flora.org
Contact Person: David Gill, Programme Officer, the Global Trees Campaign

Objectives

To conserve threatened species and ecosystems worldwide, choosing solutions that are sustainable, based on sound science and take account of human needs.

Operational Countries/Regions

Africa & Madagascar, Americas & Caribbean, Asia-Pacific & Australasia, Eurasia, Forests, Marine, Grasslands, Mountains

Priorities

Developing capacity, livelihoods & governance, conservation science, business & biodiversity, environmental markets, climate change, marine and cultural values

Financing Policy

Through partnership, to provide long-term, tailored support to build technical, institutional and leadership capacity working with government agencies, corporations and non-governmental organizations to local community co-operatives and individuals helping them access resources, knowledge, skills and tools to conserve biodiversity effectively. FFI is committed to do no further disadvantage the poor, vulnerable or marginalized natural resource-dependent people, while respecting human rights, promoting their protection within conservation programmes, and supporting governance systems to secure those rights. With the private sector, to build long-term strategies for environmental management. In environment and markets to develop markets for forest carbon through the REDD+ and to mainstream ecosystem services and biodiversity into investor strategies.

Project Types and Current/Past Projects of Relevance to ITTO

Africa programme aims to generate the incentives to local communities for sustainable use of sensitive habitats and species. **Americas & Caribbean Programme** is helping local communities in management of the natural resources, supporting private reserves in critical areas, using them as a platform for better management of surrounding landscapes. **The Asia-Pacific** helps conserve some of the region's most important species and habitats. **Conservation Capacity Programme** focuses strengthening our local partner institutions; developing conservation leadership skills; and sharing knowledge. **Environmental Markets Programme** is focused on harnessing the power and resources of commercial markets to protect threatened habitats and provide benefits for the local communities and to support developments to better understand the benefits and risks for both conservation and communities who depend on natural resources. **The Flagship Species Fund** supports projects focusing on flagship species. (<http://bit.ly/RI4VzU>). **Global Trees Campaign** is joint initiative between FFI and Botanic Gardens Conservation International (BGCI) dedicated to conserving threatened trees. (<http://bit.ly/10wsULI>)

Funding Range

ITTO has been working in the past with FFI on some projects, in their field of expertise, which appears to be focused.

Action Proposals

Consultations for cooperation could be identified. Consider to encourage engagement of FFI in CSAG's work.

FACTSHEET OF POTENTIAL PARTNERS

Organization

Name: **International Society for Mangrove Ecosystems (ISME)**
Category: International non-profit and non-governmental scientific society

Contact Information

Website: <http://www.mangrove.or.jp>
Location: HQ in Okinawa, Japan
Telephone: 81-98-895-6601
E-Mail: isme@mangrove.or.jp
Contact Person: -

Objectives

To promote research and surveys with scientists and organizations for the conservation, rational management, and sustainable utilization of mangrove and its ecosystems; to serve as an international data-bank on mangrove ecosystems and to enhance public awareness on the importance of mangrove ecosystems.

Operational Countries/Regions

Tropics and sub-tropics, where mangroves do exist

Priorities

To promote studies of mangrove ecosystems; promote collection, evaluation and dissemination of information on mangrove ecosystems; promote research, training and activities for sustainable management, rational utilization, rehabilitation and conservation of mangrove ecosystems; develop materials to enhance public awareness of the social, economic and ecological importance of mangrove ecosystems; organize and co-sponsor conferences, seminars, symposia and meetings, giving lectures and courses, publishing both scientific and popular articles; support and implement research projects and programmes; promote consultation and collaboration with other organizations (public and private) having related purposes and carry out any other activities considered appropriate for objectives of the Society.

Financing Policy

No official co-sponsor or other funding related policy.

Project Types

Structure, function and management of mangrove ecosystems, useful products from mangrove and other coastal plants.

Current/Past Projects of Relevance to ITTO

Several cooperation projects on mangrove forests in the tropics implemented jointly with funding by the Japanese Government.

Funding Range

No actual funding provided.

Action Proposals

Programmatic cooperation and joint initiative possibilities to be identified for funding and joint implementation,

FACTSHEET OF POTENTIAL PARTNERS

Organization

Name: **The Forest Trust (TFT)**
Category: NGO

Contact Information

Website: <http://www.tft-forests.org/>
Location: HQ in Crassier, Switzerland
Telephone: +41-(0)22 367 94 40
E-Mail: TTAP ttap@tft-forests.org
Contact Person: Bastien Sachet, Director, b.sachet@tft-forests.org

Objectives

To provide solutions to the issue of deforestation and the empowerment of forest dependent communities

Operational Countries/Regions

South East Asia, West Africa, Europe, North America, South America and Australasia

Priorities

Wood, paper, palm oil, leather and shoes, cotton and stone

Financing Policy

Transform the international trade in tropical timber and timber products into an agent for forest conservation and sustainable and equitable social and economic development at all points in the supply chain. To expand the area of natural forest that is independently certified under the FSC scheme, to ensure that forest management is socially beneficial, environmentally appropriate and economically viable. To assist businesses to deliver responsible wood products to market, and develop and implement a credible action plan eventually to mitigate key environmental and social risks.

Project Types and Current/Past Projects of Relevance to ITTO

Timber Trade Action Plan (TTAP) in Bolivia, Brazil, Cameroon, China, Gabon, Guyana, Indonesia, Malaysia, Republic of Congo and Suriname is managed by TFT on behalf of the European Timber Trade Federations and funded by the European Commission with the objective of demonstrating the legality of timber products traded in Europe. Companies demonstrate "due diligence" in mitigating the risk of illegal timber in their supply chains and provide independent evidence of legality compliance.

The Wood, Paper and Palm Oil Groups helps develop and implement a credible action plan in forests and factories to mitigate key environmental and social risks by mapping the supply chain and identifying social and environmental risks; setting up a traceability system, technical assistance for legal compliance and certification, and communicating to stakeholders.

Centre of Social Excellence, Cameroon and Congo aim to incorporate the views and rights of indigenous people living in and around forest concessions and assisting forest companies. Several projects to support companies to get certification. (See all <http://bit.ly/13OrnBo>)

Funding Range

N.A.

Action Proposals

Consultations on possible cooperation in complementary support efforts on the programme (TTAP) level, drawing on the direct link with the TFLET TP. Consider to encourage engagement of TFT in the work of CSAG.

FACTSHEET OF POTENTIAL PARTNERS

Organization

Name: **The Nature Conservancy (TNC)**
Category: NGO

Contact Information

Website: <http://www.nature.org/>
Location: HQ in Arlington, Virginia
Telephone: +1(703) 841-5300
E-Mail: forests@tnc.org
Contact Person: Jack Hurd, Director, Asia Pacific Forest Program

Objectives

To preserve the plants, animals and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive.

Operational Countries/Regions

Africa, Australia, Asia and the Pacific, Caribbean, Central America, North America and South America

Priorities

Rivers and lakes, oceans and coasts, forests, grasslands and prairies, deserts and aridlands, climate change, water, rainforests, coral reefs, migratory birds, land conservation, people and conservation and smart development

Financing Policy

TNC works with government officials and partners to reduce emissions to preserve forests and help nature adapt to global warming, engaging local and indigenous communities in creative solutions. TNC attempts to balance development with nature; build relationships with communities, companies and governments; and increase funding for large-scale conservation projects. TNC promotes innovative and sustainable forest management solutions at global to local level including combating illegal logging and advancing responsible forest trade; securing innovative conservation finance; protecting, restoring and managing forests; and advocating for supportive public policies. TNC seeks to promote sustainable business practices by influencing leading companies to help advance conservation policy. TNC works to improve forest management strengthen policies affecting forests, and help business and consumers make informed purchasing decisions.

Project Types and Current/Past Projects of Relevance to ITTO

Tuongane Project, Tanzania builds the capacity of village governments; improve local governance; strengthen forest management; improve access to health-care information and services; and diversify and improve livelihoods. **The Forest Trade Program** promotes the legal, sustainable and transparent management of forestlands and sourcing of forest products by building the supply of and the demand for legally verified and FSC certified products. Efforts are focused on consumer markets in North America and Southeast Asia, the Greater Amazon Basin, Central America, Russia and China. **Forest Ecosystem Services Project** promotes non-timber forest products, watershed protection, carbon sequestration and ecotourism, recreational opportunities, working markets for environmental services for income generation from things other than logging, and creating systems to ensure financial benefits accrue to local communities. **Berau Forest Carbon Program (BFCP)** aims to protect forests by providing incentives to harvest timber sustainably, effectively manage protected areas and develop a sustainable oil palm sector. **Responsible Asia Forestry and Trade (RAFT)** program to empower and equip forest communities to make sustainable resource choices and to take replicate them through a dedicated network

Funding Range

N.A.

Action Proposals

Explore cooperation possibilities on programme and project level because of strong overlap with ITTO's activities. Consider to encourage engagement of TNC in CSAG's work.

