



**INTERNATIONAL TROPICAL  
TIMBER COUNCIL**

Distr.  
GENERAL

ITTC(LVII)/Info.8  
29 October 2021

Original: ENGLISH

---

FIFTY-SEVENTH SESSION  
29 November - 3 December 2021  
VIRTUAL SESSION

## **Background Paper**

# **Development of the ITTO Strategic Action Plan 2022-2026**

**Prepared for the ITTO Secretariat by  
Stephanie J. Caswell  
and  
Jorge Malleux**



## Table of Contents

	Page
<b>List of Acronyms</b>	<b>iii</b>
<b>I. Introduction</b>	<b>1</b>
<b>II. Assessment of implementation of SAP 2013-2018 (extended through 2021)</b>	<b>1</b>
A. Background and funding overview	2
B. SAP implementation through BWP activities	4
C. SAP implementation through Thematic Programmes	8
D. SAP implementation through projects/pre-projects	10
E. ITTO Internal controls and new financial architecture.	16
F. Overview: Global trends in tropical forest sector and COVID-19 impacts	19
<b>III. Responses to the ITTO survey circulated 20 April 2020</b>	<b>20</b>
A. Responses to survey Questions 1-3 on SAP 2013-2018	21
B. Responses to survey Questions 4-10 on SAP 2022-2026	26
<b>IV. Proposed framework for SAP 2022-2026</b>	<b>34</b>
<b>Boxes</b>	
1. Six Strategic Priorities set out in the SAP 2013-2018	2
2. Summary of proposals contained in survey responses to Question 10	31
3. Three conceptual options for approaching the SPs in the SAP 2022-2026	37
4. Potential SP targets by 2026 for SP conceptual options 1 and 2	40
5. Potential crosscutting targets by 2026 for SP conceptual options 1 and 2	41
6. Potential targets by 2026 for conceptual option 3	42
<b>Tables</b>	
1. Fund mobilization targets for voluntary contributions to SPs in SAP 2013-2020	3
2. Total voluntary contributions 2013-2020 by year	3
3. Total voluntary contributions 2013-2020 by donor	4
4. BWP 2013-2014 Activities funded and unfunded	5
5. BWP 2015-2017 Activities funded and unfunded	6
6. BWP 2018-2020 Activities funded and unfunded	7
7. Summary of BWP funding 2013-2020	8
8. Procedures for pilot operation of Thematic Programmes	9
9. Total pledges to Thematic Programmes 2009-2014	10
10. Overview of ITTO projects/pre-projects 1987-2020	12
11. ITTO funded projects/pre-projects by committee and region 1987-2020	13
12. Budget allocation to category one proposals commended to Committees	13
13. Status of approved projects 2013-2020	14
14. SP references in Chapter 1.2.1 of PDs approved 2013-2020	14
15. Budget allocation for funded projects by main SP 2013-2020	14
16. Funded projects by region and country 2013-2020	15
17. Projects funded projects by year 2013-2020	17
18. Summary of survey responses to Questions 1-3 on SAP 2013-2018	23
19. Numeric summary of producer responses to Questions 1-3 on SAP 2013-2018	24

20. Summary of survey responses to Questions 4-9 on SAP 2022-2026	. . .	27
21. Producer ratings on three most important SPs for 2022-2026 (Q5)	. . .	28
22. Numeric summary of producer responses on targets to be accomplished (Q9)	. . .	30

## Figures

1. Budget allocation for funded projects by main SP 2013-2020	. . .	15
2. Budget allocation for funded projects by country 2013-2020	. . .	15
3. Budget allocation for funded projects by region 2013-2020	. . .	16
4. Producer ratings on usefulness of SAP 2013-2018 (Q1)	. . .	24
5. Geographic distribution of producer ratings on usefulness of SAP 2013-2018 (Q1)	. . .	25
6. Producer ratings on how well SPs were implemented (Q3)	. . .	25
7. Averages of producer ratings on how well SPs were implemented (Q3)	. . .	25
8. Producer ratings on three most important SPs for 2022-2026 (Q5)	. . .	28
9. Averages of producer ratings on targets to be accomplished (Q9)	. . .	30

## Annexes

1. Survey circulated 20 April 2021	. . . . .	45
2. Council Decisions on internal controls and new financial architecture	. . . . .	47
3. Compilation of responses to survey Questions 1-3 on SAP 2013-2018	. . . . .	50
4. Compilation of responses to survey Questions 4-10 on SAP 2022-2026	. . . . .	54

### List of Acronyms

AB	Advisory Board	OIC	Officer in Charge
AHWG	Ad hoc Working Group	PD	Project Document
BWP	Biennial Work Programme	PL	Programmatic Line
C&I	Criteria and Indicators	PPD	Pre-Project Document
CBD	Convention on Biological Diversity	REDD	Reducing Emissions from in Deforestation and Forest Degradation in Developing Countries
CFA	Committee on Finance and Administration	REDDES	Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests
CFME	Community Forest Management and Enterprises	RIL	Reduced impact logging
CIFOR	Center for International Forestry Research	SAP	Strategic Action Plan
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora	SDG	Sustainable Development Goal
CN	Concept Note	SFM	Sustainable forest management
CPF	Collaborative Partnership on Forests	SME	Small and medium forest enterprises
CSAG	Civil Society Advisory Group	SP	Strategic Priority
ED	Executive Director	TAG	Trade Advisory Group
EU	European Union	TFLET	Forest Law Enforcement, Governance and Trade
FAO	Food and Agriculture Organization of the United Nations	TFU	Tropical Forest Update
GCF	Green Climate Fund	TMT	Trade and Market Transparency
GEF	Global Environment Facility	TP	Thematic Programme
GFG	Global Forest Goal	TPAC	Thematic Programme Advisory Committee
IAG	Informal Advisory Group	TPD	Thematic Programme Document
IDE	Industry Development and Efficiency	TPP	Thematic Programme Profile
IMM	Independent Market Monitoring	UN	United Nations
IPLCs	Indigenous People and local communities	UNCCD	UN Convention to Combat Desertification
ITTA	International Tropical Timber Agreement	UNFCCC	UN Framework Convention on Climate Change
ITTC	International Tropical Timber Council	UNFF	UN Forum on Forests
ITTO	International Tropical Timber Organization	UNSPF	UN Strategic Plan for Forests
LSSC	Legal & Sustainable Supply Chains	VC	Voluntary contribution
LUTS	Lesser used timber species	WCO	World Customs Organization
MIS	Market Information System	WWF	World Wildlife Fund
MOU	Memorandum of Understanding		
ODA	Overseas Development Assistance		

## I. Introduction

1. At its 56<sup>th</sup> session, the International Tropical Timber Council (ITTC) requested the Executive Director (ED) in Decision 2(LVI) to implement Activity 10 of the 2021-2022 Biennial Work Programme (BWP) on developing a new ITTO strategic action plan (SAP) for consideration and approval by Council at ITTC 57 in 2021. On 20 April 2021, the Officer in Charge (OIC) circulated a survey to gather initial views on the new SAP 2022-2026<sup>1</sup> (see [Annex 1](#)). This Background Paper has been prepared by the consultants in close consultation with the ITTO Secretariat as a follow up to the survey. The Background Paper is organized as follows:

- Chapter II assesses implementation of the SAP 2013-2018 through the BWPs, Thematic Programmes (TPs) and projects/pre-projects, highlights ITTO measures to strengthen internal controls and develop a new financial architecture, and provides an overview of global trends in the tropical forest sector and COVID-19 impacts.
- Chapter III analyzes responses to the survey circulated on 20 April 2021 on the usefulness of the SAP 2013-2018 and the way forward for the SAP 2022-2026.
- Chapter IV proposes a framework for the SAP 2022-2026 on the basis of Chapters II and III. ITTO Members and focal points of the Technical Advisory Group (TAG) and Civil Society Advisory Group (CSAG) are invited to provide comments on the proposed SAP framework contained in Chapter IV to Breulmann@itto.int by 9 August 2021.

2. Based on comments received on Chapter IV, the consultants will prepare a preliminary draft text of the SAP 2022-2026 for consideration by a “Working Group comprised of a balanced number of Producer and Consumer representatives and representatives of TAG and CSAG”, as provided under Activity 10 of BWP 2021-2022. The Working Group will prepare and circulate a revised draft SAP. Based on comments received, a final draft SAP will be prepared and circulated for consideration at ITTC 57.

3. The consultants express their deep appreciation to the ITTO Secretariat for their guidance and assistance in developing this background paper. Special thanks go to Mr. Gerhard Breulmann, Ms. Adriana Sugihara, Ms. Maiko Suzuki, Ms. Manako Hanawa, Ms. Sheam Satkuru, as well as to the Officer in Charge, Dr. Steve Johnson.

## II. Assessment of implementation of SAP 2013-2018 (extended through 2021)

4. Chapter II assesses implementation of the current SAP for the eight-year period from 2013 to 2020. Chapter II.A provides a brief background and funding overview for the period. Chapters II.B, C and D look more closely at the financial situation for the BWPs, TPs and projects/pre-projects. Chapter II.E reviews decisions taken by Council since 2015 to address the financial impairment<sup>2</sup>, strengthen internal controls, and establish a new “financial architecture”.

<sup>1</sup> The survey was developed by the consultants in close coordination and cooperation with the Secretariat. The SAP time horizon of 2026 reflects expected extension of the ITTA 2006 for a period of five years to December 2026 consistent with Article 44.2 of the Agreement.

<sup>2</sup> In 2015, Council was informed that US\$6 million invested in the LM Managed Performance Fund had been written off when the fund went into liquidation. Subsequently, US\$12.2 million invested in the Ardent 365 Fund was lost when the fund went into liquidation in April 2016. The loss of US\$18.2 million in donor funds led to significantly reduced voluntary contributions, compounding the investment losses.

