

Report of ad-hoc Working Group on Financing Infrastructure and Fundraising Strategies

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Vice-Chair of Working Group

Members of ad-hoc Working Group

Mandate of Working Group (per Decision 9 LIII):

To consider options and make proposals for improving ITTO's financing infrastructure and fundraising strategies

- ❖ Mr. Thomas Baldauf, EU
- ❖ Mr. Boniface Bounoungue Fouda, Cameroon (Vice-Chair)
- ❖ Mr. Francis Cole, CSAG
- ❖ Ms. Jennifer Conje, USA (Vice-Chair)
- ❖ Mr. Shigeki Hata, Japan
- ❖ Ms. Berenice Hernandez Toro, Mexico
- ❖ Mr. Rovani Riva, Indonesia

- ❖ Ad-hoc Working Group set up in Peru Council session in (Decision 9 LIII)
- ❖ Teleconference in early June
- ❖ Group met in Yokohama for 3 days (Sept 3-5)

- ❖ Information and background documents:
 - ▶ AKC Global Report
 - ▶ Past ITTO reports on funding mobilization (Simula and Muthoo)
 - ▶ Past reports on evaluation of thematic programmes
 - ▶ External assessments on funding trends by different donors and sectors

Overall observations/conclusions

- ❖ Unanimous recognition amongst WG members that there needs to be substantial change from previous financing and fund raising efforts in order to produce tangible results.
- ❖ Recognition that ITTO has undertaken significant steps to improve its controls and transparency
- ❖ Additional work needed to fully complete the terms of reference of Decision 9 (LIII)
- ❖ Time sensitivity -- action needed by this Council
- ❖ Recommended actions can be phased (short/medium/long term/ongoing)

Main recommendations (Short-term)

Recommended actions for consideration at this Council

- Develop and pilot an additional fundraising track focused on competitive tenders/contracts (with a review of effectiveness in three years);
- Engage appropriate short term fundraising/marketing specialist(s) to develop “service lines” that can be easily adaptable toward marketing ITTO strengths and goals;
- Electronic survey to members, building on past 2013 survey, to gain additional information on what members see is the value of ITTO and how it could transform to become a more attractive investment for partners/funders.

Main recommendations (Short-term)

Recommended actions for consideration at this Council

- Maintain the project sunset clause as-is;
- Suspension of the project cycle for one year (2019) to ease backlog of unfunded projects and to allow time for the organization to focus on seeking new sources of funding and to cleanly transition to a more streamlined process;
- Urge prioritization of projects by individual members with multiple projects, if possible;
- Clustering of existing projects awaiting financing under appropriate themes by Secretariat to see if this approach will attract greater interest for financing;

Main recommendations (Short-term)

Recommended actions for consideration at this Council

- Extension of current WG (or creation of an advisory group) to:
 1. Work with Secretariat to further develop a “streamlined project cycle” concept paper to be presented to Council in Togo.
 2. Provide timely advice and feedback to the Executive Director on the competitive tenders/contracts pilot with aim toward facilitating transparency in the process
 3. Assist in the creation of “service line(s)” messaging.

Main recommendations (Medium-term)

Recommended actions for consideration at Togo (2019) or Yokohama (2020) Council

- Introduction of streamlined project cycle process in Togo (to be implemented in 2020, if approved by Council);
- Consider closing any thematic programmes that have received little or no funding;
- Consider appropriateness and even possibly lowering, the financial thresholds of thematic programmes;
- Consider new formats for the Biennial Work Programme and the Strategic Action Plan to more clearly show connection between the different documents and integrate the new streamlined ITTO funding infrastructure vision:

Main recommendations (Long-term)

Recommended actions for consideration in the next 3+ years

- Consider introduction of new thematic programmes based on outcomes of competitive tender pilot;
- Assess and consider the relevance and effectiveness of the Bali Partnership Fund and the Thematic Programmes in the next ITTA;
- Review the mandates and work with TAG and CSAG with a view to strengthening and fostering stronger collaboration, including on fundraising;
- Investment in the development of in-house marketing expertise and training of the Secretariat;

Main recommendations (Ongoing)

- Continue to pursue ITTO application(s) to the Green Climate Fund and Global Environmental Fund;
- Explore opportunities for further collaboration with the Global Forest Financing Facilitation Network and Consumer Goods Forum;
- Implement and refine ITTO social, environmental, and financial safeguards and gender guidelines;
- Recommends Council provide feedback to ED on the proposed focus on highlighting sustainable supply chains and the role of production forests in achieving sustainable development;
- Encourage ED to approach non-traditional donors to determine their interests and funding priorities, using targeted programmatic concept notes/project proposals;

Main recommendations (Ongoing)

- Allocate time at each Council for Secretariat to report out on new innovative partnerships and/or financing opportunities at each Council;
- Invite new donors/partners to present on themes that could lead to funding opportunities or partnerships
- Update ITTO website to incorporate “service line” messaging;
- Encourage members to consider additional voluntary contributions to ITTO;
- Urge members to make prompt payments of their assessed contributions;
- Ensure appropriate financial resources are dedicated to develop and operationalize marketing plans and fundraising;