FACTSHEET OF POTENTIAL PARTNERS

Organization

Name: **Wildlife Conservation Society (WCS)**
Category: NGO

Contact Information

Website: <http://www.wcs.org/>
Location: HQ in New York, USA
Telephone: +1 (718) 220-5197
E-Mail: conservationssupport@wcs.org
Contact Person: Leticia Orti, Director, Conservation Operations, lorti@wcs.org; Susan Tressler, Vice President, Program Development, stressler@wcs.org; James Deutsch, Executive Director, Africa jdeutsch@wcs.org; Joe Walston, Director, Asia, jwalston@wcs.org; Avelita Chicchón, Executive Director, Latin America and the Caribbean, achicchon@wcs.org; Linda Krueger, Vice President of Conservation Policy, lkrueger@wcs.org; Dr. David S Wilkie, Director, Conservation Support Program, dwilkie@wcs.org

Objectives

WCS focuses its on-the-ground efforts on saving important landscapes and seascapes across the globe. The goal is to protect the premier sites that are biologically outstanding, where long-term conservation of species and ecological processes is viable.

Operational Countries/Regions

Africa, Asia, Latin America and the Caribbean, North America and Ocean

Priorities

Local livelihoods, natural resource use, wildlife health and climate change

Financing Policy

WCS assists local communities whose livelihoods depend on hunting, fishing, and the extraction of other natural resources in finding new economic opportunities that promote both human wellbeing and animal conservation. WCS also is working on-the-ground with law enforcement agencies to stem the harmful wildlife trade. WCS is working with industries to improve environmental management in logging concessions, mining sites, and in other places where wildlife is at risk. WCS assists in the development of standards and best practices for investment decisions, and in regulatory efforts and in creating new protected areas and economic opportunities for people whose livelihoods are tied to waning natural resources. WCS is working to establish "forest carbon credits" that can be traded on an international carbon market.

Project Types and Current/Past Projects of Relevance to ITTO

Conservation Support Program provides technical assistance, analysis, training and capacity building to help strengthen the practice of conservation. (<http://bit.ly/11yn7IM>). **Business and Biodiversity Offsets Program** explores and tests biodiversity offsets to expand best practices to new industry sectors, such as agriculture, forestry, and tourism and works with governments to develop offset policies, guidelines, incentives, or market-based instruments at the intergovernmental, national, and corporate levels. **Sustaining biological and cultural diversity project in Bolivia** strengthens capacity building of local people to conserve and manage natural resources and lands and builds community and indigenous organization technical skills to implement management plans for local community enterprises including timber. **Logging concession project in Congo** advises the Government and a logging company to protect wildlife and reduce illegal hunting in and around its concessions, working with local communities to establish a new protected area. **Karukinka's Carbon Market project in Chile** assesses peat extraction currently taking place on concessions and conduct research on impacts of climate change. **Makira Carbon Company project in Madagascar** collects data for the design and future management of the new conservation site,

trains local community members in ecologically sound agriculture, forest management, and resource conservation techniques and transfer forest management.

Funding Range

-

Action Proposals

Consultations for possible partnership in development of innovative practices and financing mechanisms in ITTO member countries. Consider to encourage engagement of WSC in CSAG's work.

FACTSHEET OF POTENTIAL PARTNERS

Organization

Name: **Worldwide Fund for Nature (WWF)**
Category: NGO

Contact Information

Website: <http://wwf.panda.org/>
Location: HQ in Gland, Switzerland
Telephone: +41 22 364 91 11
Contact Person: Rodney Taylor, Director, Forests (rtaylor@wwfint.org);
Bruce Cabarle, Leader, Global Forest and Climate Initiative
(bruce.cabarle@wwfus.org)

Objectives

To stop the degradation of our planet's natural environment, and build a future in which humans live in harmony with nature.

Operational Countries/Regions

Global

Priorities

Amazon, Arctic, China for a Global Shift, Climate & Energy, Coastal East Africa Initiative, Coral Triangle, Forest & Climate, Green Heart of Africa, Heart of Borneo, Living Himalayas, Market Transformation, Smart Fishing and Tigers

Financing Policy

WWF takes an innovative, collaborative, science-based approach to achieve its twin goals of saving biodiversity and reducing humanity's ecological footprint. WWF focuses on visionary, large-scale efforts with positive impacts on two areas: (i) to ensure that the earth's biodiversity stays healthy and vibrant for generations to come strategically focusing on conserving critical places and critical species that are particularly important for the conservation of our earth's rich biodiversity. (ii) to reduce the negative impacts of human activity working to ensure that the natural resources are managed sustainably and equitably through innovative partnerships that combine on-the-ground conservation, high-level policy and advocacy, and work to make business & industry more sustainable. WWF works to reduce the amount of land and natural resources needed to supply our food, water, fibre and timber, and to absorb our CO₂ emissions.

Project Types and Current/Past Projects of Relevance to ITTO

Implementation of National Forests: Solving Land Tenure Problems, Avoiding Forest Degradation supports to the Brazilian government and other NGOs to manage forests and undertake research on the commercial timber process. The project supports measures to reduce deforestation, in particular through the reduction of illegal logging and timber collection through development of the management plan for the Altamira national forest and a study on commercial timber chain towards implementation of FLEGT

The Amazon Keystone Initiative (AKI) is to support the Brazilian Government Protected Areas Endowment Fund; implement on-the-ground' conservation in the Acre, Purus and Itenez Mamore conservation block.

Managing community resources in the Peruvian Amazon is targeted at (i) strengthening of socio-organizational capacities of indigenous communities and their representative organizations; (ii) land tenure and titling of indigenous communities; and (iii) improvement of family productive systems to reduce poverty of indigenous communities through the sustainable management of natural resources.

The Guianas Forests and Environmental Conservation Project (GFCEP) focuses on the conservation of the Guayanese Forest Ecoregion.

WWF Peru Programme Office (WWF PPO) is working to save the last significant tracts of remaining and intact humid tropical forest by promoting SFM and forest certification, expanding forest protected areas and providing locals with the tools and knowledge to sustainably manage their own resources.

Sustainable forestry in the Bolivian Amazon includes capacity building in SFM and introduction of market mechanisms against illegal logging. Through changes in purchasing patterns of buyers of timber products to generate a preferential demand for sustainable certified timber. The project includes support to consolidation of Bolivian policies to support legal timber production and trade.

The Green Heart of Africa works for establishment of a network of protected areas, improving management of existing ones and assessing their effectiveness using proven monitoring and evaluation tools, and for promoting responsible forest management practices through credible wood certification processes. Logging companies have signed partnerships with WWF for technical assistance including also advocacy work for improved national planning, forest-friendly regulations and laws that recognize and benefit forest peoples.

The Heart of Borneo aiming for a network of protected areas and sustainably-managed forests in the Heart of Borneo, to be achieved through international co-operation led by the governments, supported by a global effort. Green Business Network (GBN) aims to offer information and events which support companies to operate more sustainably in the Heart of Borneo.

China for a Global Shift Initiative, aiming to make China's international trade and capital flows a driving force in global conservation and footprint reduction to engage key decision-makers in governments and financial institutions relevant to Chinese investments outside China and with an impact on WWF's priority places by including environmental principles in decisions driving economic growth, encourage the financial sector to formulate and adopt green lending policies and safeguarding sustainability in the trade of natural resources.

Climate & Energy work includes: advocating a new international climate agreement, promoting energy efficiency, promoting renewable energy sources, preventing greenhouse gas emissions from deforestation and developing and promoting climate change adaptation strategies to safeguard the most vulnerable people and the most exposed ecosystems also working with businesses to help them prepare for the low carbon economy.

Forest & Climate Initiative is to support for an agreed global policy framework for reducing emissions from deforestation and forest degradation in developing countries and the conservation, sustainable management of forests, and enhancement of REDD+ and to ensure major REDD+ initiatives adopt and implement strong social, environmental and governance safeguards with forest countries and with local communities to build capacity and ensure real and verifiable emissions reductions.

Market Transformation is to halt and ultimately reverse the loss of high conservation value habitat due to commodity production and ensure that global purchases of key global commodities meet internationally accepted standards.

The New Generation Plantations Project (NGPP) promotes a better understanding of the role plantations can play in forest landscapes by reducing pressure on natural forests, collects and shares information on plantation forestry practices, requires that plantations are compatible with nature and human needs; biodiversity as well as rights and livelihoods. The project involves leaders of the plantations sector, including companies and government institutions. It also addresses bioenergy, forest carbon markets, and responsible finance in plantation forestry.

Development of Community Alternatives to Illegal Exploitation of Forests (DACEFI) The project aims to develop alternatives by local communities to stop illegal exploitation of forests in Gabon, Cameroon and Congo Brazzaville to stop illegal exploitation of forests in the Congo Basin region. Others see above.

Global Forest & Trade Network (GFTN) attempts to create a new market for environmentally responsible forest products and helping to ensure that forests are independently and credibly certified, well managed and that their products come from legal and sustainable timber harvests. GFTN provides technical assistance to certification process and promote marketing opportunities while ending the purchase of forest products from illegal and controversial sources.

Funding Range

Action Proposals

GFTN uses ITTO's MIS and knowledge products in their communication. Consultations on possibilities for further cooperation because of strong complementary overlap in the scopes of work. Encourage re-engagement of WWF in CSAG's work.