## II.A Background and funding overview

5. Extension. The ITTO SAP 2013-2018 was adopted in November 2012 (ITTC 48). Council extended the SAP through 2019 (Decision 4/LIII) and again through 2020 (Decision 4/LV) while the Organization focused on other pressing matters, including addressing the financial impairment. In Decision 3(LVI), Council further extended the SAP through 2021 “in light of delays in developing a new SAP due to the COVID-19 pandemic”.

6. Purpose. As the first action plan developed under the ITTA 2006, the purpose of the SAP 2013-2018 has been to guide the work of the ITTO, originally over a six-year timeframe, towards advancing the two objectives set out in Article 1 of the Agreement:

- “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”

7. Structure. The SAP is a lengthy document organized in four parts.<sup>3</sup> Part I provides extensive contextual information on ITTO and recent developments and trends. Part II sets out six “strategic priorities” (see Box 1), together with rationales and examples of the types of actions that could be taken to support each strategic priority (SP) and associated TPs. Part III identifies expected outcomes and illustrative indicators. Part IV sets out ambitious “fund mobilization targets” by SP which total US\$200 million (or US\$33 million/year) for voluntary contributions to the BWPs, TPs and project financing (see Table 1).

### Box 1: Six Strategic Priorities in SAP 2013-2018 (and relevance to ITTA 2006<sup>4</sup>)

1. Promote good governance and enabling policy frameworks for strengthening SFM and related trade and enhancing SFM financing and investment (Article 1.i, 1.k, 1.n)
2. Increase the contribution of tropical forests to national and local economies, including through international trade (Article 1.i,1.k)
3. Enhance the conservation and sustainable use of biodiversity in tropical timber producing forests (Article 1.m)
4. Reduce tropical deforestation and forest degradation and enhance the provision of environmental services (Article 1.j, 1.q)
5. Improve the quality and availability of information on tropical forests, forest product markets and trade (Article 1.e, 1.h, 1.k, 1.l, 1.o; Articles 27 & 28)
6. Build and develop human resource capacity to implement SFM and increase trade in forest goods and services from sustainably management forests (Article 1.d, 1.g, 1.q, 1.r)

8. Strategic priorities. The six SPs shown in Box 1 vary significantly in scope. SP1 is very broad while SP3 is narrowly focused on biodiversity in production forests. SP2 is also broad but is essentially an outcome of other SPs, notably SP1, SP4 and SP6. SP5 captures recurring/ongoing work

<sup>3</sup> [https://www.itto.int/council\\_committees/action\\_plans/](https://www.itto.int/council_committees/action_plans/)

<sup>4</sup> The SAP 2013-2018 does not directly link the SPs to the various measures outlined in Article 1 of the ITTA 2006. The references in parentheses have been added to suggest linkages.

consistent with Article 27 (Studies, Statistics and Information) and Article 28 (Annual Report and Biennial Review) of the ITTA 2006. SP6 on capacity building is cross-cutting.

**Table 1: Fund mobilization targets for voluntary contributions to SPs in SAP 2013-2018 (US\$000)**

SP	3 BWPs	TPs	Projects	Total
1	5,000	TFLET: 25,000	10,000	40,000
2	15,000	CFME: 20,000 IDE: 15,000	5,000	55,000
3	4,000	-	13,000	17,000
4	5,000	REDDES: 20,000	3,000	28,000
5	10,000	TMT: 15,000	5,000	30,000
6	10,000	-	20,000	30,000
<b>Total 2013-2018</b>	<b>49,000</b>	<b>95,000</b>	<b>56,000</b>	<b>200,000</b>

9. Funding targets versus pledges. The SAP 2013-2018 does not indicate how the fund mobilization targets were arrived at. The differences in targets by SP may reflect differences in the scope of the SPs. Clearly, there were aspirations that over the SAP's six-year timeframe, TP's would attract significantly increased unearmarked pledges (US\$95 million) and that BWPs and projects would attract significantly increased earmarked funds.

10. As shown in [Table 2](#), these aspirations have not been realized. From 2013 to 2020, ITTO received US\$43.9 million in voluntary contributions to support BWP activities, TP's and projects/pre-projects (about 22% of the total funding target). Even if the original fund mobilization targets were too enthusiastic, implementation of the SAP 2013-2018 has fallen short of expectations for various reasons, including the unforeseen impairment, which led to a sharp drop in donor funding in 2015 and again in 2017.

**Table 2: Total voluntary contributions 2013-2020 by year<sup>5</sup>**

	2013	2014	2015	2016	2017	2018	2019	2020	Total
VC (US\$000)	10,103	8,709	3,295	4,982	1,212	3,793	4,976	6,858	<b>43,928</b>

11. The figures for 2018-2020 suggest a positive return of donor confidence in view of ITTO's improved fiscal accountability and internal controls, although the amounts remain well below pre-impairment levels.

12. Looking at ITTO voluntary funding trends over a longer period, the 2019 report of the Ad Hoc Working Group on Financing Infrastructure and Fundraising Strategies (ITTC(LV)/10) noted that between 1990 and 2007, earmarked voluntary contributions flowed into ITTO, primarily from Japan, at an average of about US\$17 million per year. Between 2008 and 2010, unearmarked contributions to the new TP's led to a peak in 2010 of US\$18.2 million. Beginning in 2011, ITTO contributions began a downward turn, perhaps reflecting decreasing donor interest prior to the impairment.

13. [Table 3](#) shows the total voluntary contributions from 2013 to 2020 by donor. Japan has remained ITTO's largest contributor, followed by the EU, USA and Germany. Switzerland had reliably provided about US\$3 million annually for many years but ceased to contribute after 2013.

<sup>5</sup> Excludes funds from Bali Partnership Fund Sub-Account B, Unearmarked Fund or Working Capital Account



**Table 3: Total voluntary contributions 2013-2020 by donor**

Donor	Amount (US\$000)	% (1% or greater)
Japan	18,325	42
EU	8,484	19
USA	5,310	12
Germany	4,602	11
Australia	1,941	4
Korea	1,818	4
China	800	2
Netherlands	669	2
Switzerland	230	-
Sweden	23	-
Finland	2	-
CPF Organizations <sup>6</sup>	913	2
APFNet	460	1
Other organizations <sup>7</sup>	361	1
<b>Total</b>	<b>43,928</b>	<b>100</b>

## II.B SAP implementation through BWP activities

14. There have been three BWPs under the SAP 2013-2018: BWP 2013-2014, BWP 2015-2016 (extended through 2017) and BWP 2018-2019 (extended through 2020). Tables 4-6 show BWP activities funded from voluntary contributions and ITTO's core budget (Administrative Account) and provide a summary of unfunded activities. The tables reflect the format of each BWP. Prior to 2018, the BWPs were organized by SP with activities assigned to a specific SP as shown in Tables 4 and 5. The BWP 2018-2020 reorganized activities into five groups based on activity type and identified the relevance of activities to the SPs in Annex 1 of the BWP.

15. As shown in Table 6, many activities listed in Annex 1 were seen to support more than one SP. This was likely also true of various activities in the earlier BWPs and may be a factor of the different scope of the SPs which, as noted in paragraph 8, vary from broad to highly specific. Tables 4-6 also show that activities funded from the core budget are largely recurring/ongoing activities related to Articles 27 and 28 of the ITTA 2006 and are typically associated with SP5 (information).

16. Despite the impairment, there were some notable accomplishments through the BWPs over the course of the current SAP. These include:

- Improved communication and outreach tools, including initial work towards an ITTO communication strategy and continued viability of ITTO's core work under Articles 27 and 28 of the ITTA 2006 (e.g. ITTO's Market Information Service (MIS), Tropical Forest Updates (TFUs), annual and biennial market reviews and assessment)
- Enhanced TAG and CSAG engagement
- Initiation of innovative work on market monitoring and legal and sustainable supply chains
- Development, update and/or operationalization of ITTO guidelines on sustainable management of natural tropical forests, forest landscape restoration, gender equality and empowering women, and environmental and social management of ITTO projects.
- Renewal to 2025 of the ITTO/CBD Collaborative Initiative on Tropical Forest Biodiversity
- Continued viability of the ITTO Fellowship Programme and the ITTO-CITES programme

