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Proposed ITTO Strategic Action Plan (SAP) 2022-2026

Prepared for ITTC 57 by the SAP Working Group

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Foreword by ED/OIC

Note to Council¹:

As is common practice, the text of the foreword will be developed by the Secretariat (ED/OIC) following adoption of the SAP 2022-2026. The foreword will include key messages about the SAP and highlight the four Strategic Priorities and four Crosscutting Strategies which are at the heart of the SAP (see Section III).

¹ *This document contains 3 “Notes to Council” in italics. These Notes are informational only and will be deleted from the text when Council adopts the SAP 2022-2026.*

Proposed ITTO Mission Statement based on Article 1 of ITTA, 2006²

To facilitate discussion, consultation, international cooperation and policy development
on the expansion and diversification of international trade in tropical timber
from sustainably managed and legally harvested forests
and on the sustainable management of tropical forests

² **Note to Council:** *This ITTO mission statement is proposed to replace the mission statement in the SAP 2013-2018 which dates from 1998 and is based on the ITTA, 1994. The 1998 mission statement reads:*

“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.”

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Acronyms

ACTO	Amazon Cooperation Treaty Organization
APFNet	Asia-Pacific Network for Sustainable Forest Management and Rehabilitation
C&I	Criteria and indicators
CBD	Convention on Biological Diversity
CBFP	Congo Basin Forest Partnership
CIFOR	Center for International Forest
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CPF	Collaborative Partnership on Forests
CS	Crosscutting Strategy
CSAG	Civil Society Advisory Group
FAO	Food and Agriculture Organization of the United Nations
FLR	Forest landscape restoration
FRA	Global Forest Resources Assessment
GBF	Post-2020 Global Biodiversity Framework
GCF	Green Climate Fund
GEF	Global Environmental Facility
GFG	Global Forest Goal
IPBES	Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services
ITTA	International Tropical Timber Agreement
ITTC	International Tropical Timber Council
ITTO	International Tropical Timber Organization
IUCN	World Conservation Union
LSSC	Legal and sustainable supply chain
MOU	Memorandum of Understanding
PLs	Programme Lines
SDG	Sustainable Development Goal
SFM	Sustainable forest management
SME	Small and medium forest enterprise
SP	Strategic Priority
TAG	Trade Advisory Group
TP	Thematic Programmes
UNECE	United Nations Economic Commission for Europe
UNFCCC	United Nations Framework Convention on Climate Change
UNFF	United Nations Forum on Forests
UNSPF	United Nations Strategic Plan for Forests 2017-2030

I. Introduction to ITTO³

1. The purpose of the ITTO Strategic Action Plan (SAP) 2022-2026 is to guide ITTO's policy and project work and identify priorities toward meeting the Organization's twin objectives set out in Article 1 of the International Tropical timber Agreement of 2006 (ITTA, 2006) over the next five years (see [Annex 1](#))⁴. The SAP 2022-2026 also provides a reference framework for ITTO Members, partners and stakeholders and communicates ITTO's priorities to the wider international community.

Box 1: ITTO's Overarching 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

2. In pursuing its twin objectives, ITTO supports the shared vision and mission set out in the United Nations Strategic Plan for Forests 2017-2030 and is committed to contributing to the plan's six Global Forest Goals⁵. ITTO is also committed, consistent with its mandate, to advancing the Sustainable Development Goals (SDGs) contained in the 2030 Agenda for Sustainable Development, particularly SDG 15 "Life on Land", as well as the forest-related aims of the Paris Agreement, the Post-2020 Global Biodiversity Framework⁶ and the UN Decade on Ecosystem Restoration 2021-2030.

Box 2: Shared United Nations Vision and Mission

Vision: A world in which all types of forests and trees outside forests are sustainably managed, contribute to sustainable development and provide economic, social, environmental and cultural benefits for present and future generations.

Mission: To promote sustainable forest management and the contribution of forests and trees outside forests to the 2030 Agenda for Sustainable Development, including through strengthening cooperation, coordination, coherence, synergies and political commitment and action at all levels.

³ <https://www.itto.int/>

⁴ Full text of the ITTA, 2006 can be found at https://www.itto.int/council_committees/itita/. The SAP 2022-2026 replaces the SAP 2013-2018 (extended through 2021).

⁵ The UNSPF 2030 was adopted in 2017 by the UN General Assembly which includes all ITTO Member countries. The UN Forum on Forests is responsible for follow up and review of the plan's implementation. <https://www.un.org/esa/forests/documents/un-strategic-plan-for-forests-2030/index.html>

⁶ **Note to Council:** *The draft Post-2020 GBF sets out 4 goals to be achieved by 2050 and 21 targets to be achieved by 2030. "Forestry" is only mentioned in target 10. Forests are implicitly encompassed by general references to "terrestrial ecosystems", "land", "land areas" and "green spaces".*

➤ **A. Tropical forests are crucial to human well-being⁷**

3. Forests cover 31% of the earth's land surface⁸ and are among the world's most productive land-based ecosystems. Forests are essential to life on Earth and the well-being of an estimated 1.6 billion people who depend on forests for subsistence (food, fuel, fodder, shelter), livelihood, employment and income generation.