ANNEX VII

LINKAGES BETWEEN PARTNER PRIORITIES AND THE ITTA, 2006 OBJECTIVES AND THE ITTO SAP PRIORITIES

Key

ITTA Objectives

- b Promote non-discriminatory timber trade practices
- c Contributing to sustainable development and to poverty alleviation
- d Enhancing the capacity to implement strategies for exports of tropical timber from sustainably managed sources
- e/h (e) promoting understanding of international markets, market access / (h) encouraging information sharing on the international market, ensuring greater transparency and dissemination of trade related data, including data related to species being traded
- f Supporting research to improving forest management and the capacity to conserve and enhance other forest values tropical forests
- i Promoting processing of tropical timber from sustainable sources to promote industrialization, employment and export earnings
- j Reforestation, rehabilitation and restoration of degraded forest land
- k Improving marketing and distribution from sustainably managed and legally harvested sources and promoting consumer awareness
- l Strengthening the capacity for the collection, processing and dissemination of statistics on their trade in timber and information
- m Encouraging to develop national policies aimed at sustainable utilization and conservation, and maintaining ecological balance
- n Strengthening the capacity of forest law enforcement and governance, illegal logging and related trade
- o Encouraging for voluntary mechanisms such as, certification, and assisting efforts in this area
- p Promoting access to, and transfer of, technologies and technical cooperation to implement the objectives of this Agreement
- q Promoting non-timber forest products and environmental services with the aim of enhancing the capacity
- r Encouraging to recognize the role of forest -dependent indigenous and local communities and enhance the capacity of communities

SAP priorities

1. Promote Good Governance and Policy Frameworks for Strengthening SFM and Related Trade, and Enhancing SFM Financing and Investment
2. Increase the Contribution of Tropical Forests to National and Local Economies, Including through International Trade
3. Enhance the Conservation and Sustainable Use of Biodiversity in Tropical Timber Producing Forests
4. Reduce Tropical Deforestation and Forest Degradation and Enhance the Provision of Environmental Services
5. Improve the Quality and Availability of Information on Tropical Forests, Forest Product Markets and Trade
6. Build and Develop Human Resource Capacity to Implement SFM and Increase Trade in Forest Goods and Services from Sustainably Managed Forests

	ITTA objectives															Strategic priorities					
	b	c	d	e/h	f	i	j	k	l	m	n	o	p	q	r	1	2	3	4	5	6
Bilaterals																					
Australian Agency for International Development (AusAID)	X	X	X		X	X	X			X	X	X	X	X		X	X	X		X	X
Austrian Development Agency (Austrian Development Cooperation) (ADA(ADC))	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X
Belgian Development Agency / BTC Trade for Development (BTC/TDC)	X	X	X	X			X	X		X	X	X	X		X	X	X	X	X	X	X
Agência Brasileira de Cooperação (ABC)	X	X	X	X		X	X			X			X	X			X	X		X	
China Ministry of Commerce (Department of Foreign Aid) (MOFCOM)	X	X	X	X			X	X			X		X			X	X		X		X
Danish International Development Agency (DANIDA)	X	X	X		X	X	X	X		X			X	X	X	X	X	X	X	X	X
EuropeAid Development and Cooperation	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Finland Department for International Development Cooperation (MFA & MAF)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
French Development Agency (AFD)	X	X	X	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X
French Global Environment Facility (FFEM)	X	X			X		X	X		X	X	X	X		X	X	X	X	X	X	X
German Federal Ministry for Economic Cooperation and Development, German Development Bank (BMZ)	X	X	X	X	X	X	X	X		X	X	X	X		X	X	X	X	X	X	X
German Corporation for International Development Cooperation (GIZ)	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X
German Development Bank (KfW)	X	X	X		X		X			X	X	X	X	X		X	X	X	X		X
Japan Fund for Global Environment (JFGE)	X	X	X		X		X	X		X	X	X	X	X	X	X	X	X	X	X	X
Japan International Cooperation Agency (JICA)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Japan Ministry of Foreign Affairs, Official Development Assistance (MOFA)	X	X	X	X	X		X	X		X	X	X	X	X		X	X	X	X	X	X
Korean Forest Service																					
Korea International Cooperation Agency (KOICA)	X	X	X	X	X	X				X	X		X		X	X	X	X		X	
Dutch Centre for the Promotion of Imports from developing countries (CBI)				X	X		X			X	X	X	X			X	X	X		X	X
Dutch Ministry of Foreign Affairs and Ministry of Economic Affairs (MFA/NL Agency)	X	X	X	X		X		X	X	X	X	X	X		X	X	X	X	X	X	X
New Zealand Agency for International Development (NZAid)	X	X				X	X			X	X	X	X		X	X	X	X		X	
Norwegian Ministry of Foreign Affairs, International Development Program & Norwegian Agency for Development Cooperation (MFA & Norad)	X	X	X		X		X	X		X	X	X	X	X	X	X	X	X	X	X	X
Spanish Agency for International Development Cooperation (AECID)	X	X	X	X	X	X	X	X		X	X	X	X		X	X	X	X	X	X	X

	ITTA objectives																Strategic priorities					
	b	c	d	e/h	f	i	j	k	l	m	n	o	p	q	r	1	2	3	4	5	6	
Swedish International Development Cooperation Agency (Sida)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Swiss Intercooperation HELVETAS		X					X			X		X	X	X	X	X		X	X		X	
Swiss Agency for Development and Cooperation (SDC/SECO)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
UK Department for International Development (DFID)	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X	
United States African Development Foundation (ADF)		X	X	X		X	X						X			X	X			X		
United States Agency for International Development (USAID)	X	X	X	X	X		X	X		X	X	X	X	X	X	X	X	X	X	X	X	
United States Forest Service (USFS)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Multilateral, international and regional organizations																						
The ASEAN Forest Cooperation Organization (AFoCo)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Asian Development Bank (ADB)	X	X	X	X	X	X		X	X		X		X			X	X	X		X	X	
Asia-Pacific Network for Sustainable Forest Management and Rehabilitation (APFNet)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
African Development Bank (AfDB)	X	X	X	X	X	X	X			X	X		X	X		X	X	X	X	X	X	
Andean Development Corporation (CAF)	X	X	X	X	X	X	X			X	X		X	X	X	X	X	X	X	X	X	
The Congo Basin Forest Fund (CBFF)	X	X	X		X	X				X	X	X	X	X	X	X	X	X	X	X	X	
Common Fund for Commodities (CFC)	X	X	X	X	X	X		X	X				X		X	X			X	X		
Center for International Forestry Research (CIFOR)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)		X	X	X	X		X	X	X	X	X	X	X	X	X		X	X	X	X	X	
Economic Community of West African States (ECOWAS)	X	X	X	X	X	X							X			X	X			X	X	
Global Environment Facility (GEF)	X	X			X	X				X		X	X	X		X		X	X	X	X	
Inter-American Development Bank (IADB)	X	X	X	X	X	X		X		X		X		X		X	X	X		X	X	
International Fund for Agricultural Development (IFAD)	X	X	X		X	X	X			X	X		X	X	X	X	X	X	X	X	X	
International Finance Corporation (IFC)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
International Criminal Police Organization (Interpol)							X	X			X	X	X			X		X	X	X		
Islamic Development Bank (IsDB)	X	X	X		X	X				X			X			X		X			X	
International Union for Conservation of Nature (IUCN)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
The OPEC Fund for International Development (OFID)	X	X	X	X		X	X						X	X	X		X				X	
United Nations Environment Programme (UNEP)	X	X	X	X	X		X			X	X	X	X	X		X		X	X	X	X	

ANNEX VIII

TENTATIVE PRIORITIZATION OF PARTNERS AND IDENTIFICATION OF COMMON AGENDAS

Key for agenda items

POV	Poverty Alleviation
GOV	Good Governance
SFM	Sustainable Forest Management
GRE	Green Economy
CAP	Capacity Building
IND	Industry
BIOD	Biodiversity
REDD/ES	REDD/Payment for Ecosystem Services
MRKT	Market Transparency
TRD	Trade Development
IP&FC	Indigenous People & Forest Communities
CS	Civil Society

Key for prioritization

Priority 1: High priority in the group (action within 1-2 years)

Priority 2: Medium priority (action within 2-3 years)

Priority 3: Low priority (monitoring of policy, action within 3-4 years)

Organization	Priority	Common agenda												
		POV	GOV	SFM	GRE	CAP	IND	BIOD	REDD/ES	MRKT	TRD	IP&FC	CS	
Bilaterals														
Australian Agency for International Development (AusAID)	1	X	X				X	X	X					
Austrian Development Agency (Austrian Development Cooperation) (ADA(ADC))	2	X		X			X	X			X			
Belgian Development Agency / BTC Trade for development (BTC(TDC))	3	X	X			X	X	X			X			
Agência Brasileira de Cooperação (ABC)	3	X	X				X	X			X		X	
China Ministry of Commerce (Department of Foreign Aid) (MOFCOM)	1	X		X		X	X	X			X			
Danish International Development Agency (DANIDA)	2	X		X	X	X	X	X				X		
EuropeAid Development and Cooperation	1	X	X	X	X	X	X	X	X	X				
Finland Department for International Development Cooperation (Finland MFA & MAF)	2	X	X	X	X	X	X	X	X		X	X	X	
French Development Agency (AFD)	2	X		X	X	X	X	X			X			X
French Global Environment Facility (FFEM)	2	X	X	X	X		X	X	X			X		
German Federal Ministry for Economic Cooperation and Development, German	1	X	X	X		X	X	X		X	X			