<sup>6</sup> CITES/UNEP, FAO, CBD, IUCN, World Bank

<sup>7</sup> Soka Gakkai, Marubeni, JLIA, PPECF, INDENA SAS, Sumitomo, JFIWA

**Table 4: BWP 2013-2014 Activities funded and unfunded<sup>8</sup>**

SP <sup>9</sup>	Activities Funded from Voluntary Contributions (VCs) 2013-14	Amount US\$	Subtotal
1	2. Credit schemes for SMFEs	95,150	195,150
	3. ITTO meeting of CBFP partners	100,000	
2	-	0	0
3	8. ITTO-CITES cooperation	3,647,005	3,647,005
4	10. Monitoring application of C&I	155,000	512,382
	12. Contribution of environmental services to tropical SFM	232,382	
	14.a&b Implementation of Guidelines for secondary & degraded forests	75,000	
	15.b ITTO input to UN International Strategy for Disaster Reduction	50,000	
5	20.b Public relations, education & outreach	130,000	1,166,680
	22. Develop ITTO knowledge management strategy & guidelines	395,000	
	23. Environmental product declarations	180,000	
	25. Promoting Independent Market Monitoring (IMM) (EU installment 1)	856,680 <sup>10</sup>	
6	27. TAG & CSAG involvement	40,000	1,146,301
	28. Cooperation with CPF & UNFF	25,000	
	30. ITTO Fellowship Programme	748,301	
	31. Strengthen wood processing capacity	78,000	
	33 Matching industry needs with ITTO projects on innovation & knowhow	130,000	
	34. Statistics & reporting capacity building	40,000	
	35. ITTO Guidelines for Sustainable Management of Natural Tropical Forests	85,000	
		<b>Total VCs</b>	<b>6,667,518</b>
<b>Activities funded from ITTO's Core Budget 2013-14</b>			
5	16. Topical Forest Updates (TFUs)	520,000	
	17. Annual Market Discussions with TAG	70,000	
	18.ITTO Market Information Service (MIS)	400,000	
	19. Statistical work & databases	40,000	
	20.a Public relations, education & outreach	330,075	
	21. Biennial review & assessment of world timber situation	130,000	
		<b>Total Core</b>	<b>1,490,075</b>
<b>SP</b>	<b>Unfunded BWP Activities 2013-14<sup>11</sup></b>		
1	Activity 1	400,000	
2	Activities 4, 5, 6, 7	670,000	
3	Activities 9.a, 9.b	200,000	
4	Activities 11, 13, 15.a	625,000	
5	Activity 24	200,000	
6	Activities 29, 32	440,000	
		<b>Total NIL</b>	<b>2,535,000</b>

<sup>8</sup> Does not include "Routine, Administrative and Financial Activities"

<sup>9</sup> In practice, many activities are relevant to more than one SP as reflected in BWP 2018-2020 (Annex 1).

<sup>10</sup> The EU grant for IMM is US\$4.75 million and is being received in installments over multiple years. The last installment of US\$1.2 million will be covered under the BWP 2021-2022.

<sup>11</sup> Does not include the shortfall in partially-funded activities

**Table 5: BWP 2015-2017 Activities funded and unfunded<sup>12</sup>**

SP <sup>13</sup>	Activities Funded from Voluntary Contributions (VCs) 2015-17	Amount US\$	Subtotal
1	4. ITTO Voluntary Guidelines for Sustainable Management of Natural Tropical Forests	159,032	219,032
	6.b Secretariat participation in international C&I meetings	60,000	
2	8. ITTO-CITES cooperation	3,521,145	3,521,145
3	10. Conservation of mangroves	250,000	250,000
4	12.b Study on carbon removals & emissions from production & use of harvested tropical wood products	67,555	127,555
	14.b ITTO inputs to UN International Strategy for Disaster Reduction	60,000	
5	19.c Earth Negotiations Bulletin coverage of ITTCs	35,000	1850,000
	20. Improve ITTO branding	50,000	
	23. Web-based interactive profiles of producer industry & trade	100,000	
6	26. TAG & CSAG involvement	120,000	1,332,442
	27. Collaboration with CPF & UNFF	60,000	
	28. ITTO Fellowship Programme	801,234	
	29. Statistics & reporting capacity building	25,000	
	32. Improved forestry extension schemes	100,000	
	33. ITTO/World Customs Organization Guidelines to combat illegal timber trade	226,208	
ALL	2. ITTO Policy Guidelines on Gender Equality & Empowering Women	30,000	30,000
		<b>Total VCs</b>	<b>5,595,174</b>
<b>Activities funded from ITTO's Core Budget 2015-17</b>			
5	15. TFUs	780,000	
	16. Annual Market Discussions with TAG	105,000	
	17. ITTO MIS	614,000	
	18. Statistical work & databases	60,000	
	19.a,b,c Public relations, education & outreach	596,025	
	22.a&b Biennial review & assessment of world timber situation	156,000	
		<b>Total Core</b>	<b>2,311,025</b>
<b>Unfunded BWP Activities 2015-17<sup>14</sup></b>			
1	Activities 1, 3, 5, 6.a	1,100,000	
2	Activity 7	50,000	
3	Activities 9, 11	640,000	
4	Activity 12.a, 13.a, 13.b, 14.a	340,000	
5	Activity 21, 24	280,000	
6	Activity 30, 31	490,000	
		<b>Total NIL</b>	<b>2,560,000</b>

<sup>12</sup> Does not include "Routine, Administrative and Financial Activities"<sup>13</sup> In practice, many activities are relevant to more than one SP as reflected in BWP 2018-2020 (Annex 1).<sup>14</sup> Does not include the shortfall from partially funded projects

**Table 6: BWP 2018-2020 Activities funded and unfunded<sup>15</sup>**

SP	Activities funded from Voluntary Contributions (VCs) 2018-20	Amount US\$	Subtotal
	<b>GROUP 1 - FIELD ORIENTED ACTIVITIES</b>		
1 2 4	1. Incentives for green-growth value chain investments	90,000	
1 2	2. Building legal & sustainable forest product supply chains	3,352,142	
2 6	3. Strengthen private sector participation in work of ITTO	120,000	
1 2 5 6	4. Enhancing teak management	1,236,250	
2 3 6	6. ITTO-CITES cooperation	1,177,000	
1 2 5	7. IMM of FLEGT-licensed timber (installments 2-4)	2,713,548	
1	8.a&b Monitor progress in application of C&I	141,219	
5 6	9. Statistics capacity building workshops	76,821	8,896,980
	<b>GROUP 2 – NORMATIVE WORK</b>		
All	10.a Operationalizing ITTO Gender Guidelines	25,000	
1 3 4 6	10.b Update ITTO Guidelines for forest landscape restoration	176,890	
All	11. Formulate a new ITTO Strategic Action Plan	200,000	401,890
	<b>GROUP 3 – COLLABORATIVE WORK/MEETINGS</b>		
4	12. Fire management in tropical timber producing forests	2,230,526	
6	14. Cooperation & consultation with CPF, UNFF and others	80,652	
1	15. Collaboration on C&I for SFM	42,989	2,354,167
	<b>GROUP 4 – COMMUNICATION &amp; OUTREACH</b>		
5 6	16. ITTO Communication Strategy	70,000	70,000
	<b>GROUP 5 – ANALYTICAL, STATISTICAL &amp; RECURRING WORK</b>		
6	19. TAG & CSAG involvement	80,000	
6	22. ITTO Fellowship Programme	230,672	310,672
		<b>Total VCs</b>	<b>12,033,709</b>
	<b>Activities funded from ITTO's Core Budget 2018-20 (Groups 4 &amp; 5)</b>		
5	17. TFUs (Group 4)	520,000	
5 6	18.a&b Communication & outreach activities (Group 4)	410,000	
5	20. Annual Market Discussions with TAG and joint TAG-CSAG segments (Group 5)	70,000	
All	21. Expert Panel (Group 5)	280,000	
2 5	23. ITTO MIS (Group 5)	420,000	
5	24. Statistical work & databases (Group 5)	40,000	
5	25. Biennial assessment of world timber situation (Group 5)	100,000	
		<b>Total Core</b>	<b>1,840,000</b>
	<b>Unfunded BWP Activities 2018-20</b>		
4 6	5.Mangrove restoration, conservation, management	140,000	
4	13. International Conference on halting deforestation	50,000	
1 5	26. Status of tropical forest management 2019 report	500,000	
		<b>Total NIL</b>	<b>690,000</b>

17. BWP financing trends. Due to the “multi-purpose” nature of various activities vis a vis the SPs, it is difficult to calculate total funding for each SP under the SAP 2013-2018. Instead, [Table 8](#) shows the total voluntary and core budget funding for all SPs under each BWP, as well as total funding over the eight-year period. [Table 7](#) indicates that:

- BWP funding for 2013-2020 totaled nearly US\$30 million, of which just over 80% came from voluntary contributions (US\$24.3 million) and close to 20% came from the core budget

<sup>15</sup> Does not include “Administrative and Financial Activities”. In the BWP 2018-2020, activities are organized into five Groups, rather than by SP. The relevance of activities to the SPs is set out in Annex 1 of the annual BWP reports, which show that many activities support more than one SP.

(US\$5.6 million). For the same period, project funding totaled US\$15.6 million (see [Table 16](#)), or about US\$8.7 million less than BWP funding. This may indicate a shift in donor interest from projects toward activities.

- Voluntary contributions to BWPs jumped significantly in 2018-2020 following a dip in 2015-2017 due to the impairment. The increase reflects large contributions from the EU, Germany and Japan<sup>16</sup>.
- Core funding has remained relatively constant when pro-rated by year, with a modest decrease for 2018-2020.
- The percent of proposed BWP activities funded from 2013 to 2020 has increased significantly and reached 95% for 2018-2020.

**Table 7: Summary of BWP funding (US\$000)**

Activities funded in support of SP1-6	BWP 2013-2014		BWP 2015-2017		BWP 2018-2020		Totals	% Totals
	Total	Prorated by year	Total	Prorated by year	Total	Prorated by year		
Activities funded from VCs	6,668	3,334	5,595	1,865	12,034	4,011	<b>24,296</b>	81%
Activities funded from core budget	1,490	745	2,311	770	1,840	613	<b>5,642</b>	19%
<b>Total</b>	<b>8,158</b>		<b>7,906</b>		<b>13,217</b>		<b>29,938</b>	<b>100%</b>
% Activities funded	69%		68%		95%			

## II.C SAP implementation through Thematic Programmes

18. Article 20.1(a) of the ITTA 2006 established the Thematic Programmes (TP) Sub-Account of the Special Account. Consistent with Article 20.4, the purpose of the TP Sub-Account is “to facilitate unearmarked contributions for the financing of approved pre-projects, projects and activities consistent with Thematic Programmes established by the Council on the basis of the policy and project priorities identified in accordance with articles 24 and 25”.