Box 3

Sustainable Development Goal 15

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Six Global Forest Goals (GFGs) to be achieved by 2030:

1. Reverse the loss of forest cover worldwide through sustainable forest management, including protection, restoration, afforestation and reforestation, and increase efforts to prevent forest degradation and contribute to the global effort of addressing climate change
2. Enhance forest-based economic, social and environmental benefits, including by improving the livelihoods of forest-dependent people
3. Increase significantly the area of protected forests worldwide and other areas of sustainably managed forests, as well as the proportion of forest products from sustainably managed forests
4. Mobilize significantly increased, new and additional financial resources from all sources for the implementation of sustainable forest management and strengthen scientific and technical cooperation and partnerships
5. Promote governance frameworks to implement sustainable forest management, including through the United Nations Forest Instrument, and enhance the contribution of forests to the 2030 Agenda for Sustainable Development
6. Enhance cooperation, coordination, coherence and synergies on forest-related issues at all levels, including within the United Nations system and across member organizations of the Collaborative Partnership on Forests, as well as across sectors and relevant stakeholders

4. Tropical forests represent 45% of all forests, or 1.84 billion hectares, and provide a wide range of goods and services to people.⁹ The sustainable harvesting and processing of tropical timber and other forest products is a cornerstone of the tropical forest sector. International trade in these products supplies residential and commercial consumers worldwide, contributes to local and national economies, and gives value to tropical forests, which is a key factor in reducing forest conversion to agriculture and other land uses.

5. Tropical forests provide vital ecosystem services, conserving soil and water, filtering the air we breathe, preventing land degradation and desertification and reducing risks of floods, landslides,

⁷ **Note to Council:** Paras 3, 5 and 6 of Section I.A are adapted from the introduction to the UNSPF 2017-2030. The WG proposes inserting a figure in Section I.A showing "Area of tropical forest by region and management status as of 2020" (per FRA 2020).

⁸ Source: FRA 2020

⁹ Source: FRA 2020

droughts and other natural disasters. Tropical forests are home to half of all terrestrial species¹⁰ and contribute significantly to climate change mitigation and adaptation.

6. When sustainably managed, tropical forests are healthy, productive, resilient and renewable ecosystems, providing essential goods and services to people and communities locally, nationally and globally.

7. The COVID-19 pandemic has highlighted the value of forests as a safety net for meeting basic human needs in times of widespread economic disruptions and as a refuge during stay-at-home orders. By acting as natural buffers against zoonoses, forests can help reduce the risk of future pandemics.¹¹

Box 4: Forest facts¹²

- Forest cover nearly 1/3 of the Earth's land surface or 4 billion hectares
- 93% of the world's forests are naturally regenerating while 7% are planted
- Tropical forests represent 45% of all forests:
22% in Latin America, 16% in Africa and 7% in South/Southeast Asia
- Tropical forests are home to 50% of all terrestrial species

➤ ***B. ITTO: The only international organization focused solely on tropical forest resources***

8. ITTO is a treaty-based international organization headquartered in Yokohama, Japan. ITTO was established by the International Tropical Timber Agreement of 1983 (ITTA, 1983) to bring together governments to jointly consider issues facing the tropical forest sector and related international trade, including the crucial importance of the tropical forest resource base. Following the expiration of the 1983 Agreement, ITTO continued operations under a successor agreement, the ITTA, 1994. Today, ITTO operates under the ITTA, 2006.

9. ITTO is the only intergovernmental organization focused exclusively on the sustainable management of tropical forests and the sustainable and legal trade in tropical timber and timber products. The Organization's 74 Members include "producer" countries and "consumer" countries (see [Annex 2](#)). As such, ITTO provides a unique forum and framework for negotiation, consultation, international cooperation and policy development with regard to all relevant aspects of the world timber economy and for promoting non-discriminatory timber trade practices.

¹⁰ Source: rainforests.mongabay.com (14 August 2020)

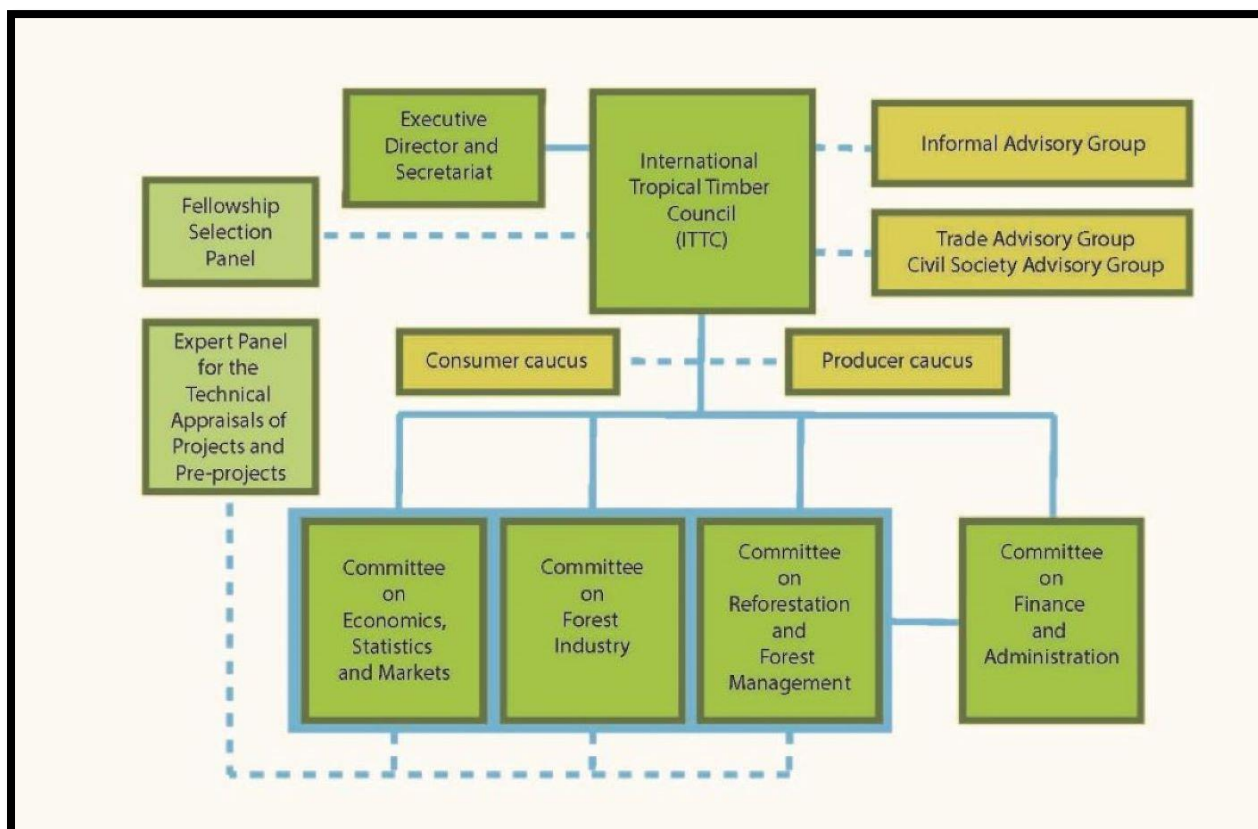
¹¹ Source: The Global Forest Goals Report 2021; UN Secretary General remarks, International Day of Forests 2021