Organization	Priority	Common agenda												
		POV	GOV	SFM	GRE	CAP	IND	BIOD	REDD/ES	MRKT	TRD	IP&FC	CS	
Development Bank (BMZ)														
German Corporation for International Development Cooperation (GIZ)	1	X	X	X	X	X	X	X	X	X		X		
German Development Bank (KfW)	1	X		X		X	X	X	X					
Japan Fund for Global Environment (JFGE)	2	X		X			X	X	X		X	X		
Japan International Cooperation Agency (JICA)	1	X	X	X		X	X	X				X		
Japan Ministry of Foreign Affairs, Official Development Assistance (MOFA)	1	X	X		X		X	X	X		X			
Korea Forest Service (KFS)														
Korea International Cooperation Agency (KOICA)	1	X	X	X	X	X	X	X				X	X	
Dutch Centre for the Promotion of Imports from developing countries (CBI)	3	X		X		X	X				X			
Dutch Ministry of Foreign Affairs and Ministry of Economic Affairs (MFA/NL Agency)	2	X		X			X	X			X		X	
New Zealand Agency for International Development (NZAid)	3	X		X			X	X			X	X		
Norwegian Ministry of Foreign Affairs, International Development Program, Agency for Development Cooperation (MFA & Norad)	1	X	X	X	X	X	X	X	X		X	X	X	
Spanish Agency for International Development Cooperation (AECID)	3	X	X	X	X		X	X				X		
Swedish International Development Cooperation Agency (Sida)	2	X		X	X	X	X	X			X	X		
Swiss Intercooperation HELVETAS	1	X		X			X	X			X	X		
Swiss Agency for Development and Cooperation (SDC/SECO)	1	X		X			X	X			X		X	
UK Department for International Development (DFID)	1	X	X	X		X	X	X	X	X	X	X	X	
United States African Development Foundation (ADF)	3	X				X	X				X			
United States Agency for International Development (USAID)	1	X	X	X	X	X	X	X	X		X	X	X	
United States Forest Service (USFS)	1	X		X		X	X	X		X	X			
Multilateral, international and regional organizations														
The ASEAN Forest Cooperation Organization (AFoCO)	1	X	X	X	X	X	X	X	X		X	X		
Asian Development Bank (ADB)	1	X	X	X		X	X	X			X			
Asia-Pacific Network for Sustainable Forest Management and Rehabilitation (APFNet)	1	X	X	X		X		X						

Organization	Priority	Common agenda											
		POV	GOV	SFM	GRE	CAP	IND	BIOD	REDD/ES	MRKT	TRD	IP&FC	CS
African Development Bank (AfDB)	1	X	X	X	X	X	X	X					
Andean Development Corporation (CAF)	2	X				X	X	X			X		
The Congo Basin Forest Fund (CBFF)	1	X		X		X	X	X	X			X	
Common Fund for Commodities (CFC)	2	X				X	X				X		
Center for International Forestry Research (CIFOR)	2	X		X			X		X		X	X	
Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)	1	X		X			X			X	X	X	X
Economic Community Of West African States (ECOWAS)	3	X				X	X	X			X		
Global Environment Facility (GEF)	1	X		X		X	X	X	X			X	X
Inter-American Development Bank (IADB)	2	X					X	X					
International Fund for Agricultural Development (IFAD)	1	X		X		X	X	X				X	X
International Finance Corporation (IFC)	1	X	X		X	X	X	X		X	X	X	
International Criminal Police Organization (Interpol)	2									X	X		
Islamic Development Bank (IsDB)	3	X				X	X				X	X	
International Union for Conservation of Nature (IUCN)	1	X	X	X	X	X	X	X			X	X	X
The OPEC Fund for International Development (OFID)	2	X	X	X		X	X			X	X		
United Nations Environment Programme (UNEP)	3	X		X	X	X		X	X				
United Nations Industrial Development Organization (UNIDO)	3	X	X			X	X	X			X		
World Bank (WB)	1	X	X	X		X	X	X	X			X	
Foundations													
Bill and Melinda Gates Foundation	3	X											
Clinton Foundation	2	X	X	X		X		X	X			X	
Fondation Chirac	2	X		X								X	
Fondation Prince Albert II de Monaco	3			X				X					
Ford Foundation	1	X	X	X		X			X	X		X	X
Gordon and Betty Moore Foundation	3			X				X	X				
Hewlett Foundation	3	X											
The Sustainable Trade Initiative (IDH)	1		X	X		X				X	X		X
Keidanren Nature Conservation Fund	3			X				X					
MacArthur Foundation	1	X	X	X		X	X	X	X			X	X
Packard Foundation	1	X		X	X				X			X	
Prince Charles Charity	2			X					X				
Rockefeller Foundation	1	X		X		X	X					X	

Organization	Priority	Common agenda											
		POV	GOV	SFM	GRE	CAP	IND	BIOD	REDD/ES	MRKT	TRD	IP&FC	CS
Waterloo Foundation	3			X				X				X	
Other potential partners													
Asia Forest Partnership (AFP)	2		X	X		X			X	X	X		X
Association Technique Internationale des Bois Tropicaux (ATIBT)	1	X		X	X		X	X			X		
African Wildlife Foundation (AWF)	2	X		X		X	X	X	X			X	
Conservation International (CI)	2	X		X		X	X	X	X			X	X
Fauna & Flora International (FFI)	3	X	X	X		X	X	X	X			X	
International Society for Mangrove Ecosystems (ISME)	3			X									
Tropical Forest Trust (TFT)	2	X		X		X	X	X			X	X	
The Nature Conservancy (TNC)	2	X	X	X		X	X		X		X	X	
Wildlife Conservation Society (WCS)	1	X		X	X	X	X	X	X		X	X	
Worldwide Fund for Nature (WWF)	1	X	X	X	X	X	X	X	X		X	X	

ANNEX IX

RESPONSES TO THE QUESTIONNAIRE SENT TO CONSUMER COUNTRY FOCAL POINTS

Questions:

1. Are ITTO's objectives and goals clearly aligned with the priorities of your country's development cooperation in view of their critical contributions to poverty reduction, green economic development, biodiversity conservation, and climate change mitigation and adaptation? Any policy documents related to the topic would be highly appreciated.
2. What are your views on ITTO's comparative advantages (or disadvantages) as development cooperation partner? Are there specific barriers to providing financing to ITTO in comparison to other international organizations?
3. Could you provide a list of potential sources of funding, partners or cooperating agencies in your country which could have an interest in cooperating with ITTO?
4. Is there potential for ITTO to manage development cooperation projects on donor's behalf in your country?
5. What actions should ITTO take to mobilize funding from potential sources in general and in your country in particular?

	Question 1.	Question 2.	Question 3.	Question 4.	Question 5.
Finland	ITTO is implementing the International Tropical Timber Agreement (ITTA). The new agreement came into force in 2011. The agreement that started as one of the commodity agreements under UNCTAD has since evolved strongly towards taking the environmental and social issues into account. In effect, ITTO has become valid from development policy and implementation points of view. One indication is that ITTO has been judged as a fully ODA-eligible organization by OECD/DAC, which allows donors' core financing. ITTO's goals are well aligned with Finland's Development Policy Programme (2012). The	<u>Disadvantages:</u> The geographic domain and focus area of ITTO does not exactly match that of Finland's co-operation, for example Finland's strong emphasis on sub-Saharan Africa. However, this can be thought of as a complementarity. <u>Advantages,</u> which clearly matter more: ITTO has strongly evolved towards taking environmental and social aspects into account, which has taken ITTO to similar lines of thought as our other selected co-operation partners. And what is as important: ITTO's mandate is based on a rich natural resource base and its economic utilization, including local and international trade. This is closely in line with Aid for Trade approach and "Aid for Trade - Finland's Action Plan 2012-2015". The comparative advantages do not	There may be some partners or co-operating agencies in Finland which may have underutilized potential from ITTO point of view. These include: (i) Viikki Tropical Resources Institute of the University of Helsinki in the field of research and training, which has now created a portfolio of international projects; (ii) University of Eastern Finland, Graduate School of Forest Sciences, including their forests and conflicts database; (iii) Forest Development Center Tapio, especially in small scale forestry, sustainable forest management and bio- economy; (iv) Finnish forest research institute (Metla) in the field of global forest issues such as bioeconomy, forest based	This seems not applicable to a donor country.	Firstly, to further adapt to the Aid for Trade paradigm. Secondly, to provide compatibility with EU-FLEGT approach, and with and between similar legal and partnership agreements with such markets as USA and Japan. Thirdly, further clarify the co-operation and complementarity with such as WB, FAO and IUCN.

