

INTERNATIONAL TROPICAL
TIMBER ORGANIZATION



INDUSTRY DEVELOPMENT & EFFICIENCY PROGRAMME

*Marking lines for removal of beams, State of Para, Brazil.
Photo: National Hardwood Flooring Producers' Association
of Brazil (ANPM)*

IDE
INDUSTRY
DEVELOPMENT
& EFFICIENCY
PROGRAMME

Enhances the capacity of producer countries to export tropical timber and timber products from sustainably managed sources.

Improves the economies of producer countries by increasing employment and market access for small and medium-sized forest enterprises (SMFEs).

Supports research and development to improve forest management, increase efficiency, and enhance the quantity and diversity of timber and non-timber forest products (NTFPs).

**STRENGTHENING
THE PRODUCTION,
PROCESSING AND
TRADE OF TROPICAL
TIMBER AND FOREST
PRODUCTS FROM
SUSTAINABLY
MANAGED AND
LEGALLY HARVESTED
FORESTS.**

WHY IS INDUSTRY DEVELOPMENT & EFFICIENCY NEEDED?



Treating timber, Ucayali, Peru. Photo: P. Santiago Puertas, AIDER

PROGRAMME OVERVIEW

ITTO's Industry Development and Efficiency (IDE) Programme provides solutions to help address some of the challenges that weak forest management policies and processes can have on SMFEs. Through projects and activities, the IDE Programme enhances the capacity of tropical timber producing countries to increase the production, processing and trade of tropical timber and forest products from sustainably managed and legally harvested forests. **ITTO's industry development projects are extremely important in helping producing countries develop strong economies and become competitive in the global forest industry.**

The IDE Programme also supports producing countries to enhance their business practices to ensure they are efficient, sustainable, transparent and profitable. By integrating with ITTO's past and current forest industry projects and activities², the IDE Programme maximizes resources and capacity to avoid duplication of activities.

Supported by a streamlined and effective funding process, forest communities, civil society organisations, government agencies, donors and the private sector are invited to submit project proposals, which are then assessed and prioritized to determine those will that create dynamic partnerships among stakeholders.

TROPICAL FOREST INDUSTRIES CAN HAVE A TRANSFORMATIVE EFFECT ON TROPICAL COUNTRY ECONOMIES & SUSTAINABLE DEVELOPMENT.

Income in the formal forestry sector amounts to just over US\$600 billion and accounts for about 0.9 percent of the global economy.¹ In addition to reducing poverty through employment creation, training and capacity building, forest industries provide direct benefits such as technology transfer, investment in local processing and income from foreign exchange through exports.

However, when local processing exceeds sustainable timber production, illegal and unsustainable forest use can occur. Weak forest management policies and processes can create barriers to effective planning and control of operations and hinder effective supply-chain management and product tracking. This is a particular challenge for small and medium-sized forest enterprises (SMFEs) that may not have sufficient capacity to apply modern technology and management methods, therefore limiting their integration with established supply chains.

Access to finance is also often a constraint to sustainable tropical forest industry development. This can create a vicious cycle where low profits result in a lack of funds for the purchase or upgrade of equipment, which further inhibits the profitability of the enterprise and the efficient and sustainable use of the forest.

¹ FAO, *State of the World's Forests (SOFO) 2014*

² www.itto.int/portfolio16

IDE PROJECTS & ACTIVITIES FOCUS ON 3 KEY AREAS

1) Delivering Industry-Relevant Research and Development.

- Support industrial planning, investment promotion, business development and risk management.
- Improve management and technical skills in SMFEs through capacity-building, institutional strengthening, training and networking.

2) Improving Local Industries and Processes.

- Develop efficient harvesting and processing technologies.
- Maximize use of wood residues and wood wastes and promote sustainable wood-based bioenergy production.
- Develop non-timber forest products (NTFPs) and lesser-used timber species.

3) Strengthening International Cooperation.

- Organize commercial supply chains and producer networks.
- Strengthen relevant stakeholder associations.



Bio-energy generation from wood wastes, Brazil. Photo: Ramon Carrillo

THE INDUSTRY DEVELOPMENT & EFFICIENCY (IDE) PROGRAMME DELIVERS BENEFITS AT ALL LEVELS:

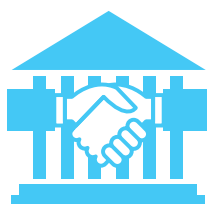
COMMUNITY ENTERPRISE LEVEL



Supports SMFEs to develop and implement projects based on local needs, which contribute to decreased forest degradation, improved community livelihoods and poverty reduction.

Demonstrates and disseminates innovative forest management and product processing approaches and technologies that strengthen technical skills along the entire value chain to improve efficiency and add value.

COUNTRY LEVEL



Enhances innovations to create effective forest management policies and legal frameworks, and facilitate access to improved market opportunities.

Strengthens local to national partnerships to create more efficient, collaborative, transparent and sustainable approaches to forest management.

REGIONAL/INTERNATIONAL LEVEL



Builds strong partnerships across national, regional and international levels, with an emphasis on south-south cooperation.

Captures and shares experiences between countries for effective knowledge management and capacity building.

WHAT WE CAN **ACHIEVE**

The Industry Development and Efficiency (IDE) Programme presents a vitally important opportunity to enhance forest industry development through increased support to producer countries in the further processing of tropical timber from sustainable sources. Working alongside local enterprises will allow communities to develop their own methods of economic sustainability, ultimately contributing to poverty reduction and improving the way our planet's forest resources are managed and protected.

Growing product demand in emerging markets, new markets for secondary processed wood products, and the commercialization of forest-based services present valuable opportunities for increasing sustainable tropical forest resource-based industrial development. However, many tropical countries need external support to maximize these opportunities and sustainably gain the benefits of increased employment and revenue generation.

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*Coastal Forest in Meru Betiri National Park, Java, Indonesia.
Photo: T. Bruder*



PARTNER WITH US

To successfully deliver the Industry Development and Efficiency (IDE) Programme over the next four years, ITTO requires an additional US\$3.75 million per year. This will deliver significant improvements for forest industries in Africa, Asia and Latin America and support the development of sustainable forest products for local and global markets.

The IDE Programme is just one of ITTO's key areas of work and we need your support to deliver it successfully. Download our Strategic Action Plan for 2013-2018 at www.itto.int/publicity_materials, which outlines ITTO's programmes of work and opportunities for donor support. For more information please contact tp@itto.int.

By partnering together, we can help sustain the world's tropical forests. Our work over the last 30 years has significantly enhanced the tropical forest industry, reduced forest degradation and improved the livelihoods of local communities but there is still much to achieve. To learn more about ITTO, the Industry Development and Efficiency Programme and how to support our projects, visit us at www.itto.int.

WHY ITTO TO IMPROVE INDUSTRY DEVELOPMENT?

Since 1989, ITTO has gained in-depth knowledge and experience in building producer countries' capacity to develop efficient and value-added forest-based industries that create employment opportunities and enhance economies.

ITTO has implemented over 200 industry development projects and activities in its member countries, which cover around 80% of the world's tropical forests. Our track record of successful engagement with producer countries is unparalleled; we have piloted and expanded innovative processing techniques and technologies, and built strong partnerships to encourage cooperation along the entire value chain.

By enhancing technical skills through community level training, our approach promotes efficient timber harvesting, forest planning and reduced impact logging, and helps local communities develop successful SMFEs.