¹² Source: FRA 2020

ITTO provides a unique framework for consultation, international cooperation and policy development among its 74 Members which represent 80% of the world's tropical forests and 90% of the global trade in tropical timber and timber products

10. ITTO is governed by the International Tropical Timber Council (ITTC) which is open to all Members and meets annually in Yokohama or a Member country. The Council is supported by four subsidiary standing committees, a highly experienced and professionally diverse Secretariat, and a number of advisory groups and expert panels (see [Box 5](#)).

Box 5: ITTO organizational chart



11. ITTO undertakes policy and project work in an integrated manner. Policy work contributes to achieving ITTO’s objectives for Members broadly, while projects contribute to advancing ITTO’s objectives in beneficiary countries. ITTO’s work is largely supported by voluntary contributions from donor Members.¹³

12. ITTO pioneered the concept of “sustainable forest management” in the early 1990’s and has been a leader in the development and application of “criteria and indicators for sustainable forest management”. The Organization has also formulated a comprehensive set of internationally agreed guidelines to support the sustainable management of natural tropical forests, from forest landscape restoration to conservation of biodiversity in production forests.

¹³ Current ITTO donors include Japan, EU, USA, Germany, Republic of Korea, China, Netherlands and Sweden.

13. Since it became operational in 1987, ITTO has funded over 1200 projects, pre-projects and activities valued at more than US\$ 430 million. The majority of these have been field projects which aim to operationalize ITTO's policies and guidelines and build capacity in tropical Member countries. Many projects have provided multiple benefits, including contributing to climate change mitigation, conservation of biodiversity and ecosystem services, disaster risk reduction and other global challenges.

Since ITTO became operational in 1987, the Organization has funded over 1200 projects, pre-projects and activities valued at more than US\$ 430 million

14. The ITTO Fellowship Programme has been promoting human resource development in Member countries since 1989. As of 2020, fellowships totaling US\$8 million have enabled more than 1400 young and mid-career men and women from 50 countries to strengthen their professional expertise in tropical forestry and related disciplines and bring improved skills to bear on government, academia, the private sector and civil society.

15. Through its bi-monthly Market Information Service, quarterly Tropical Forest Updates and annual market discussions, ITTO is the foremost source of real-time information, statistics and trends related to the world tropical timber economy and the tropical forest resource base. ITTO's biennial review and assessment of the world timber situation compiles the most up-to-date and reliable international statistics available on global production of and trade in timber, with a focus on the tropics.

➤ ***C. ITTO partnerships leverage sustainable benefits***

16. ITTO works in close collaboration and partnership with a wide variety of intergovernmental, non-governmental and private sector organizations at national, regional and global levels to advance its objectives and leverage synergies across sectors:

- ITTO is uniquely supported by the open-ended Trade Advisory Group (TAG) and Civil Society Advisory Group (CSAG) which are actively involved in providing advice and recommendations, including on the development of the SAP 2022-2026, based on their special expertise and perspectives:
 - TAG's contributions focus on market access and supply and demand issues. TAG also organizes ITTO's annual market discussions on tropical timber trade issues of interest to ITTO Members.
 - CSAG's contributions focus on conservation, local and indigenous communities, and improving the livelihoods of women, including through their involvement in the implementation of ITTO funded projects.