<p>Programme has poverty reduction is in the core; "An inclusive green economy that promotes employment" is one of the priorities; "Sustainable management of natural resources and environmental protection" is another; and "Climate sustainability" is one of the three cross-cutting objectives of the Programme.</p>	<p>form a specific barrier for financing. More general considerations such as fragmentariness of the aid portfolio of Finland may have some effect. Among comparative advances is the proven records on fruitful collaboration with the FAO, CBD and CITES. And the membership in CPF.</p>	<p>resources, forest and climate change and global forest policy; and (iv) Universities of applied sciences such as HAMK UAS who have strong expertise on localised knowledge production (applied research) and work to link education into business to create regional impacts on economic, social and ecological sustainability. UASs have expertise on vocational pedagogy to improve knowledge transfer methodology in extension and education.</p>	<p>Question 4.</p>	<p>Question 5.</p>	
<p>Question 1.</p>	<p>Question 2.</p>	<p>Question 3.</p>	<p>Question 4.</p>	<p>Question 5.</p>	
<p>Japan</p>	<p>We recognize that the objectives of International Tropical Timber Agreement (ITTA), 2006 are to promote the expansion and diversification of international trade in tropical timber from sustainably managed and legally harvested forests and to promote the sustainable management of timber producing forest. In addition, the issue of addressing illegal logging was newly incorporated in the ITTA 2006 as an important objective. Japan's objective on ODA</p>	<p><u>Advantages:</u> Japan has been regarding ITTO as an important channel for the cooperation in forestry sector since its establishment. We recognize that ITTO's comparative advantages as development cooperation partner are as follows; (a) Enabling to cooperate, through providing financing to ITTO, with developing countries for which Japan usually will not finance because of their poor project management skills, since ITTO has professional knowledge on project management through monitoring the projects by launching a committee for each project; (b)</p>	<p>Ministry of Foreign Affairs and ITTO visited Sumitomo Forestry CO., LTD, All Nippon Airways, and Sojitz Corporation in 2012, and we have found their interest to cooperate with ITTO. We will be able to continue our cooperation to accompany ITTO visit private companies if necessary.</p>	<p>There is potential in Japan, we have ODA projects managed by ITTO every year. In addition, we would like ITTO to</p>	<p>The effective actions that ITTO should take to mobilize funding from potential sources include (i) strengthening the partnership with (a) international funds, such as AfDB, ADB, World Bank, GEF and GCF, and with bilateral aid agencies, (b) Multilateral Environment Agreements or other international frameworks on environment and development for donors to recognize that ITTO projects contribute to their objectives in such areas as green economic development,</p>

also targets for green economic development, biodiversity conservation, and climate change mitigation. Sustainable management of forest will contribute to achieve these goals. Therefore, it can be observed that ITTO's objectives and goals are aligned with the priorities of development cooperation policy in Japan, not only by promoting the sustainable management of tropical timber and by addressing illegal logging, but also contributing to green economic development, biodiversity conservation, and climate change mitigation as results.

Facilitating to choose specific projects based on the needs of the times, including illegal logging issues; (c) Being able to manage not only projects in a single country, furthermore in transboundary projects through ITTO.

Disadvantages: On the other hand, ITTO has weak intention to send the information about itself and its achievements to other international frameworks on environment and development, such as international development organizations (UNDP, World Bank, etc.) and bilateral aid agencies (GIZ, etc.).

Result, ITTO projects are not recognized as contributions in the context of climate change, biodiversity, and MDGs, and therefore those organizations do not perceive ITTO as a potential partner to channel financial flows in those field.

ITTO is expected to appeal its efforts and interlinkage with these issues to other organizations.

propose projects which are preferable to donors.

biodiversity conservation, and climate change mitigation through ITTO, and (ii) stimulate donors from all over the world, including private sectors.

In particular in Japan, ITTO should (i) call for private enterprises with CSR activities or dealing with timber trade to obtain their support and donation, showing enough merits for the enterprises, (ii) gathering information about previous projects financed by donors such as private enterprises or NGOs, analyzing their purpose and interest in view of the links with ITTO and sharing the result among member countries , and (iii) seek opportunities to utilize Japan's Funds in multilateral institutions such as ADB, WB.

	Question 1.	Question 2.	Question 3.	Question 4.	Question 5.
Korea	<p>I think the ITTO's objectives (to promote the expansion and diversification of international trade in tropical timber from sustainably managed and legally harvested forests; and to promote the sustainable management of tropical timber producing forests) are well aligned to the Korean Government's ODA objectives, but they have not been fully recognized by the decision-making communities in S. Korea.</p> <p>I am sorry for not being able to identify any document related to forestry ODA policy, written in English. There are some documents describing the forestry ODA policy set by the Korea Forest Service. The annual forestry policy implementation plan is one of them.</p>	<p>The Korea Forest Service (KFS) and KOICA is the key government branch which is responsible for forestry ODA in S. Korea. The KFS has initiated a partnership with ASEAN forestry ODA in Asia. The partnership is called as AFoCo. I think ITTO is disadvantaged in building partnership with S. Korean Government in Asia because of AFoCo. But ITTO may enjoy a comparative advantage in tropical areas, in particular of other regions such as Africa and Latin America. (Are there specific barriers to providing financing to ITTO in comparison to other international organizations?)</p> <p>The importance of tropical timber in the Korean timber market has been declining. There are potential risks of being caught as immoral consumers importing wood products produced in illegal ways. The new timber act to be effective in May 23, 2013 outlaws the use and trade of illegal timber.</p>	<p>The Government of the Republic of Korea (Korea Forest Service and Ministry of Foreign Affairs) and Chaebeols such as Samsung, Hyundai, SK, and LG Groups as potential sources of funding</p>	N/A	<p>Promotion activities in donor countries, working with non-governmental organizations for public awareness campaigns.</p>
Portugal	<p>Portugal has been participating and following, as a country and an EU MS, the debates and commitments related to the Millennium Development Goals (MDG); these goals have been duly considered within the Portuguese development</p>	<p>Severe budgetary constraints have been preventing Portugal from getting involved as partner in ITTO's cooperation projects – this reality has no relation with the nature of the organization or its objectives and goals, instead it has to do with lack of resources on the one side and with established priorities vis-a-vis</p>	<p>For the time being public funding might be very difficult; but we cannot discard the possibility/availability/interest of private partners to cooperate with ITTO – so, although not presenting a list of potential partners, we would suggest that ITTO may get in contact with</p>	Not applicable	<p>The strategy launched some years ago based on the Thematic Programmes seems to be an appropriate way to approach potential funding sources as subjects are clearly identified and objectives defined; there is always room for improvement,</p>

cooperation framework; as ITTO's objectives and goals are also in line with the MDG, particularly the areas highlighted in the above question, we can say that ITTO's objectives and goals are in line or concurring to the Portuguese priorities in terms of the development cooperation framework.

the available resources on the other; major Portuguese importers. in any case, we would like to recognize added value in the decision to launch the Thematic Programmes' framework as they seem to facilitate further development of subjects and the implementation of measures/projects aiming at dealing with matters of relevance for tropical forests; at the same time, those Thematic Programmes seem to be attractive at least for donors, may be due to the clear way subjects are identified and objectives defined

therefore one might ask whether there should be a review of certain thematic programmes in order to make them more "investment attractive" or even discontinue one, replacing it by another if it is considered appropriate; donors are usually quite reluctant when it comes to fund something without knowing to what end –in fact, it seems to be easier to mobilize funding directly to project implementation rather than to bureaucracy or administrative tasks. In addition, in times when financial resources become scarcer, the need to prioritize areas of interest for potential investment (or assistance) becomes crucial. In parallel, there is usually a trend to concentrate those efforts in fewer areas instead of spreading resources.

	Question 1.	Question 2.	Question 3.	Question 4.	Question 5.
Sweden	<p>Yes, the ITTO objectives are aligned with Sweden's development cooperation priorities, but in my view forestry is not a clear priority area. You will find a link to forests and forestry in most of the five working fields: (i) Democracy, equality and human rights, (ii) Economic development, (iii) Knowledge, health and social development, (iv) Sustainable development and (v) Peace and security, but is more clear under (ii) Economic development and (iv) Sustainable development. Focus in the development cooperation on natural resource management is right now on Food security and it is huge difficulties to get funding for forest/forestry activities. Sweden's policy for global development from 2008 can be found here: http://www.government.se/sb/d/9807/a/113283 Some changes in the development cooperation have been done since 2008, but the general policy is still valid.</p>	<p>Sweden is very much engaged in the aim of the Paris Declaration on aid effectiveness and is focusing its ODA more towards budget assistance than to programme or project assistance. For that reason it is rather difficult to get money for funding of bilateral projects, especially small projects that is the case in ITTO ordinary project cycle. I cannot answer if ITTO has any advantages or disadvantages as a development cooperation partner since Sweden has only to a small degree been supporting ITTO's project work. However, I think that the decided Thematic programmes could be a window of opportunity for increased funding to the organisation.</p>	<p>I have no information of potential funding partners in Sweden. However, I think that the private sector would be a possibility for cooperation. I know that e.g. IKEA has a number of cooperation projects in tropical countries and they might be interested in some kind of cooperation with ITTO on certain issues.</p>	<p>I do not know, but since forests/forestry is not a priority area I guess that this would be difficult.</p>	<p>Sorry, but I cannot answer that question.</p>

Note: Not all the responses necessarily reflect the official position of the government in question.