19. These provisions offered a new programmatic avenue for unearmarked ITTO funding to complement the Organization’s traditional project-by-project earmarked funding, with a view to enhancing funding coherence and flexibility, reducing transactions costs, and attracting new resources to the Organization. TPs feature prominently in the SAP 2013-2018.

20. In 2008 (ITTC 44) via Decisions 8(XLIV), 9(XLIV) and 10 (XLIV), Council operationalized the TP Sub-Account and established detailed “operational procedures and guidelines” and Thematic Programme Profiles (essentially concept notes) for the following five TPs on a three-year pilot basis:

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

<sup>16</sup> Table 6, Activity 7 Sustainable and legally harvested timber (EU), Activity 2 Legal and sustainable supply chains (Germany), Activity 12 Fire management (Japan).

21. Table 8 shows the procedures set out in Annex 1 of Decision 9(XLIV) for pilot operation of TPs. As can be seen, these pilot procedures gave the ED unprecedented responsibilities, including for developing Thematic Programme Profiles (TPPs) and Thematic Programme Documents (TPDs) and for allocating unearmarked funds.<sup>17</sup>

**Table 8: Procedures for pilot operation of Thematic Programmes**

Action and Sequence	Responsibility
1. Develop TP profile (TPP)	ED in consultation with interested donors & members
2. Approval of TPP	Council
3. Preparation of a Thematic Programme Document (TPD) based on TPP	ED with assistance of donors, other interested Members & partners as appropriate
4. Development and submission of proposals for financing under the TPD	Members and ED
5. Assessment & selection of proposals for financing	Thematic Programme Advisory Committee (TPAC). ED is a member.
6. Monitoring & evaluation of TP implementation	Secretariat, implementing agencies, TPAC
7. Reporting on TP implementation	Annual reports to Council by ED. Bi-annual reports by implementing agencies and Secretariat
8. Revision/amendment of TPD as needed	Council

22. In 2012 (ITTC 48), Council adopted both the SAP 2013-2018 and revised procedures and guidelines for the “permanent operation” of TPs (Decision 4/XLVIII). The revised procedures set tighter controls over the ED, including requiring him to notify Members of his project funding selections two weeks prior to endorsement of his selections by the relevant TPAC. These controls suggested some dissatisfaction on the part of donors with implementation of TPs during the latter part of the pilot phase.

23. As shown in Table 9, from 2009 to 2014, four of the five TPs attracted \$21.9 million in unearmarked voluntary contributions, the vast majority of which (US\$18.8 million) was pledged during the pilot phase (2009-2012) prior to the SAP 2013-2018. REDDES and TFLET accounted for 85% of the funding and included two significant grants from Norway (US\$8.17 million for REDDES) and the Netherlands (US\$3 million for TFLET).<sup>18</sup> IDE remained unfunded indicating lack of donor interest in supporting industrial development.

<sup>17</sup> Annexes 2 and 3 of Decision 9/XLIV set out guidelines for TPPs and TPDs and the terms of reference for TPACs.

<sup>18</sup> Donors to TP pilot phase: Norway, Netherlands, Japan, Switzerland, USA, UK, EU (through ITTO-CITES programme), Australia, Finland, Germany, Japan Lumber Importers Association, New Zealand, Sweden, Korea. The majority of Japan’s contributions (ITTO’s major donor) continued to be earmarked to specific projects rather than unearmarked to TPs.

**Table 9: Total pledges to Thematic Programmes 2009-2014 (US\$000)**

Timeframe	REDDES	TFLET	CFME	TMT	IDE	Total
Pilot Phase 2009-2012	9,233	6,887	1,100	1,620	0	18,839
SAP 2013-2018 (2013 & 2014)	300	2,192	0	591	0	3,082
<b>Total pledges</b>	<b>9,533</b>	<b>9,079</b>	<b>1,100</b>	<b>2,211</b>	<b>0</b>	<b>21,922</b>
Projects funded	31	29	5	14	0	79
% Total pledges	44%	41%	5%	10%	0%	100%

24. Pledges under the SAP 2013-2018 were significantly smaller<sup>19</sup>, totaling only US\$3.08 million, which included a pledge of US\$1.94 million from Australia for TFLET. Nearly all pledges were made in 2013. The last pledge to TPs was in November 2014 (by USA to TMT), which was also the last call for proposals. Consistent with Decision 6(LII), funds remaining in the TP Sub-Account were utilized to address the funding shortfall caused by the ITTO impairment.

25. Conclusion: After a promising start, TPs clearly lost momentum and were not a significant factor in ITTO funding as envisioned in the SAP 2013-2018. The attempt through the ITTA 2006 to create a significant unearmarked funding stream for ITTO, similar to those of other forest-related organizations, was not successful. Various factors may have contributed to this, including ITTO's long tradition of highly specific ad hoc earmarks to relatively small projects, inexperience with programmatic approaches (including within ITTO delegations), continued preference of major donors for the control offered by earmarking, and growing donor dissatisfaction with TP implementation during the pilot phase. Increased competition for available funding as new tropical forest-related programmes became operational internationally, regionally and bilaterally may also have been a factor.

## **II.D SAP implementation through projects/pre-projects**

26. The project cycle starts at the same time of the ITTO's inception as an important tool to contribute with the Members in the achievement and accomplishment of the ITTA 2006 main 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."

27. Project proposals may be developed and submitted by ITTO member countries and the Secretariat. Proposals are reviewed and rated in four categories by the Expert Panel for the Technical Appraisal of Projects and Pre-Projects. According to the Manual on Standard Operating Procedures for the ITTO Project Cycle, proposals qualified as 'category one' are "commended to the Committee with incorporation of amendments" for Committee review and possible recommendation to Council for approval.<sup>20</sup>

28. The ITTO project cycle consists of the various phases through which a project moves from first conception to completion which include project identification and formulation; submission;

<sup>19</sup> TP donors 2013-2014: Australia, EU/CITES, Switzerland, Japan, USA

<sup>20</sup> Refer to the Manual on Standard Operation Procedures for the ITTO Project Cycle (2009)

appraisal; approval; funding; inception; implementation; monitoring and evaluation; completion and closure. The ITTO Meta-Evaluation of Previously Evaluated Project (February 2012) states that<sup>21</sup>:

“Multiple targets are common as most ITTO projects have contributed to the achievement of more than one ITTO objective. Sustainable development (including poverty reduction), improvement of national policies, SFM, and capacity building are typical examples of such multiple objectives. More than 60% of the projects have contributed to consultation for policy development, information sharing, R&D, and access to, and transfer of, technology. Projects which deal with forest land-use and tenure, reforestation, rehabilitation and plantations, industry, markets, and marketing tend to be more focused than in other areas”.

“Thematically, the main impact areas have been SFM (particularly restoration, rehabilitation, reforestation and plantations, demonstration of new practices, forest inventory, and management planning) which is the “core business” of ITTO. Another key impact area has been development of community forest management and enterprise.”

“Among the cross-cutting themes, human resource development has been the focal impact area covered by more than two thirds of projects. R&D has also been well represented, but there have been fewer projects with impacts in innovation, technology transfer, and hardly anything specifically targeted at forest industry and investment promotion.”

“Direct project impacts could be considerably enhanced through effective sharing of knowledge at the regional level. Most project products, lessons learned and recommendations identified are applicable nationally and often also regionally/internationally. In addition, many projects could be replicated in similar conditions beyond project sites and host countries. This emphasizes ITTO projects as global public goods.”

29. Each project phase has specific key actions and procedures that should be done to complete a particular phase. The project cycle is generally sequential and the following phases can only be concluded when the previous phase(s) have been concluded. A project proposal must be submitted as project document (PD) containing all the relevant information for the implementation of a project submitted by a single Member or various Members or the Secretariat. The following are the different types of projects:

- Small projects are projects which do not exceed two years and do not require more than a specified amount of funds from ITTO.
- Pre-project proposals are meant for doing groundwork for the formulation of a project proposal and for drafting the project proposal. A pre-project proposal is submitted as pre-project documents (PPD).
- Regional and global projects are encouraged to have wider values and their benefits should reach beyond those institutions and people which are directly involved in the project.

---

<sup>21</sup> “International Tropical Timber Organization (ITTO) Meta-Evaluation of Previously Evaluated ITTO Projects” by Markku Simula, Hosny El-Lakany and Ivan Tomaselli, February 2012



30. Tables 10 and 11 provide an overview of ITTO projects from 1987 to 2020. As can be seen in Table 10, more than 1900 project and pre-project proposals have been submitted to ITTO since the Organization became operational. Of these, over 1200 projects/pre-projects (about 63%) have been approved. Sixty-nine percent of those approved have been funded by earmarked voluntary contributions (primarily from Japan), while 27% have been sunsetted and 2% are pending funding.<sup>22</sup>

**Table 10: Overview of ITTO projects/pre-projects 1987-2020<sup>23</sup>**

Project/pre-project status	Number of projects/pre-projects	% of approved projects
Proposals submitted to ITTO	1,917 <sup>24</sup>	
Projects approved	1,211	
Projects funded	835 <sup>25</sup>	69%
Completed: 811		
Operational: 22		
Pending agreement: 2		
Projects pending funding	23	2%
Projects sunsetted	332	27%
Projects withdrawn	2	-
Projects terminated	19	2%

31. Table 11 shows the distribution of funded projects by committee and region from 1987 to 2020. Not surprisingly, over half the financed projects have been in the field of reforestation and forest management. This reflects the broad scope of the committee, widespread concern about tropical deforestation in the mid to late 1980's and early 1990's, including among many donors, and the emerging concept of "sustainable forest management" as a way to manage the resource base. As producers became aware of donor interests, proposals related to forest management increased.