- ITTO is a core member of the Collaborative Partnership on Forests (CPF) created in 2001 to support the new United Nations Forum on Forests (UNFF)¹⁴ and chaired by the Food and Agriculture Organization of the United Nations (FAO). Today, the Partnership includes representatives of 15 international organizations committed to enhancing coherence and synergies among its members to reduce deforestation and promote sustainable forest management.¹⁵
- ITTO and FAO co-lead the CPF Joint Initiative on “Sustainable Wood for a Sustainable World” (SW4SW)¹⁶ which aims to strengthen sustainable wood value chains, enhance their social, economic and environmental benefits from production to consumption, and increase the supply of low carbon products for a climate resilient planet.
- ITTO and CITES are long-term partners and collaborators through the ITTO-CITES Programme which helps ensure that international trade in CITES-listed timber species is consistent with their sustainable management and conservation.
- The long-standing ITTO-CBD Collaborative Initiative on Tropical Forest Biodiversity, renewed through 2025, aims to enhance the conservation and sustainable use of biodiversity in tropical forests and address the main drivers of biodiversity loss from deforestation and forest degradation.
- ITTO and the World Conservation Union (IUCN) teamed up to develop the ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Timber Production Forests.¹⁷
- Every year, ITTO partners with Eurostat, FAO and the United Nations Economic Commission for Europe (UNECE) to collect the latest information on global timber production and trade through the Joint Forest Sector Questionnaire. Annual updates are posted on the ITTO website.
- ITTO is in discussions with the Global Environment Facility (GEF) Secretariat on how ITTO can help advance the GEF Sustainable Forest Management Impact Program and the tropical deforestation component of the GEF Food Systems, Land Use and Restoration Impact Program under the GEF-8 replenishment 2022-2026.¹⁸
- ITTO has co-sponsored a number of collaborative activities with regional organizations and processes, including the Amazon Cooperation Treaty Organization (ACTO), the Congo Basin Forest Partnership (CBFP), the Asia-Pacific Network for Sustainable Forest Management and Rehabilitation (APFNet) and FOREST EUROPE.

¹⁴ The UN Forum on Forests (UNFF) was established by the UN General Assembly in 2000 as a subsidiary body of the UN Economic and Social Council: <https://www.un.org/esa/forests/index.html>

¹⁵ <http://www.cpfweb.org/en/>

¹⁶ <http://www.fao.org/forestry/sustainable-wood/en/>

¹⁷ https://www.itto.int/direct/topics/topics_pdf_download/topics_id=1918&no=0&disp=inline

¹⁸ The GEF-8 replenishment will be decided in early 2022 for the period July 2022 to June 2026.

II. Trends and challenges in the tropical forest sector

➤ A. Threats to forests continue

17. Despite the importance of forests to people, deforestation and forest degradation continue at alarming rates. From 2015 to 2020, the world lost an estimated 10 million hectares of forest a year (an area the size of the Republic of Korea). This represents only a small reduction from the 12 million hectares lost each year from 2010 to 2015.¹⁹ Most of this deforestation and degradation has been in the tropics and reflects a variety of underlying causes:

- Major drivers of tropical deforestation continue to be increasing development and policies that favor competing land uses which produce higher and more rapid financial returns: Agriculture, energy, mining, transportation. Global subsidies for agricultural commodities (beef, oil palm, soy beans, etc.) are estimated at US\$200 billion per year and are responsible for at least half of forest loss since 2001²⁰.
- Forest conversion to agricultural plantations and other land uses is facilitated by the failure of the market place, public policies and national accounting systems to reflect the full value of forest ecosystem services (soil, water, carbon, biodiversity) and other non-market benefits (spiritual, cultural, pollination, insurance against future risk). The significant contribution of the informal forest economy to local livelihoods in many countries is also largely unaccounted for.
- Natural tropical forests remain under threat from unsustainable and illegal logging, fuelwood collection, fragmentation and disturbances from insects, disease, severe weather events and wildfires, all of which impact forest health and vitality. In 2015 alone, about 98 million hectares of forest were affected by fire, mainly in Africa and South America where some 4 percent of total forest area was burned.²¹
- The escalating impacts of climate change and the global biodiversity crisis where one million species are at risk of extinction²² also have serious long-term implications for tropical forest ecosystems and related trade in timber and other forest products.
- While forest-based enterprises and international trade add value to tropical forests and can contribute significantly to building sustainable economies and livelihoods, ITTO data shows that the share of tropical wood in major import markets has been affected by negative environmental images of tropical wood and substitution of tropical timber by home-grown wood and non-renewable materials (plastics, non-wood laminates, concrete, metals), which tend to be exacerbated during periods of exceptional market volatility and uncertainty. Such trends indicate that some consumer markets often overlook the significant benefits of tropical timber as a renewable, environmentally friendly resource, especially during recessions.

¹⁹ Source: FRA 2020

²⁰ <http://www.cpfweb.org/47013-0cdceb8e3687f9ec4f5ae61576d77a9d8.pdf>

²¹ Source: FRA 2020

²² Source: IPBES Global Assessment Report 2019

- With world population projected to reach 9.6 billion by 2050, the need to feed people will accelerate and competition for land will intensify, further threatening the vital goods and services natural tropical forests provide when sustainably managed.
- Rapid population growth, as well as rising per capita income, are also accelerating global demand for forest products and putting pressure on natural forests. The role of fast-growing plantations in meeting future demand for fiber (paper, paperboard, cardboard, etc.) will be increasingly important.

B. Covid-19 impacts and outlook for recovery

18. The rapid onset of the COVID-19 pandemic in early 2020 and related global economic contractions and government lock-down measures have exacerbated these trends, devastating the tropical forest sector, economically, socially and environmentally, in many countries:

- Factory and mill closures, sharply reduced sales, falling prices, shipping disruptions/freight rate spikes, disrupted supply chains and suspended capital investments led to severe unemployment and the collapse of small and medium forest enterprises.
- Significant migration from cities to rural forest areas put increased pressure on forest resources as people sought to escape the pandemic and find alternative means of subsistence (food, fuel, shelter).
- Increased incidents of illegal logging, wildlife poaching and slash-and-burn farming and incursions into protected forests and indigenous forest lands often went unchecked due to reduced government presence and decreased monitoring and law enforcement.²³

19. Recovery from the disruptions and impacts of the unprecedented COVID-19 pandemic can be expected to preoccupy many sectors of the global economy for the next few years, including the forest sector:

- The emergence of COVID variants in many countries is leading to new lockdowns, delaying renewed economic activity in the forest sector and prolonging impacts on forest-dependent communities and populations as well as forest health.
- As restrictions on the movement of goods and people are eased, tropical forests could be more at risk than ever. Domestic economic stimulus initiatives to accelerate recovery are in some cases rolling back or weakening enforcement of forest laws and regulations in favor of agricultural commodities, industrial agriculture plantations and mining.²⁴

²³ UNFF Expert Group Meeting (January 2021) <https://www.un.org/esa/forests/wp-content/uploads/2020/12/CoChairs-Summary-EGM-covid19-impact-280121.pdf>

²⁴ UNFF Expert Group Meeting (January 2021)

- ITTO modelling suggests global timber production could reach pre-crisis levels by 2026.²⁵ The outlook for tropical timber production is less clear and may vary significantly from region to region and country to country depending on national circumstances and the structure of the tropical timber economy.
- In the post-COVID era, tropical wood producers/processors may rely more on domestic markets to stay in business, which could fundamentally change supply and value chains and also accelerate deforestation and forest degradation.
- While always important, the value of timely information on tropical timber markets is increasingly critical as disruptions in market conditions and supply chains continue due to the pandemic. Market participants (producers and consumers) acknowledge relying more than ever on ITTO's market information services to understand and address ongoing COVID-related market volatility.
- While the extent of COVID impacts in the medium and long-term remain unclear, the way forward will depend on national, regional and international initiatives and investments that recognize the economic, social and environmental contributions of tropical forests and forest-based enterprises to COVID recovery.

A resilient recovery from the COVID-19 pandemic, along with responses to the climate and biodiversity crises, must be rooted in the world's forests.

The Global Forest Goals Report 2021

III. ITTO Strategic Priorities, Cross-Cutting Strategies, Targets

20. ITTO's work over the next five years will be guided by 4 "Strategic Priorities" (SPs), 4 "Crosscutting Strategies" (CSs) and 38 associated targets to be accomplished or achieved by 2026 in order to advance ITTO's twin objectives, taking into account relevant global forest-related trends.

21. Table 1 sets out ITTO's SPs and CSs and indicates their relevance to the ITTA, 2006, the Global Forest Goals and the Sustainable Development Goals. Tables 2 and 3 set out the targets to be achieved for each SP and CS. These targets constitute ITTO's expected outputs by 2026. Given the integrated nature of ITTO's objectives, synergies exist between and across ITTO's five-year SPs and CSs, as well as among targets. A given target may contribute to more than one SP and/or CS.

²⁵ https://www.itto.int/news/2020/11/05/itto_modelling_examines_recovery_timeframe_in_tropical_timber_sector/

Table 1: ITTO's Strategic Priorities and Crosscutting Strategies 2022-2026

ITTO Strategic Priorities (SPs)	Relevance to	
	ITTA, 2006	GFGs, SDGs
1. Promote good governance and policy frameworks to enhance financing and investment in sustainable tropical forest management, legal and sustainable forest product supply chains and related trade.	Article 1.a 1.c 1.i 1.k 1.n	GFG1 3 4 5 SDG13 15 16 17
2. Increase the contribution of the tropical forest sector to national and local economies and resilient livelihoods, including through further processing and trade in tropical timber and other forest products and services.	Article 1.a 1.c 1.i 1.k	GFG 2 SDG 8 15
3. Reduce tropical deforestation and forest degradation, enhance forest landscape restoration and the resilience of forest ecosystems to climate change, and conserve forest biodiversity and ecosystem services.	Article 1.a 1.c 1.i 1.j 1.k 1.m 1.q	GFG 1 2 3 5 6 SDG 13 15
4. Improve the quality, availability and timeliness of information on tropical forest product markets, supply chains and international trade, including challenges and opportunities related to market access, expansion and diversification.	Article 1.a 1.b 1.c 1.e 1.h 1.k 1.l 1.o, Articles 27-28	GFG 4 6 SDG 15
ITTO Crosscutting Strategies (CSs)		
1. Help build capacity in Member countries to advance the SAP 2022-2026	Article 1.a 1.c 1.d 1.g 1.q 1.r	SDG4 15
2. Enhance ITTO operational effectiveness	All articles	GFG 6 SDG 15
3. Promote integration of the tropical forest sector in COVID-19 recovery plans, measures and investments	Article 1.a 1.c 1.s	GFG 5
4. Promote gender equality and the empowerment of women	Article 1.a 1.c	SDG 5 15