ANNEX X
COMPARATIVE MATRIX OF OBJECTIVES, PRIORITIES AND PROGRAMME AREAS OF ITTO AND SELECTED OTHER INTERNATIONAL ORGANIZATIONS

	ITTO	FAO	IUCN
Type of organization	Intergovernmental; based on the legally binding International Tropical Timber Agreement (ITTA, 2006)	Intergovernmental, part of the UN system	Non-governmental organization
Objectives	Tropical timber trade from sustainable and legal sources	Food security, agricultural productivity, rural livelihoods, economic growth	Biodiversity conservation
Priorities	<ol style="list-style-type: none"> 1. Promote Good Governance and Enabling Policy Frameworks for Strengthening SFM and Related Trade, and Enhancing SFM Financing and Investment 2. Increase the Contribution of Tropical Forests to National and Local Economies, Including through International Trade 3. Enhance the Conservation and Sustainable Use of Biodiversity in Tropical Timber Producing Forests 4. Reduce Tropical Deforestation and Forest Degradation and Enhance the Provision of Environmental Services 5. Improve the Quality and Availability of Information on Tropical Forests, Forest Product Markets and Trade 6. Build and Develop Human Resource 	Forestry is covered under FAO's Strategic Objective 2 - Increase and improve provision of goods and services from agriculture, forestry and fisheries in a sustainable manner.	Mobilize and unite communities working for biodiversity conservation, sustainable development and poverty reduction in common efforts to halt biodiversity loss and apply nature-based solutions
Scope of work ⁴⁵	<p>Provision of effective framework for consultation, international cooperation and policy development among all members with regard to all relevant aspects of the world timber economy. Capacity building in (i) reforestation and forest management, (ii) forest industry, and (iii) economic information and market intelligence</p> <p>Normative work: (a) C&I and guidelines for various aspects of SFM in tropical</p>	<p>(i) Global and regional forest-related policies and processes, (ii) national forest policies and institutions, (iii) information, monitoring and assessment on forests and forest products, (iv) forest resources management, and (v) forest products and economic aspects.</p> <p>Normative work: (a) various voluntary guidelines; (b) documented good practices; (c) norms, standards, policy and legal frameworks; (d) statistical services, and (e)</p>	<p>(i) Valuing and Conserving Nature focuses on biodiversity conservation, emphasizing both tangible and intangible values of nature.</p> <p>(ii) Effective and Equitable Governance of Nature's Use focuses on people-nature relations, rights and responsibilities, and the political economy of nature.</p> <p>(iii) Deploying Nature-based Solutions to Global Challenges in Climate, Food</p>

⁴⁵ As related to forests

	ITTO	FAO	IUCN
	forests, (b) policy development on SFM and associated trade, and (c) statistics on tropical timber production and trade Support to implementation on the ground	global advocacy work. Technical assistance to FAO members	and Development for nature's contribution to tackling problems of sustainable development, particularly in climate change, food security and social and economic development.
Programme areas	5 thematic programmes (reduced emissions and environmental services; tropical forest governance and trade; community forest management and enterprise; trade and market transparency; industry development and efficiency), CITES implementation, biodiversity conservation, etc.	Food security and poverty reduction, climate change, governance of tenure and land use,	Global Programme themes: Business, Economics, Ecosystem management, Environmental law, Forest conservation, Gender, Global policy, Marine and polar, Protected areas, Science and knowledge, Social policy, Species, Water, World Heritage
Partnerships	ITTO-CITES, ITTO-CBD, ITTO-JICA and others	UN-REDD, Mountain Partnerships, Forest & Farm Facility, ACP-FLEGT Programme (EU) and others	World Commission on Protected Areas/ Global Transboundary Conservation Network , Global Landscape Restoration Partnership and others
Comparative advantage	Core competence is strengthening of SFM in tropical production forests for legal and sustainable trade. ITTO works in the nexus of biodiversity conservation, climate change, poverty, food security, green economy, energy and governance. The work covers the entire supply chain from the forest to the end consumer. Putting policies into action in member countries.	Expertise to deal with most kinds of land and use of natural resources, and interactions between various land uses; forest resource assessment and monitoring, forest information services, national forest policies and programmes, and forest governance; multi-purpose management of natural, modified and planted forests, watershed management, agroforestry, forest genetic resources, fire management, pests and diseases, phytosanitary standards, forest harvesting and infrastructure, community-based forest management, wildlife, fragile forest ecosystems, NWFPs, forest management for multiple uses and climate change (including REDD+), development of the forest-based enterprises, and forest-related financing .	World's authority on biodiversity conservation, nature-based solutions and related environmental governance Strong track record on protected areas and species protection. Broad membership and wide networks

Main funding sources	All members contribute to ITTO's core activities; several bilateral donors provide voluntary contributions.	EU, several bilaterals Access to WB and other multilateral sources, including GEF	8 bilateral governments as framework partners, another 4 governments, 17 foundations, 11 multilaterals
Funding decisions	All members participate in the approval of programmes, projects and activities. Voluntary contributions can be earmarked for (i) projects under the Special Account, (ii) Thematic Programmes, or (iii) BWP activities.	FAO together with donors	IUCN together with donors

Sources: ITTO SAP; FAO (2012)

FAO (2012) Strategic evaluation of FAO's role and work in forestry. Office of Evaluation. <http://www.fao.org/about/en/>; FAO. 2013. The Director-General's Medium Term Plan 2014 -17 and Programme of Work and Budget 2014 -15; <http://www.fao.org/forestry/ci@45047@45098@45119/en>

IUCN: www.iucn.org; IUCN Annual Report 2012.

ANNEX XI

SUBMISSIONS OF MEMBER COUNTRIES

ITTO SIDE EVENT, 11 APRIL 2013, MIDTOWN HOTEL, ISTANBUL, TURKEY
(INFORMAL PAPER FOR DISCUSSION)

STATEMENT BY MALAYSIA

ON

“MOBILIZING NEW FUNDING AND PARTNERSHIPS FOR ITTO AND ITS OBJECTIVES”

1. Malaysia appreciates the very useful paper prepared by the Secretariat to facilitate discussion in order to increase the inflow of voluntary funds into the Special Account and the Bali Partnership Fund, established under the ITTA, 2006 to fund projects to achieve the objectives of the organization.
2. The secretariat paper gives details on the funding history of such voluntary contributions since the first ITTA of 1983, which to date totals to US\$307 million contributed largely by ITTO donor members led by Japan (US\$211 million), Switzerland (US\$33.74 million), United States (US\$23.32 million), Norway (US\$9.91 million) and other ITTO members. Contributions from non-members are relatively small totaling US\$5.28 million.
3. Contributions into the Special Account have generally declined from a peak in 1997 (US\$17.6 million) to just over ten million dollars in 2012, whilst the resources in the Bali Partnership Fund have depleted to only US\$0.1 million. If this trend continues, the administrative budget of the organization which is currently at US\$7.69 million, funded by both producers and consumers, will exceed voluntary contributions to fund project activities to achieve the objectives of the organization. The withdrawal of Canada is worrisome whilst the non-ratification of the ITTA, 2006 by certain producer members under the ITTA, 1994, is even more worrisome, in that they will not be encouraged to do so with declining funds to assist them with capacity building. This situation must be seriously viewed against a backdrop of the US Lacey Act, the EU Timber Regulation and other similar initiatives in major consumer countries which increasingly demand legal and sustainable timber for which the cost of compliance by producing countries must be equitably shared in the spirit of equal partnership which is the basis of the ITTA 2006.
4. When the ITTO commenced operational activities in 1986 under the ITTA 1983, the area of tropical forests under sustainable management was estimated at about one million hectares only. In June 2011, ITTO released a report on the state of tropical forest management in which the area of tropical forests under sustainable management was reported at 30.6 million hectares out of the 403 million hectares of production forests in its producer member countries. It took us 25 years and assistance to producer members amounting to US\$307 million apart from national resources, to achieve such progress. We have now developed various guidelines on how to implement sustainable forest management. What is needed now is action on the ground. Malaysia has some experience in the implementation of sustainable forest management and certification apart from developing and implementing a timber legality assurance system. The production of sustainable or legal timber is most challenging requiring strong institutions, skills, knowledge and resources, both human and financial, all of which are in short supply in producer countries. Currently, prices paid for tropical timber is not adequate to finance sustainable forest management.
5. Recognizing the vital need for financial resources to assist producer members, the objectives of the ITTA, 2006 includes *“enhancing the capacity of members to implement strategies for achieving export of tropical timber and timber products from sustainably managed sources”* through efforts by members *“Developing and contributing towards mechanisms for the provision of new and additional resources with a view to promoting the adequacy and predictability of funding and expertise to enhance the capacity of members ..”*. Whilst efforts must be made to secure funding from donors and other sources, primary responsibility rests with members of the ITTO to assist producer members of the ITTO to implement sustainable forest management. Admittedly, contributions are voluntary but such support can be expected by producer members which will ensure the balance between the rights and responsibilities of members, thus ensuring reciprocity between producer and consumer members, which is fundamental to the ITTA.
6. There have been many efforts by the Executive Director to seek more voluntary contributions. Also, numerous appeals have been made to members. Based on such experience, there is not much room for optimism to secure voluntary contributions from non members though such efforts must continue. We therefore need to explore new and innovative ideas to generate the much needed resources as the ITTA 2006 among its objectives is for *“Providing an effective framework for consultation, international cooperation and policy development among all members with regard to all relevant aspects of the world timber economy”*. To this end, Malaysia wishes to explore other mechanisms focusing on *“...consumer*

preferences and prices, and conditions leading to prices which reflect the costs of sustainable forest management" as provided in objective (e) of the ITTA 2006.