32. The fewest number of funded projects were through the Committee on Economics, Statistics and Markets (ESM). This may be due in part to the fact that work in this area may often go beyond a single country. ESM has been the focus of a number of global projects and is also supported by ITTO through its core budget and BWPs, including the MIS and annual and biennial market reviews and assessments.

33. Regionally, Asia-Pacific has had the highest number of funded projects since 1987 (34%) while Africa had the fewest number (22%). This could reflect traditional bilateral trade and ODA relationships between producers and consumers, the number of countries active in ITTO within a region, the number and quality of project proposals submitted, the number of approved projects sunsetted, and eligibility for project funding based on payments to the Administrative Account.<sup>26</sup>

<sup>22</sup> According to the Manual on Standard Operating Procedures for the ITTO Project Cycle (2009), an approved project which has not been funded for 20 months may be revised and resubmitted. Failing re-submission, the project will be "sunsetted" and lose its status as an approved project per Council Decision 2(X).

<sup>23</sup> Most information extracted by Secretariat from ITTO project search/database.

<sup>24</sup> Information extracted by Secretariat from Expert Panel reports, TP reports, Council documents 1987-1990. Includes 180 proposals submitted through TPs

<sup>25</sup> Includes 65 projects financed through TPs

<sup>26</sup> Consistent with Article 19.8 of the ITTA 2006, a member becomes ineligible to submit project or pre-project proposals for funding consideration if the member has not paid its contribution to the Administrative Account in full for two consecutive years.

**Table 11: ITTO funded projects/pre-projects by committee and region<sup>27</sup> 1987-2020**

Region	Reforestation and Forest Management	Forest Industry	Economics, Statistics and Markets <sup>28</sup>	Total Projects & Pre-projects	% of Total
<b>Africa</b>					
Completed	118	25	33	176	
Operational	5	0	2	7	
<b>Africa Total</b>	<b>123</b>	<b>25</b>	<b>35</b>	<b>183</b>	<b>22%</b>
<b>Asia-Pacific</b>					
Completed	158	79	36	273	
Operational	6	2	0	8	
Pending agreement	1	0	0	8	
<b>A-P Total</b>	<b>165</b>	<b>81</b>	<b>36</b>	<b>282</b>	<b>34%</b>
<b>Latin America</b>					
Completed	149	52	44	245	
Operational	6	1	1	8	
Pending agreement	1	0	0	1	
<b>LA Total</b>	<b>156</b>	<b>53</b>	<b>45</b>	<b>254</b>	<b>30%</b>
<b>Global</b>					
Completed	31	40	45	116	
Operational	0	0	0	0	
<b>Global Total</b>	<b>31</b>	<b>40</b>	<b>45</b>	<b>116</b>	<b>14%</b>
<b>TOTAL</b>	<b>475</b>	<b>199</b>	<b>161</b>	<b>835</b>	
<b>% of TOTAL</b>	<b>57%</b>	<b>24%</b>	<b>19%</b>		<b>100%</b>

34. From 2013 to 2020 under the current SAP, a total of 152 project proposals were assessed by the Expert Panel and qualified as “category one” and further commended to their respective Committees. The total budget for category one projects is shown in [Table 12](#) for each Expert Panel. The 53<sup>rd</sup> Expert Panel saw a sharp drop in category one proposals with only modest increases in subsequent Expert Panels.

**Table 12 - Budget allocation to category one proposals commended to Committees**

Expert Panel	Budget allocated (US\$000)
45th	1,931
46th	3,955
47th	1,181
48th	1,240
49th	1,058
50th	516
51st	2,743
52nd	1,217
53rd	71
54th	211
55th	416
<b>Total</b>	<b>14,539</b>

35. Out of the 152 projects commended to committees, only 39 projects and pre-projects were fully funded. The full picture on the status of the approved projects for financing is shown in [Table 13](#). As can be seen, the budget allocated to funded projects represents only 25% of the total budget

<sup>27</sup> Committee names from ITTA 2006 (Article 26)

<sup>28</sup> Committee on Economic Information and Market Intelligence in ITTA 1983 and ITTA 1994

submitted by the applicant countries (US\$62.3 million) between 2013 and 2020, during which time 88 projects went into sunset and another 25 projects are awaiting funding.

**Table 13: Status of approved projects 2013-2020**

Project status	No. projects	Budget US\$000	% Total budget
Funded	39	15,622	25%
Pending	25	10,810	17%
In Sunset	88	35,855	58%
<b>Total</b>	<b>152</b>	<b>62,287</b>	<b>100%</b>

36. Project proposals submitted to ITTO after adoption of the SAP 2013-2018 were required to identify in chapter 1.2.1 of the PD (“Conformity with ITTO objectives and priorities”) which SP(s) the project would contribute to. The majority of proponents stated that the project was relevant to more than one SP and often to multiple SPs.

37. The references to SPs in chapter 1.2.1 are compiled in [Table 14](#) for all proposals approved following adoption of the current SAP. As can be seen, SP4 (deforestation/degradation, environmental services) was referenced as relevant most frequently, followed by SP2 (economies) and SP3 (biodiversity). The fewest total references were to SP5 (information) which is not surprising since SP5 is linked to ITTO’s core work under Articles 27 and 28 of the ITTA 2006.

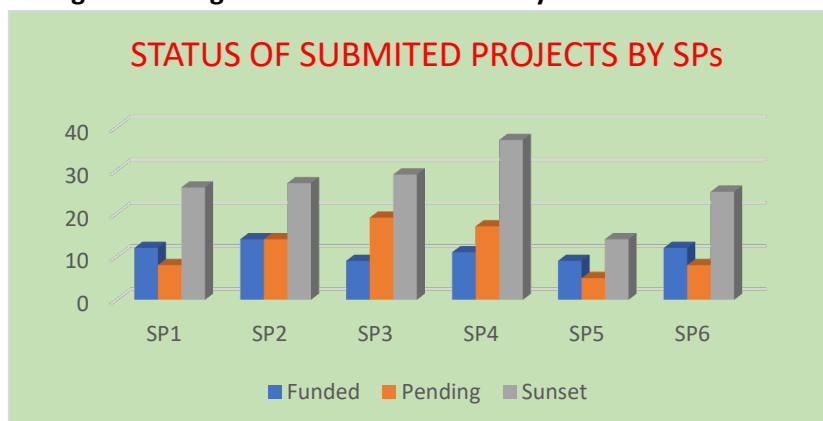
**Table 14: SP references in Chapter 1.2.1 of PDs approved 2013-2020**

Project status	SP1	SP2	SP3	SP4	SP5	SP6	Total
Funded	12	14	9	11	9	12	67
Pending	8	14	19	17	5	8	71
Sunset	26	27	29	37	14	25	158
<b>Total references</b>	<b>46</b>	<b>55</b>	<b>56</b>	<b>65</b>	<b>28</b>	<b>45</b>	<b>296</b>
% of Total	16%	19%	19%	22%	9%	15%	100%

38. In looking more closely at the PD references to SPs in chapter 1.2.1, it is possible in a number of cases to identify a “main” SP when more than one SP is referenced. [Table 15](#) and [Figure 1](#) show the total budget for funded projects by what is thought to be the “main” SP.

**Table 15: Budget allocation for funded projects by main SP 2013-2020**

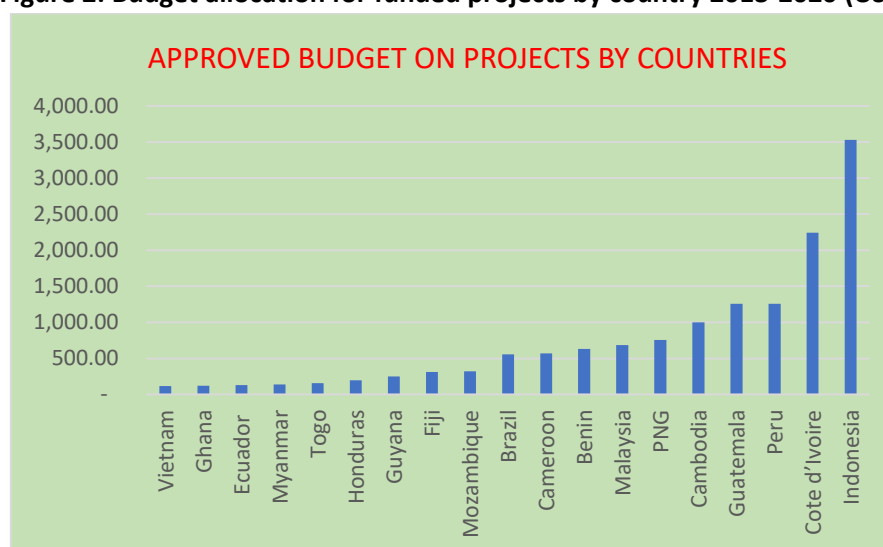
SP	Budget US\$000
1	2,042
2	5,579
3	4,975
4	1,306
5	568
6	1,152
<b>Total</b>	<b>15,622</b>