Table 2 – Targets to be achieved by 2026 by Strategic Priority

SP	Targets
SP1: Governance investment	<ul style="list-style-type: none"> • Develop a strategy/roadmap for meeting GEF and GCF requirements for accreditation as a partner agency and in the interim pursue effective participation in GEF and GCF multi-stakeholder engagement arrangements • Leverage financing through enhanced international partnerships and synergies • Develop and promote tools to monitor/increase transparency/traceability in supply chains • Promote ITTO's leadership as a platform for dialogue and cooperation on legal and sustainable supply (LSSC) chains • Promote actions to combat illegal trade in tropical timber species and reinforce collaboration with CITES to this end • Explore opportunities/constraints to investment in tropical timber processing industries and technologies
SP2: Economies and tropical timber trade	<ul style="list-style-type: none"> • Analyze the effects of domestic wood production and trade in producer countries on sustainable forest management (SFM) and promote sustainable domestic wood production and supply chains • Establish an ITTO working group to include the Trade Advisory Group and Civil Society Advisory Group to look at market/trade issues, resiliency in the tropical timber business, and ways to build global demand for sustainably produced/supplied tropical timber • Develop and promote indigenous and local community forest management and business models for small and medium enterprises, including legal and sustainable value chains • Explore opportunities for sustainable value creation in producer countries • Assess the role of tropical plantations and agroforestry systems in local and national economies and opportunities to rehabilitate degraded land for these uses
SP3: Deforestation Restoration Biodiversity Ecosystem services	<ul style="list-style-type: none"> • Articulate/promote ITTO's role in reducing tropical deforestation and forest degradation and contributing to climate change mitigation/adaptation and forest landscape restoration • Promote positive interactions between forest, agriculture and other sectors to reduce illegal deforestation, including through land use policies and landscape planning • Analyze and promote approaches to managing forest landscape in an integrated manner in the context of a changing climate • Seek to establish an MOU with UNFCCC to promote collaboration/synergies, including on forest restoration and integration of SFM in climate mitigation/ adaptation strategies • Refine the MOU with CBD as needed to reflect the Post-2020 Global Biodiversity Framework • Extend/renew the MOU with UNCCD through 2026 • Promote use of ITTO Guidelines for Forest Landscape Restoration in the Tropics (2020) and update as needed ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Production Forests (2009)
SP4: Statistics Information	<ul style="list-style-type: none"> • Make strategic use of ITTO's market/trade databases to inform and support LSSC discussions in international fora and within the Collaborative Partnership on Forests • Prepare an updated SFM Tropics report based on ITTO's Criteria & Indicators for SFM • Upgrade ITTO databases on projects and activities, taking into account the database being developed as part of piloting a streamlined project cycle

Table 3 – Targets to be achieved by 2026 by Crosscutting Strategy (CS)

CS	Targets
<p>CS1: Capacity building in Member countries</p>	<ul style="list-style-type: none"> • Upscale best practices, tools, scientific/research applications and innovation • Enhance training, education and extension, including through the ITTO Fellowship Programme, regional/subregional workshops, and development and dissemination of targeted materials and packages • Finalize and operationalize an ITTO knowledge management strategy and guidelines • Support initiatives to promote cross-sectoral coordination at national and local levels
<p>CS2: ITTO's operational effectiveness</p>	<ul style="list-style-type: none"> • Adopt and operationalize a new ITTO financial architecture to include an ITTO resource mobilization strategy and streamlined ITTO project cycle focused on PLs based on the results of the pilot phase • Revise/update ITTO's project-related manuals as needed to reflect the new project cycle • Adopt and implement a communication and outreach strategy highlighting ITTO's contributions to global forest-related goals/commitments • Enhance partnerships with the Trade Advisory Group and Civil Society Advisory Group, including Indigenous Peoples and local communities, as well as with relevant international organizations • Enhance the effectiveness and sustainability of the Administrative Account in supporting core activities and operations
<p>CS3: Integration of the tropical forest sector in COVID-19 recovery</p>	<ul style="list-style-type: none"> • Building on existing reporting, assess economic, social and environmental impacts of COVID on the tropical forest sector and related trade • Identify post-COVID recovery challenges and opportunities, including through annual market discussions and biennial reviews of world timber situation • Promote post-COVID recovery investments in tropical forest-based enterprises and sustainable and resilient supply chains • Promote mechanisms that highlight the contribution of SFM, LSSC and trade to post-COVID employment and economic reactivation • Work with the Collaborative Partnership on Forests to identify links between tropical forests and reducing risk of future pandemics • Widely publicize and disseminate findings and reports on the above to highlight ITTO's role in assisting post-pandemic recovery
<p>CS4: Gender equality and empowerment of women</p>	<ul style="list-style-type: none"> • Enhance/accelerate application and operationalization of ITTO's Policy Guidelines on Gender Equality and Empowering Women, including in the context of ITTO's data collection and statistical processes and the new streamlined project cycle now being piloted • Conduct a study on the role of women in the tropical forest sector, including primary forest industries, and the impacts of gender gaps on women's resilience in the sector to climate change challenges

IV. Implementation framework

22. The SAP 2022-2026 will be implemented through policy activities financed under ITTO's Biennial Work Programmes (BWPs) and through projects financed under the ITTO project cycle, as well as through actions by Members, partners and stakeholders at national, regional and international levels. Policy activities and projects will be supported primarily by voluntary contributions earmarked by donor Members and will be undertaken in an integrated manner consistent with Article 24.1 of the ITTA, 2006.

23. The outlook for voluntary contributions to implement the SAP 2022-2026 is not clear at this time. ITTO is currently piloting a new financial architecture to be decided in 2022/2023 with a view to attracting additional resources to the Organization. COVID-19 continues to reverberate throughout the tropical forest sector, impacting forest-based enterprises, international trade and the tropical forest resource base. While the availability of effective vaccines is promising, the emergence of highly transmissible virus variants is delaying COVID recovery efforts worldwide.

24. In this context, the Council should, within one year of adoption of the SAP 2022-2026, establish "an indicative five-year resource mobilization goal" for voluntary contributions to implement the targets in Tables 2 and 3. The indicative five-year goal should be based on and reflect estimated costs to carry out the targets, and also take into account discussions on a new resource mobilization strategy as referred to in Table 3 CS2. ITTO Members in a position to do so are urged to provide voluntary contributions to support the five-year goal.