7. Ranging from poverty alleviation and processing of tropical timber, the scope of the ITTA 2006 is very wide. Voluntary contributions are not encouraging under the circumstances. Secretariat strength has been scaled down and inadequate to support with expertise in so many fields. In view of these constraints, it is suggested that the ITTO focus on its core objective where it has comparative advantages the achievement of which will have beneficial effects outline in the ITTA 2006 agreement. Let us focus on forest management to produce sustainable and legal timber in which the ITTO is a leader, having pioneered the development of the various guidelines, criteria and indicators for sustainable forest management. This will also enable producers to export legal and sustainable timber as required under US Lacey Act, the EUTR and other similar initiatives including public procurement policies in many consumer countries.
8. Responding to legislation and market requirements, Producer Countries must be adequately assisted to implement good forest management targeting legality as the first milestone, followed by sustainability and eventually, achieving sustainability including REDD+ requirements. This could be initiated in small FMUs in producer countries but timber exports from such FMUs must be rewarded with a green premium in terms of prices which may be used to partly finance forest management to ensure exports of legal timber. The mechanism to verify timber legality and the payment of a green premium needs to be worked out. In principle implementation of forest management to produce legal/ sustainable timber for exports will be funded by:
 - (i) National resources;
 - (ii) ITTO assistance through the Special Account/ Bali Partnership Fund; and
 - (iii) Green premium for legal/ sustainable timber exported which maybe generated through Government driven mechanism.

Interested producers may submit proposals to implement appropriate forest management regimes initially in small pilot scale FMUs which may be expanded with experience and assistance by ITTO members and Green Premium indicators. The details on the extent and nature of the green premium and how it may be generated and disbursed needs to be developed. With such a programme implementing forest management to produce legal/ sustainable timber for exports will be shared in a partnership between the ITTO consumer and producer countries.

9. The ideas proposed are in a raw state and needs much discussion in order to develop and implement. Whilst producers have primary responsibility over the management of their forests, they must be provided with adequate assistance through the Special Account and the Bali Partnership Fund in addition to the proposed "Green Premium" from consumer countries. The ideas proposed are provided for in the elements contained in the various objectives of the ITTA 2006 and will lead to an effective partnership between producers and consumers.
10. Malaysia is not optimistic on any significant increase in voluntary contributions from non-members and other sources identified in the paper. Innovative ideas, including the proposals by Malaysia, must be explored. Without a true partnership between producer and consumer members of the ITTO in the spirit of the ITTA 2006, producers will have difficulties to comply with the increasing stringent requirements for legal and sustainable timber and the objectives of the organisation will not be achieved. Malaysia stand ready to discuss with other members on discussing on how the ideas presented in this informal paper may be further elaborated.

(5 April 2013)

MINISTERE DES EAUX ET FORETS

Union-Discipline-Travail

REPUBLIQUE DE COTE D'IVOIRE

Object : Côte d'Ivoire contribution to the activity « Mobilize New Funding and Partnerships for ITTO and its Objectives »

Côte d'Ivoire is pleased to learn of this initiative taken by ITTO to seek additional funding to implement the activities of the Organization. This initiative addresses the concern of Côte d'Ivoire to see fundings allocated to project of much larger magnitude than has been the case so far.

Therefore all items discussed in the review are of interest to us and Côte d'Ivoire fully supports the proposals put forward by the Consultant.

However, Côte d'Ivoire wishes to submit two additional proposals for further review and consideration:

- To investigate the option of a « universal tax » on tropical timber imports and exports. The revenue derived from such tax would be shared between exporter countries and the ITTO ;

- To assign ITTO the role of Deputy-Contracting Authority (*Maître d'Ouvrage Délégué, MOD*) [*] for certain large-scale projects funded by multilateral donors in producer countries, in such a way that ITTO would have access to a portion of these funds budgeted as *management assistance costs* under such projects.

[*] Translator's note : MOD acting as representative of the consortium of project donors

EUROPEAN COMMISSION

DIRECTORATE-GENERAL ENVIRONMENT Directorate E -International Affairs
ENV.E.2 -Global Sustainability, Trade & Multilateral Agreements
Head of Unit

Brussels, 25. 07. 2013 Ares(2013)
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NISHIKU, YOKOHAMA, 220-0012 JAPAN

Subject: Activity no.54 "Mobilize New Funding and Partnerships for ITTO and its Objectives".

Dear Mr Ze Meka,

The European Commission would like to thank the ITTO secretariat for the work done so far on the activity no.54 "Mobilize New Funding and Partnerships for ITTO and its Objectives" and welcomes the opportunity to provide some feedback on the initial draft background report prepared by the consultant.

We believe that the ITTO would benefit from the development and implementation of a forward-looking, innovative and proactive fundraising strategy and think that the draft background report circulated to all ITTO focal points represents a useful initial step forward to promote further reflection within the ITTO secretariat, as well as amongst the Members of the organization.

Nonetheless, we have identified a number of areas for improvement in the report and would like to offer our initial views on the draft fund-raising strategy.

1. Analysis of the funding environment and potential new funding sources

- a) The report presents a comprehensive analysis of the past and recent funding history of the ITTO which clearly shows some significant trends that need to be adequately taken into consideration in designing ITTO fund-raising strategy. However, the report does not include a thorough reflection on the dramatic changes that have characterized Official Development Assistance in the past two decades (e.g. Paris declaration and Aid Effectiveness Principles) and their implications for the way in which donors channel and deliver aid to beneficiary countries. In line with the principles of ownership and the increased use of national systems, aid delivery modalities such as Budget Support, Sector-Wide Approaches, Programmatic Approaches, etc. are playing an ever increasing role. The report should examine the operational modalities of the ITTO in this context, and the extent to which they are in line with donors' expectations and preferences (e.g. trends towards moving away from project approaches), as well as the ability of the organization to maintain partnerships with relevant agencies in producer members and being identified as a valued partner for implementation of given national activities.
- b) When considering aspects of predictability and stability of financial contribution, the report seems to characterize as not "stable" funding provided by certain donors for strategic, multi-annual programmes (EU support through the ITTO-CITES programme, Norway support to the REDDES thematic programme), when in fact financing on a programmatic basis guarantees predictable and stable resources over a given period of time (i.e. if donor A provides € 10m in year X, and nothing for the subsequent 3-4 years, this does not necessarily signal unpredictability as the donor in question has on the contrary frontloaded its entire contribution for the duration of a certain programme).
- c) Traditional donors will remain a significant source of funding for the ITTO. However, it is clear that the fact that ITTO objectives and donors priorities seem to be well aligned does not automatically guarantee that the organization is able to reach its resource mobilization objectives. In this respect, in an increasingly competitive and demanding aid environment, the ITTO needs to be able to demonstrate its ability to design and deliver high-quality projects in line with the expectations of both donors and beneficiary countries, as well as the added value of its activities (e.g. impact multiplier in terms of knowledge management). The Secretariat needs to increase its capacity to undertake effective monitoring of projects/programmes,

communicate effectively, build partnerships and reach out directly to development cooperation agencies of donors (not just expecting ITTO focal points in the various member states to make the case on its behalf).