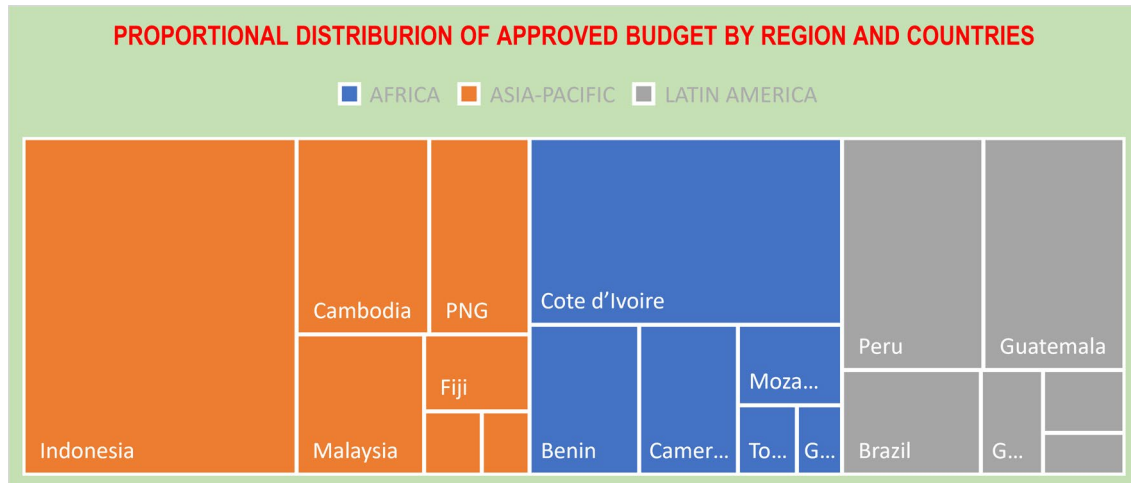
**Figure 1: Budget allocation for funded by main SP 2013-2020**

39. Table 16 and Figures 2 and 3 show funded projects by region and country. As can be seen, the Asia-Pacific region has received the most project funding (42%) while Africa and Latin America have received considerably less overall. The largest beneficiary countries were Indonesia and Cote-d'Ivoire, followed by Peru, Guatemala and Cambodia.

**Table 16: Funded projects by region and country 2013-2020 (US\$000)**

Africa		Asia Pacific		Latin America		ITTO
Benin	630	Cambodia	1,000	Brazil	557	1,400
Cameroon	568	Fiji	311	Ecuador	130	
Cote d'Ivoire	2,240	Indonesia	3,530	Guatemala	1,256	
Ghana	120	Malaysia	686	Guyana	250	
Mozambique	321	PNG	756	Honduras	196	
Togo	157	Myanmar	140	Peru	1,258	
		Vietnam	116			
<b>Subtotal</b>	<b>4,036</b>	<b>Subtotal</b>	<b>6,539</b>	<b>Subtotal</b>	<b>3,647</b>	<b>1,400</b>
<b>Percent</b>	<b>26%</b>	<b>Percent</b>	<b>42%</b>	<b>Percent</b>	<b>23%</b>	<b>9%</b>
					<b>TOTAL</b>	<b>15,622</b>

**Figure 2: Budget allocation for funded projects by country 2013-2020 (US\$)**

**Figure 3: Budget allocation for funded projects by region 2013-2020 (US\$)**

40. Table 17 shows projects/pre-projects funded by year from 2013 to 2020. From a pre-impairment level of US\$6.4 million in 2013, project funding dropped dramatically in 2017 and 2018 in response to the second financial impairment. There was a slight come back in 2019 and 2020 but still well below pre-impairment levels. While ITTO's new financial architecture now being piloted (see Chapter II.E) will hopefully lead to some increases in project financing, there is no indication at this time that annual voluntary contributions for projects will go up significantly over the next few years.

## II.E ITTO internal controls and new financial architecture

41. As noted in paragraph 9, ITTO has taken a number of decisions since 2015 to address the financial impairment and attract new resources to the Organization (see Annex 2). In 2016, the report of the Oversight Committee established in 2015 contained a number of recommendations to address the impact of the financial shortfall on ITTO activities and projects (ITTC(LII)/11(a)). This was followed in 2017 with the Summary Report on the Implementation of Decisions Dealing with the Impairment of ITTO Funds (ITTC(LIII)/12).

42. Since then, Council has taken significant measures to strengthen ITTO's fiduciary arrangements and internal controls in order to increase transparency and minimize risk. These include revision of ITTO's Financial Rules and Procedures, Audit Standards and Staff Regulations and Rules and adoption of the ITTO Anti-Money Laundering and Counter Terrorism Financing Policy (AML/CFT).

43. Council has also made significant progress towards a new "financial architecture" for the Organization. In 2017 (Decision 9/LIII), Council established an ad hoc Working Group (AHWG) on Financing Infrastructure to "make recommendations or present options" for improving ITTO's financing infrastructure and fundraising strategies. In 2018 (ITTC 54), the AHWG presented its report to Council (ITTC(LV)/10) which, *inter alia*, recommended piloting a new streamlined project cycle with four proposed "programmatic lines" (PLs) beginning in 2020.

**Table 17: Projects funded by year 2013-2020 (US\$000)<sup>29</sup>**

Year	PD/PDD	Country	Short title	SP <sup>30</sup>	Budget	Subtotal
2013	PPD167 Rev.1	Benin	Certification of ONAB's plantation estates	NA	89	6,411
	PD419 Rev.3	Cote d'Ivoire	Restoration of degraded forests	NA	1,800	
	PD452 Rev.5	Brazil	SFM commercial production in Amazon	NA	557	
	PD563 Rev.4	Malaysia	Community based forest management	NA	460	
	PD601 Rev.3	Peru	Mangrove conservation in Biosphere Reserve	NA	496	
	PD617 Rev.4	Indonesia	Transboundary biodiversity conservation	NA	942	
	PD646 Rev.3	Indonesia	Plantation development with communities	NA	435	
	PD682 Rev.1	PNG	REDD quality-of-governance standards	NA	150	
	PD687 Rev.1	Guyana	Strengthen wood processing sector	NA	250	
	PD692 Rev.1	Cote d'Ivoire	National information system for SFM	NA	291	
	PD724 Rev.1	Peru	Guidelines for plantations & rehabilitation	NA	150	
	PD710 Rev.1	Indonesia	Conservation of high-value indigenous species	3 4	480	
	PD696 Rev.2	Fiji	Community-based restoration and SFM	4	311	
2014	PD764 Rev.1	PNG	Community forest management schemes	1	606	2,620
	PD777 Rev.1	Indonesia	Restore Cibodas Biosphere Reserve	1 2 3 4	564	
	PD756 Rev.1	Guatemala	Business management services for SME	2	149	
	PD725 Rev.2	Cote d'Ivoire	Rehabilitate degraded forest land	2 4	149	
	PD722 Rev.1	Malaysia	RIL in dry forests of Peninsula Malaysia	2 4 6	226	
	PD721 Rev.2	Guatemala	Participatory SFM process for REDD	4 6	441	
	PD740 Rev.2	Cambodia	SFM through REDD+ mechanisms	4 6	485	
2015	PD700 Rev.1	ITTO	Intra-African timber trade & further processing	1 2 5 6	1,400	2,895
	PD741 Rev.3	Peru	SFM dry forests, North Coast	1 5 6	437	
	PD732 Rev.2	Mozambique	Forest governance	1 5	321	
	PD754 Rev.2	Benin	Sacred forests on Ramsar sites 1017 & 1018	3	541	
	PD770 Rev.1	Honduras	Promote & SFM LUTS	All	196	
2016	TFL-PD037	Indonesia	Implement a DNA timber tracking system	1	519	2,197
	PD723 Rev.1	Myanmar	Transboundary conservation Taninthayi Range	1 3 6	140	
	PD737 Rev.1	Indonesia	Degraded forests for wood-based energy	1 2 6	590	
	PD751 Rev.2	Ecuador	Forest resources & agroforestry conservation	2 5 6	130	
	PD765 Rev.4	Guatemala	Forest landscape restoration program	2 3 4	250	
	PD796 Rev.2	Cameroon	Collect/store/process forest & wildlife statistics	5	568	
2017	PD815	Vietnam	Efficient plantations and timber processing	1 2 5 6	116	166
	PPD189	Peru	Natural regeneration of timber species	2	50	
2018	PPD191	Togo	Community SFM	3 4	71	71
2019	PD832 Rev.2	Guatemala	Traceability in the forest production chain	1 5	416	502
	PPD196 Rev.1	Togo	Private and community forest capacity	2	86	
2020	PD836 Rev.1	Cambodia	Community forestry program capacity	2 5 6	515	760
	PD845 Rev.1	Ghana	Community governance & monitoring capacity	1 6	120	
	PD852 Rev.3	Peru	Regional strategy for restoration	3	125	
					<b>TOTAL</b>	<b>15,622</b>

<sup>29</sup> Year fully funded or funded with revised/reduced budget<sup>30</sup> SP(s) listed in chapter 1.2.1 of each PD. "NA" means chapter 1.2.1 refers to the ITTO Action Plan 2008-2011 and/or ITTA objectives but not to the SAP 2013-2018 or to SPs (probably because the PD was developed/ revised prior to adoption of the current SAP).

44. In Decision 5(LIV), Council requested the ED to pilot a fundraising approach and extended the AHWG mandate for one year to propose a new streamlined project cycle concept and help develop themes to be used in fund-raising proposals. In 2019 (Decision 8/LV), Council agreed to a three-year pilot of the streamlined project cycle for 2020-2022 with the following four thematic “programme lines” (PLs):<sup>31</sup>

1. Legal and sustainable supply chains (LSSC)
2. Conservation of biodiversity and ecosystem services
3. Forest landscape restoration and resilient livelihoods
4. Emerging issues and innovation

45. Decision 8(LV) also established an “Advisory Board” composed of the Informal Advisory Group (IAG) and TAG and CSAG representatives (basically an expanded IAG) to monitor and review virtually progress on the pilot implementation every four months. Terms of reference for the Advisory Board will be decided at ITTC 57.