25. All ITTO Members are urged to pay their annual assessed contributions and any arrears to the ITTO Administrative Account, which supports the Secretariat and other core operational activities.²⁶

➤ A. SAP Implementation through ITTO's Biennial Work Programmes

26. ITTO's Biennial Work Programmes (BWPs) are approved by Council and focus on policy-relevant activities that benefit Members broadly. These activities are typically carried out or facilitated by the Secretariat. Consistent with Article 24.3 of the ITTA, 2006, the targets in Tables 2 and 3 constitute priority activities for the next five years. These activities will be implemented primarily through the BWP 2023-2024 and BWP 2025-2026 to be adopted by Council in 2022 and 2024, respectively. Initial priority activities will be integrated into the BWP 2021-2022 based on available funding.

27. These BWPs will describe the target activities, including the implementation approach, cost estimates and other details as appropriate. Some activities may be implemented in phases or include more than one element.

²⁶ Consistent with Article 19 of the ITTA, 2006, ITTO Members pay an annual assessed contribution to the Administrative Account which covers Secretariat costs and other core operations. Secretariat costs are shared equally by producer members (50%) and consumer members (50%). Core operational costs are covered 80% by consumers and 20% by producers.

28. Target activities contained in the BWPs are expected to be financed primarily from voluntary contributions earmarked by donor Members, though this does not preclude other forms of voluntary financing. Some operational targets, such as those related to communication and outreach and the preparation and publication of studies, statistics, guidelines and manuals, may be funded through ITTO's core budget.

29. Council may include other activities in the BWPs that directly contribute to the SPs/CSs and complement the target activities, assuming additional funding is available. The relevance of such additional activities to the SPs, CSs and targets will be made clear in the BWP. Council may also add activities to the BWPs as needed to respond to new and emerging issues.

➤ **B. SAP Implementation through ITTO's project financing/project cycle**

30. Article 20 of the ITTA, 2006 establishes the Project Sub-Account to facilitate "earmarked" voluntary contributions for the financing of approved projects and activities. Consistent with Article 25.1 of the ITTA, 2006, ITTO Members and the Executive Director may submit project proposals to the Organization for financing consideration through the ITTO project cycle.

31. Following the completion of a multi-year pilot phase²⁷, Council is expected to adopt a streamlined project cycle focused on "programme lines" as part of ITTO's new financial architecture. The following four programme lines are the focus of the pilot phase:

1. Legal and sustainable supply chains for tropical forest products
2. Conservation of tropical forest biodiversity and ecosystem services
3. Tropical forest landscape restoration and resilient livelihoods
4. Emerging issues and innovation

32. The pilot phase includes the development of "project concept notes" to bring forward project ideas related to one or more programme lines for potential donor funding prior to the development of full project proposals. A proposal's relevance to Article 1 of the ITTA, 2006 (see [Annex 1](#)), the GFGs and SDGs is also indicated. Following adoption of the SAP 2022-2026, concept notes will indicate the proposal's contribution to the SPs and CSs set out in [Table 1](#). Project proposals submitted after adoption of ITTO's new financial architecture will be subject to the new project cycle process and procedures.

33. Consistent with ITTO's Policy Guidelines on Gender Equality and Empowering Women (Section V.2),²⁸ the new project cycle will integrate and mainstream gender issues, which will be addressed in all phases of the project cycle, from project concept notes to project formulation, implementation, monitoring, review and evaluation.

²⁷ **Note to Council:** *The Advisory Board may recommend to Council that the pilot phase be extended for one year from 2022 to 2023.*

²⁸ https://www.itto.int/direct/topics/topics_pdf_download/topics_id=6107&no=1&disp=inline

34. Consistent with ITTO's Environmental and Social Management Guidelines,²⁹ concept notes for field projects will include an initial "Environment and Social Screening" to provide a preliminary assessment of the proposal's potential risks and impacts (negative and positive). A completed Environment and Social checklist questionnaire will be attached to the project concept note.

35. Article 20 of the ITTA, 2006 establishes the Thematic Programmes (TP) Sub-Account to facilitate "unearmarked" voluntary contributions for approved projects and activities. Five ITTO TPs were established in 2009 and attracted nearly US\$22 million in unearmarked project funding, including from non-traditional ITTO donors. However, recent years have seen a trend away from unearmarked voluntary contributions to international organizations. While Council should be receptive to unearmarked financing in support of the SAP 2022-2026, the focus should be on attracting funds for specific projects aligned with the programme lines from all available sources.

➤ ***C. SAP implementation through actions by Members, partners and stakeholders***

36. ITTO Members, partners and stakeholders have an important role to play, individually and collectively, in contributing to the implementation of the SAP 2022-2026.

37. Annual Council sessions will include an agenda item inviting Members to share the steps they have taken to contribute to the SAP's SPs and CSs. Such steps may include national and local policies and actions, as well as measures taken bilaterally, regionally and internationally.

38. ITTO partners, including the Trade Advisory Group (TAG), Civil Society Advisory Group (CSAG) and international and regional partners, will also be invited to share their contributions to SAP implementation at annual Council sessions. The Executive Director will facilitate the participation of TAG and CSAG, including Indigenous Peoples and local communities, in Council sessions for this purpose.

39. All reports and updates provided by Members and partners on their efforts to contribute to the SPs and CSs will be made publicly available on the ITTO website.

40. As a member of the Collaborative Partnership on Forests, the Executive Director will promote joint initiatives that advance the SPs and CSs of mutual interest to other members.

41. As members of the governing bodies of CPF member organizations, other forest-related international organizations and regional organizations and processes, ITTO Members are encouraged to promote the SPs and CSs through such organizations and processes, consistent with their mandates and priorities. ITTO focal points are also encouraged to coordinate closely in capitals with focal points for other CPF member organizations, including the Global Environment Facility, the UN Forum on Forest and the Rio Conventions.