- d) Potential and emerging donors among member countries; new ITTO members: attracting new donors, including emerging donors, and expanding the membership of the organization should be a priority, particularly considering the evolving reality of the international timber market. ITTO should explore further the potential for South-South and triangular cooperation.
- e) International financing institutions: We remain convinced that closer cooperation between the ITTO and international financing institutions such as the World Bank Group and the regional development banks would present the ITTO with new opportunities for resources mobilization. The Secretariat should upscale its efforts to establish strong links with these institutions to deliver on the priorities agreed by the ITTO Member States and reflected in the Biennial Programme of Work and Strategic Action Plan.
- f) Global Environmental Facility (GEF): We support the effort by the ITTO to be accredited as a GEF project agency.
- g) Partnerships with international and regional institutions: the analysis of the existing and potential partnerships with international and regional institutions needs to be further elaborated. This section of the report covers a range of different type of partnerships which have very different scopes and objectives, operational modalities and funding sources. For instance, the ITTO-CITES programme, the ITTO-CBD collaborative initiative for Tropical Forest Biodiversity and the ITTO-JICA partnership are very different from each other. Furthermore, the host of partnership agreements with other organizations are not sufficiently explained and for those which have so far failed to result in successful mobilization of resources there is a limited or no analysis of the reasons for this. The development of the fund-raising strategy of the ITTO would benefit from a comprehensive review of these agreements with a view to collect lessons learnt and identify existing and potential agreements which offer a real potential for resource mobilization (as opposed to those where cooperation is established on operational or political level). Furthermore some comments could also be made on the overhead costs in terms of staff time and ITTO financial resources of managing and maintaining such partnerships. This could lead to the conclusion that fewer deeper partnerships could be more efficient than many shallow ones.
- h) Partnerships with private sector: there is a strong potential for expanded cooperation between the ITTO and the private sector, particularly in the context of Corporate Social Responsibility (CSR) policies and sustainability policies of an increasing number of companies. In this respect, the ITTO secretariat should play a much more proactive role to enhance its visibility and presence in relevant international private sector fora such as the World Business Sustainable Development Council, the newly formed Global Timber Forum, etc. This issue should not be confused with the much broader and only marginally related issue of the role and modus operandi of the Trade Advisory Group (TAG) whose primary function is not fund-raising but providing inputs from the private sector perspective into the work of the ITTO.

2. ITTO Comparative Advantage

The report confirms that the ITTO operates in a highly competitive environment which has grown in complexity over the years, with the multiplication of potential funding sources and the emergence of new actors, approaches and priorities. However, commonalities and differences, as well as areas of overlaps, complementarity, direct competition or synergies between the ITTO and other major players (particularly amongst other CPF member organizations) in the funding environment are not analysed in sufficient detail. This is a key gap of the report which should be addressed in its revised version, since this type of analysis is crucial to inform a more in-depth reflection on the issue of existing and potential partnerships between ITTO and a range of other players.

The reports argues that "ITTO's main comparative advantage is drawn from the fact that it works in the nexus of biodiversity conservation, climate change, poverty, food security, green economy, energy and governance which are the global priorities of bilateral and multilateral funding agencies as well as national governments". As currently formulated, this statement may be read in a way that implies a much too broad interpretation of the mandate of the ITTO and need to be qualified by articulating much more explicitly what the nexus actually is (SFM of tropical forests and associated trade). In other words, the report should underline more explicitly that ITTO's main comparative advantage lies within its core mandate related to international timber trade and its focus on the entire timber supply chain. ITTO has been most successful in its past mobilization efforts whenever it has focused on its core activities and/or has been able to fully take advantage of its "trade" mandate as an entry point to address key issues related to SFM of tropical forests and building partnership with

donors and other organizations around it (ITTOCITES, TFLET, etc.). Similarly, the analysis of the opportunities for ITTO confirm that there continue to be opportunities for further fund-raising in areas where the core mandate of the organizations overlaps with issues such as the green economy, promotion of SFM in tropical production forests and trade governance (e.g. trade in sustainable/legal timber).

3. Potential income generation ITTO products

We see limited opportunities to pursue income generation activities from ITTO products. In an era of open access, any action that may result in narrowing knowledge and information sharing will go against the very objectives of the organization and for which the organization already receives public funds. Furthermore, even if some resources could be mobilized the administrative burden and associated costs is likely to reduce significantly the added value.

4. Main considerations for ITTO strategy

4.1 Fund mobilization targets

The starting basis for the development of the ITTO mobilization strategy should be a thorough review of the Strategic Action Plan 2013-2018 (SAP). In this respect, fund-raising efforts should be guided by a much more clear definition of specific outputs that the ITTO would like to prioritize for each of the strategic priorities and outcomes defined in the SAP. In turn, the strategy could indicate for each of these areas/outputs possible type of funding sources/partnerships.

4.2 Approach to resource mobilization

We strongly agree with the consultant that there is a need for the ITTO to change its approach to resource mobilization. Fund raising should represent a core activity of the Secretariat, carried out in a proactive manner by its staff under the leadership and the vision of the Executive Director, and supported by sufficient resources. This should also be reflected in the relevant staffs job descriptions. Such efforts should be supported by an adequate and effective communication strategy which ensures visibility to the work of the organization. In order to be successful, such a communication should be based on a strong Mission/Case statement. In this respect, we note that to "Refine a concise and compelling fundraising message" was one of the main elements of the activity no. 54. While the report contains useful initial ideas about ITTO mission and case statement, the proposed messages (pp. 35-37) are still too generic (i.e. the merits of SFM) and not sufficiently targeted to promote the specific role of the ITTO in promoting SFM in tropical forests. Considering that many other organizations compete on similar messages, the ITTO communication strategy should be more tailored to demonstrate the added value of ITTO.

We also believe that the ITTO should make increased use of concept notes to proactively engage with perspective donors, but also a client-driven approach to project implementation which strive to demonstrate value for money and accountability in the use of donors funding.

4.3 Strategic Resources Partnership

The idea to launch an alliance for sustainable management of the world's tropical forests involving ITTO, FAO, CIFOR and IUCN to achieve a coordinated approach to fund raising should be studied very carefully. What would be the objectives and operational modalities of this alliance? What would be its real added value? How would it differ from the existing Collaborative Partnership on Forests?

4.4 Proposal for ITTO's Resource mobilization strategy

With regard to the proposed draft mobilization strategy, we think that, overall, the current draft covers all the main areas that need to be addressed by the strategy and includes a number of useful elements that will ensure a future solid strategy. However, the strategy is still too vague and will need further elaboration, in particular so as to provide a clearer and more detailed description of the various outputs and activities. In this respect, we note that with 18 outputs and 64 activities, the draft strategy involves a very high number of actions and would suggest considering opportunities for simplification and better prioritization. The strategy should also include realistic targets and indicators, and specify role of and responsibilities (who does what? including within the secretariat). It should be specified which activities are already covered by the administrative budget of the organization, and which would require additional funding. Finally, it should also cover more explicitly actions that ITTO should undertake with the objective to enhance the way it engages with and provides support to Members.

In addition to the general comments above, we would also like to offer the following non comprehensive list of specific comments:

- The term "resource partner" used particularly in the table 8.1 should be clarified. Does it refer to donors only or is it a broader concept?
- Outcome 1, "Expanded and diversified funding base of ITTO's resource partners": the formulation of this outcome is unclear. What is the actual objective of this outcome? Is the outcome intended to be "expanded and diversified funding obtained from existing and potential donors?"
- Activity 1.1.4 "Develop and implement an approach for mobilization of resources from the private sector". This activity is too vague and seems to imply the development of a new strategy within the strategy. On the contrary, clear outputs and activities for further engagement with the private sector should be developed as integral part of the Strategy.
- Activity 1.1.5 "Develop and launch "Tropical Forest Alliance" with key international partners for concerted action and resource mobilization": Please see comment above on this point. The scope and objectives of the proposed action should be better described and concerns about duplication and limited added value fully addressed before this could be considered further;
- Output 1.2 "Resource partners' priorities identified and aligned with the ITTO Strategic Action Plan". The formulation of this output needs clarifications. According to the report, there seems not to be an issue of lack of alignment between ITTO activities and donors' priorities. Furthermore it may be unrealistic to expect "resource partners" to align their policies with one international organisation.
 - Activity 1.3.2 "Develop new programmatic instruments for mobilization of resources" -This should be considered carefully taking into account ITTO's core mandate/niche and strategic priorities. The experience with some of the existing ITTO thematic programmes shows that creating a programme does not automatically generate additional resources.
 - Output 1.4 "Members engaged in resource mobilization" and activity 1.4.1 "Engage ITTC and Committee Chairs and Vice-Chairs in resource mobilization" are highly questionable. This is a core function of the secretariat, not of the representatives of the various ITTO member states.
 - Output 1.5 "Increased income generation from ITTO's products and services" please see comments earlier on about this.
 - Output "2.3 Biennial informal meetings of the resource partners convened in the context of BWP preparation and review of the funding situation" -Formalizing the role of the Advisory Group and expanding the membership is not likely yield added value. The activity could focus on the participation in and/or organization of donors' platforms/consultations.
 - Outputs 3.4 "Adjusted guidance for leveraged funding from project beneficiaries" and associated activities related to co-financing are not clear and do not appear to be supported by an analysis of this issue in the body of the report.
 - Activity 4.1.3 "Ensure effective risk management related to unpredictability of voluntary contributions" - The report does not provide any indications of how could this be achieved.

Finally, the factsheets on potential funding sources annexed to the main report are very useful. However, they will need to be carefully reviewed and regularly updated. For instance the factsheet on EU's external assistance (DG DEVCO/EuropeAid) focuses only on the existing thematic programme ENRTP which will expire at the end of the 2013 and will be replaced by a new instrument with new priorities and eligibility criteria.

We hope that the views and inputs provided will be useful to guide the secretariat and the consultants in the preparation of subsequent versions of the report and look forward to a productive discussion on the draft strategy at the next meeting of the Council.