46. In 2020 (Decision 4/LVI), Council adopted on a pilot basis goals and objectives for the four PLs and a project concept note (CN) template, and “acknowledged” four funding scenarios for the pilot project cycle.<sup>32</sup> Council requested the ED to, *inter alia*, launch an annual call for project CNs, issue a first open call for CNs and small project proposals under financing scenario 4, develop a CN and project proposal database, and ensure BWP activities proposed for funding outside the core budget were formulated as CNs and included in the database.

47. Decision 4(LVI) also requests the ED to propose for consideration at ITTC 57 the structure and approach for reviewing the effectiveness of the pilot phase in 2022.

48. The timing of the new ITTO SAP appears out of phase with piloting a new streamlined project cycle. Since Council will not take a decision on the new financial architecture until 2022, references to the streamlined project cycle and the four pilot PLs in the new SAP may be considered provisional pending Council’s decision in 2022.

49. Administrative Account. Despite post-impairment progress, the arrears to the Administrative Account remain a source of concern. Consistent with Articles 19.1 and 19.2 of the ITTA 2006, the expenses in the Administrative Account are met by annual “assessed” contributions paid by Members to cover:

- a. Basic administrative costs such as salaries and benefits, installation costs and official travel
- b. Core operational costs such as those related to communication and outreach, expert meetings convened by Council, and preparation and publication of studies and assessments pursuant to Articles 24, 27 and 28 of the ITTA 2006.

50. Consistent with Article 19.5, basic administrative costs are shared equally among producers and consumers and assessed in the proportion of each Member's votes. Core operational costs are covered 80% by consumers and 20% by producers.

---

<sup>31</sup> It is interesting that the pilot PLs contain no reference to SFM (e.g. legal and sustainable sources) or climate change, the largest source of forest financing.

<sup>32</sup> [https://www.itto.int/direct/topics/topics\\_pdf\\_download/topics\\_id=6623&no=1&disp=inline](https://www.itto.int/direct/topics/topics_pdf_download/topics_id=6623&no=1&disp=inline)

51. The November 2020 report of CFA to Council (CFA XXXV/8) noted that arrears to the Administrative Account for the period 1986-2019 amounted to US\$6.2 million for producers<sup>33</sup>, US\$0.3 million for consumers<sup>34</sup> and US\$1.7 million for former ITTO Members, bringing total outstanding contributions to the Administrative Account, including interest charges, to US\$10 million. Clearly this is not a sustainable situation. While it is unlikely outstanding arrears from former Members can be recovered, Council may wish to consider ways to encourage payment of arrears by current Members.

## **II.F Overview: Global trends in tropical forest sector and COVID-19 impacts**

52. According to the Global Forest Resources assessment 2020 (FRA 2020), the world has a total forest area of 4.06 billion hectares (ha), of which 93% is “composed of naturally regenerating forests” and 7% is planted. FRA 2020 also states that “in the most recent five-year period (2015–2020), the annual rate of deforestation was estimated at 10 million ha, down from 12 million ha in 2010–2015”. Most of the deforestation has occurred in the tropics.

53. Major drivers of tropical deforestation continue to lie outside the forest sector and are often rooted in wider social and economic issues. These include challenges related to poverty reduction and urban development and policies that favor land uses that produce higher and more rapid financial returns, including agriculture, energy, mining and transportation (UNSPF). Global subsidies for agricultural commodities (soy beans, oil palm, cattle, etc.) are estimated at US\$200 billion per year (CPF conference 2019).<sup>35</sup>

54. Natural tropical forests are also under threat from unsustainable and illegal logging, fuelwood collection and disturbances, such as insects, disease, severe weather events and wildfires. In 2015, some 73 million ha of tropical forests, primarily in Africa and South America, were affected by fire (UNSPF, FRA 2020, Table 71).

55. The share of tropical wood in major import markets has been falling for some time. ITTO estimates that tropical wood imports to the EU fell 14% from 2004 to 2014 and stayed broadly flat from 2014 to 2019. This downward trend may reflect greater reliance of importers on domestic wood; substitution of tropical wood by rattan, plastics, non-wood laminates and metals (e.g. for garden furniture, window frames, flooring); and consumer perceptions that logging in tropical forests is not sustainable.

56. The rapid onset of COVID-19 in early 2020 has exacerbated tropical deforestation, forest degradation and associated trade. In April 2020, a survey undertaken by ITTO Market Information Service (MIS) correspondents with relevant stakeholders showed that COVID-19 was having devastating impacts on the tropical timber sector due to global economic contractions; disruptions to international trade, domestic commerce and supply chains; and government lock down measures to contain the virus.

<sup>33</sup> Three countries account for 61% of current producer arrearages: DRC (US\$2.1 m), Liberia (US\$1m) and Gabon (US\$.8 m).

<sup>34</sup> Albania

<sup>35</sup> UNFF Expert Group Meeting (January 2021) <https://www.un.org/esa/forests/wp-content/uploads/2020/12/CoChairs-Summary-EGM-covid19-impact-280121.pdf>



57. The result was severe unemployment from suspended harvesting operations and closure of mills and factories, sharp reductions in sales and falling prices, and in some cases the collapse of small and medium forest enterprises (SMEs). Public and private forest management activities and capital investments were also delayed, reduced or canceled.

58. According to UNFF (January 2021),<sup>36</sup> a number of countries report significant migration from cities to rural forest areas as people seek to escape the pandemic and find alternative means of subsistence (food, fuel, shelter). This has led to increased incidents of illegal logging, wildlife poaching and slash-and-burn farming and incursions into protected forests and indigenous forest lands. Illegal activities are often going unchecked due to reduced government presence and decreased monitoring and law enforcement.

59. Domestic economic stimulus initiatives to accelerate COVID-19 recovery have in some cases rolled back or slackened enforcement of forest laws and regulations in favor of agricultural commodities, industrial agriculture plantations and mining. (UNFF 2021)

60. Post-COVID recovery of the forest sector economy is difficult to predict. ITTO's modelling suggests that global timber production could reach pre-crisis levels by 2026.<sup>37</sup> This was the case for the 2008-2009 global financial crisis which saw a sharp drop in global timber production, especially industrial roundwood production, followed by recovery within three to five years.

61. However, 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 may rely more on domestic markets to stay in business. This could fundamentally change supply and value chains and lead to increased tropical deforestation and forest degradation.

### III. Responses to the ITTO survey circulated 20 April 2020

62. As noted in paragraph 1, on 20 April 2021 the OIC circulated a survey to gather initial views on the way forward on the new ITTO SAP 2022-2026, with a request for comments by 14 May (see [Annex 1](#) for the full survey). As of 8 June 2021, the Secretariat had received 24 responses from 13 producers, 8 consumers<sup>38</sup> and the TAG focal point. These responses are reviewed in Chapters II.A and II.B and compiled in full in [Annexes 3 and 4](#).

<sup>36</sup> Co-Chairs Summary, UNFF Expert Meeting on the Impacts of COVID on SFM (virtual meeting, January 2021)

<sup>37</sup> [https://www.itto.int/news/2020/11/05/itto\\_modelling\\_examines\\_recovery\\_timeframe\\_in\\_tropical\\_timber\\_sector/](https://www.itto.int/news/2020/11/05/itto_modelling_examines_recovery_timeframe_in_tropical_timber_sector/)

<sup>38</sup> Two responses were received from Japan (Foreign Affairs and Forestry Agency) and two responses were received from the Chinese Academy of Forestry.

### III.A Responses to survey Questions 1-3 on implementation of the SAP 2013-2018

63. Questions 1-3 of the survey focused on implementation of the current SAP. Responses are compiled in full in [Annex 3](#) and tabulated in [Table 18](#). [Table 19](#) numerically summarizes producer responses to Questions 1-3. The following is a summary analysis of all responses received:

- **Question 1:** As can be seen in [Tables 18 and 19](#) and [Figures 4 and 5](#), producer response ratings on the overall usefulness of the current SAP ran the gamut from 1 to 5, with Honduras, Indonesia and Peru giving the highest rating (5) while Gabon and Madagascar gave the lowest ratings (2 and 1 respectively). Consumer responses ranged from 2 (EU) to 5 (Croatia), with the majority indicating 3 or 4. Producer respondents noted they had used the SAP:
  - To strengthen provisions governing sustainable management of natural resources, in particular SFM
  - To provide guidance and reference in the formulation of policies, plans, programs, strategies, technical guides and guidelines related to SFM, restoration, governance, and knowledge of new initiatives related to the legal and sustainable timber trade
  - To address relevant strategic orientations for national policy approaches to SFM, particularly for exploitation of forest species, development of technical standards and project formulation
  - As an international benchmark for guiding official actions in the forest sector
  - To strengthen governance and financing and investment in SFM (SP1) and access financial support through ITTO

A number of respondents made specific suggestions on how to improve the SAP.<sup>39</sup> These suggestions are summarized below in Member alphabetical order (see [Annex 3](#) for full responses to Q1).

#### Producer suggestions:

- Improve reporting and surveys in Member countries
- Include measures to respond to COVID-19 and reactivate the forestry sector and support institutions and regional and local actors to develop and strengthen forestry extension
- Establish strategic objectives/actions to strengthen SFM and sustainable use of forest biodiversity; develop tropical timber processing industries and technologies, forest plantations and agroforestry; improve access and market conditions for tropical timber from sustainably managed forests; strengthen training for SFM and the multiple benefits derived from forests, including for forest dependent livelihoods; promote governance frameworks for SFM and related trade; and partner more effectively to mobilize financing for SFM and payment for ecosystem services (forest carbon).
- Target current/emerging issues on international policies and measures related to sustainable conservation of tropical forests
- Add “including carbon emission reduction” to SP4
- Continue to promote forest governance and public policy frameworks enabling the strengthening of SFM

---

<sup>39</sup> Some suggestions were re-stated in responses to other questions, including Question 10 (“additional comments/suggestions”).