²⁹ https://www.itto.int/direct/topics/topics_pdf_download/topics_id=6436&no=1&disp=inline

V. Monitoring and review

➤ A. Monitoring and reporting

42. The Executive Director will report annually to Council on progress in implementing the SAP 2022-2026, including financing, accomplishments and challenges. The Executive Director may also report intersessionally as requested by Council or as needed to keep Members apprised of developments.

43. Project executing agencies will report to the Secretariat biannually on the status of projects financed through ITTO. The Secretariat will continue to report annually to the relevant Committee on new project financing, projects in progress and completed projects. The report on completed projects will include an evaluation of project effectiveness in meeting its objectives.

44. Based on progress reports by the Executive Director and Committees, the Council may take action as it deems necessary to facilitate and enhance SAP implementation.

➤ B. Review

45. The Council will review and assess the effectiveness of the SAP in 2026. The review should assess to what extent the targets in Section III have been met or accomplished and take into account global and regional trends in the value and volume of traded tropical timber products over the life of the SAP. The Council should decide on review parameters/indicators as soon as possible following adoption of ITTO's new financial architecture. The Council may undertake a mid-term review in 2024 as it deems necessary.

46. Following its review and assessment in 2026, Council may decide to extend the SAP 2022-2026 through 2029 if it decides on a three-year final extension of the ITTA, 2006 to December 2029, with refinements or amendments to the SAP as needed.

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Annex 1
Text of Article 1 of the ITTA, 2006

Article 1: Objectives

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

- a. Providing an effective framework for consultation, international cooperation and policy development among all members with regard to all relevant aspects of the world timber economy;
- b. Providing a forum for consultation to promote non-discriminatory timber trade practices;
- c. Contributing to sustainable development and to poverty alleviation;
- d. Enhancing the capacity of members to implement strategies for achieving exports of tropical timber and timber products from sustainably managed sources;
- e. Promoting improved understanding of the structural conditions in international markets, including long-term trends in consumption and production, factors affecting market access, consumer preferences and prices, and conditions leading to prices which reflect the costs of sustainable forest management;
- f. Promoting and supporting research and development with a view to improving forest management and efficiency of wood utilization and the competitiveness of wood products relative to other materials, as well as increasing the capacity to conserve and enhance other forest values in timber producing tropical forests;
- g. Developing and contributing towards mechanisms for the provision of new and additional financial resources with a view to promoting the adequacy and predictability of funding and expertise needed to enhance the capacity of producer members to attain the objectives of this Agreement;
- h. Improving market intelligence and encouraging information sharing on the international timber market with a view to ensuring greater transparency and better information on markets and market trends, including the gathering, compilation and dissemination of trade related data, including data related to species being traded;
- i. Promoting increased and further processing of tropical timber from sustainable sources in producer member countries, with a view to promoting their industrialization and thereby increasing their employment opportunities and export earnings;

- j. Encouraging members to support and develop tropical timber reforestation, as well as rehabilitation and restoration of degraded forest land, with due regard for the interests of local communities dependent on forest resources;
- k. Improving marketing and distribution of tropical timber and timber product exports from sustainably managed and legally harvested sources and which are legally traded, including promoting consumer awareness;
- l. Strengthening the capacity of members for the collection, processing and dissemination of statistics on their trade in timber and information on the sustainable management of their tropical forests;
- m. Encouraging members to develop national policies aimed at sustainable utilization and conservation of timber producing forests, and maintaining ecological balance, in the context of the tropical timber trade;
- n. Strengthening the capacity of members to improve forest law enforcement and governance, and address illegal logging and related trade in tropical timber;
- o. Encouraging information sharing for a better understanding of voluntary mechanisms such as, inter alia, certification, to promote sustainable management of tropical forests, and assisting members with their efforts in this area;
- p. Promoting access to, and transfer of, technologies and technical cooperation to implement the objectives of this Agreement, including on concessional and preferential terms and conditions, as mutually agreed;
- q. Promoting better understanding of the contribution of non-timber forest products and environmental services to the sustainable management of tropical forests with the aim of enhancing the capacity of members to develop strategies to strengthen such contributions in the context of sustainable forest management, and cooperating with relevant institutions and processes to this end;
- r. Encouraging members to recognize the role of forest-dependent indigenous and local communities in achieving sustainable forest management and develop strategies to enhance the capacity of these communities to sustainably manage tropical timber producing forests; and
- s. Identifying and addressing relevant new and emerging issues.

Annex 2
List of ITTO Members

Producer members (36):

Africa (13)	Asia-Pacific (10)	Latin America (13)
Benin Cameroon Central African Republic Congo Côte d'Ivoire Democratic Republic of the Congo Gabon Ghana Liberia Madagascar Mali Mozambique Togo	Cambodia Fiji India Indonesia Malaysia Myanmar Papua New Guinea Philippines Thailand Vietnam	Brazil Colombia Costa Rica Ecuador Guatemala Guyana Honduras Mexico Panama Peru Suriname Trinidad and Tobago Venezuela (Bolivarian Republic of)

Consumer Members (38):

Albania Australia China Japan New Zealand Norway Republic of Korea Switzerland United Kingdom United States of America	European Union ³⁰ and its 27 member states Austria Belgium Bulgaria Croatia Cyprus Czech Republic Denmark Estonia Finland	France Germany Greece Hungary Ireland Italy Latvia Lithuania Luxembourg	Malta Netherlands Poland Portugal Slovakia Slovenia Spain Sweden
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³⁰ The EU is an ITTO member in its own right.