- Intensify communication and human resources for implementation of SFM
- Develop tools to implement and evaluate SFM and monitor product marketing circuit
- Attract more resources to finance activities, projects and dissemination of tangible and useful products for Member countries
- Offer guidance to all Members for project funding and support
- Develop an SP4 activity under REDDES TP on “Design of a Platform for projects and investment in restoration of ecosystems and degraded areas through forest plantations”
- More emphasis on forest science, technology and innovation as a cross-cutting issue or new SP

Consumer suggestions:

- Be more practical and pay more attention to forest environmental services
- Clearly align SPs with the SDGs, GFGS, and post-2020 Global Biodiversity Framework and promote coherence and collaboration within CPF
- Focus more on developing/promoting LSSCs and tools and approaches to increase supply chain transparency and traceability
- Enhance participation of Indigenous Peoples and local communities (IPLCs) and focus on their land tenure/rights issues
- Focus more on value creation in producing countries
- Define actions to halt deforestation/forest degradation and help Members to that end
- Integrate the new PLs which can provide a strong strategic framework for ITTO and boost their pilot phase and encourage their lasting impact

Conclusion: The current SAP was moderately or more useful to a majority of respondents. There are many ideas on how to improve the SAP going forward.

- **Question 2:** All respondents reported using the current SAP as a reference for developing national policies or project proposals and/or as a communication tool. One consumer indicated that the SAP had not been actively used. A few respondents noted that the current SAP was also used as follows:

Producers:

- As support for SFM texts and capacity building
- As a secondary tool for planning, evaluating forest management and generating statistics and measures of production/productivity from legal sources

Consumer:

- As guiding input into the functioning of ITTO, including financial architecture

TAG

- The SAP should be impactful to the timber trade and TAG members

Conclusion: The current SAP was generally useful as a reference for developing national policies and/or project proposals and as a communication tool within and beyond ITTO.

- **Question 3:** Response ratings on how well each SP has been implemented from 1 to 5 (5 being very well) varied widely. As shown in Tables 18 and 19 and Figures 6 and 7, producer ratings for SP3, SP4 and SP5 ranged from 1 to 5, reflecting very different perceptions of progress. The majority of producers rated SP1 and SP3 as best implemented and SP6 as least implemented.

Most consumer ratings were in the 3-4 range, with SP5 and SP1 receiving the highest overall scores and SP2 and SP6 the lowest. One consumer noted they lacked the information needed to judge SP implementation. Another consumer noted that the main driver of deforestation is agriculture, that the quality of data is related to the source, and that ITTO projects have supported local economies through salaries, training programs, evaluations, and longer-term follow-up projects and contributed to improved revenues, locally and nationally.

**Conclusion:** There is no consensus on how well each of the six SPs were implemented. Given the disparity in ratings, responses may be highly subjective, reflecting the specific experience of the responding country/organization during the SAP timeframe.

**Table 18: Summary of survey responses to Questions 1-3 on SAP 2013-2018<sup>40</sup>**

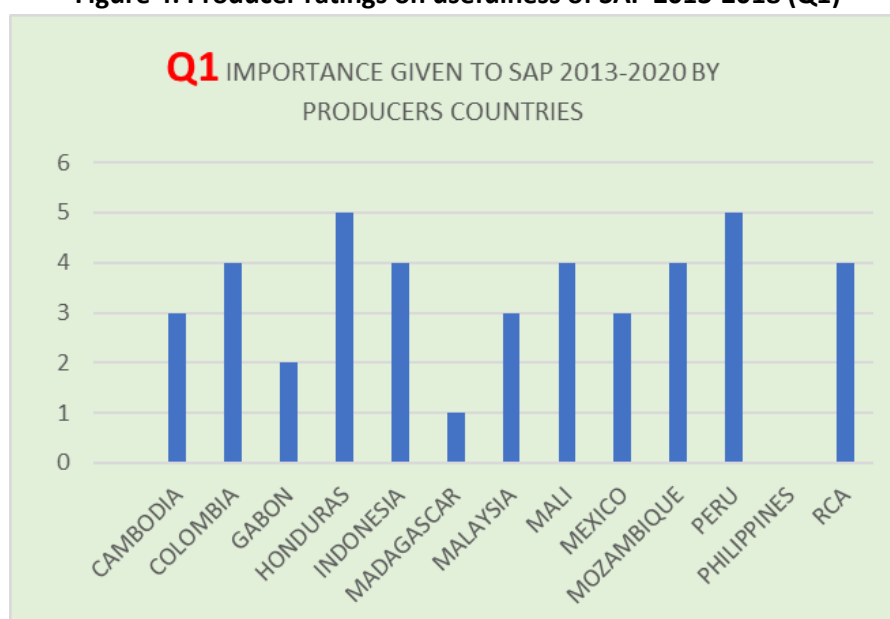
Question	Producers		Consumers		TAG <sup>41</sup>
<b>1. How useful was the SAP?</b>					
1 (least useful)	x				
2	x		x		
3	xxx		xxx		3.5
4	xxx		xxxx		
5 (most useful)	xxx		x		
<b>1. How can SAP be improved?</b>	See para 63 Q1		See para 63 Q1		See para 63 Q1
<b>2. How did you use the SAP?</b>					
2.a Communication	xxxxxxxx		xxxx		xxxx
2.b Project reference	xxxxxxxx		xxxxxxx		xx
2.c Policy reference	xxxxxxxxxxx		xxxxxx		x
2.d Other uses	See para 63 Q2		See para 63 Q2		See para 63 Q2
<b>3. How well were SPs implemented? (1 to 5, 5 is best)</b>		Total		Total	
SP1 Governance, investment	4 3 2 4 2 4 5 2 3 5 5 3 4	46	4 4 4 4 3 – 5 2 4	30	3.75
SP2 Economies	4 2 3 4 5 4 - 3 2 4 5 2 2	40	3 3 3 2 3 – 4 2 3	23	3
SP3 Biodiversity	3 1 3 4 5 3 5 4 3 5 5 3 3	47	4 4 3 4 4 – 5 1 3	28	3.75
SP4 Deforestation	2 1 3 5 5 3 4 4 1 5 5 3 1	42	3 3 3 5 3 – 5 1 4	27	3.75
SP5 Information	4 2 4 3 1 3 3 4 4 5 4 3 3	43	4 4 4 5 4 5 5 1 4	36	4
SP6 Capacity building	4 2 3 3 2 3 3 2 2 4 5 4 2	39	4 3 3 2 3 – 4 1 5	25	3.75

<sup>40</sup> Each “x” in producer and consumer columns corresponds to one respondent checking the entry.

<sup>41</sup> TAG Focal Point notes: “Replies are collated from replies made by TAG members. X = a tick by one TAG member, more “x” indicates more popular choice. An average (in 1 to 5 scale) is used where members have different opinions.”

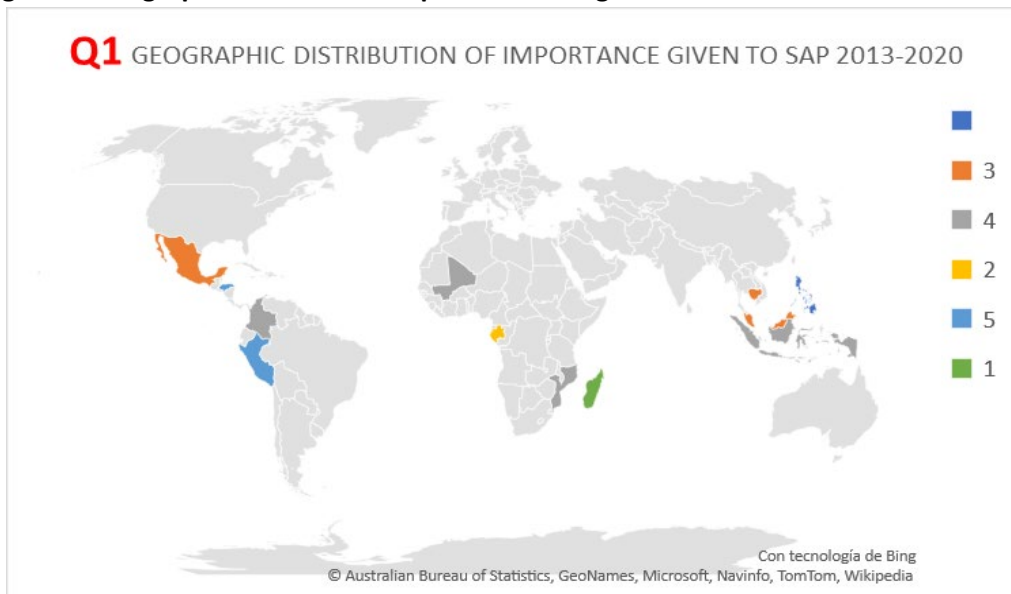
**Table 19: Numeric summary of producer responses to Questions 1-3 on SAP 2013-2018<sup>42</sup>**

	Q1	Q2				Q-3							
		a	b	c	d	SP1	SP2	SP3	SP4	SP5	SP6	tot	av
CAMBODIA	3	1	1	1		3	2	3	3	3	4	18	3
COLOMBIA	4	1	1	1		4	4	4	5	3	3	23	3.833
GABON	2		1	1		3	2	3	1	4	2	15	2.5
HONDURAS	5	1	1	1	1	5	4	5	5	5	4	28	4.667
INDONESIA	5	1	1			5	5	5	5	4	5	29	4.833
MADAGASCAR	1					3	2	1	1	2	2	11	1.833
MALAYSIA	3	1	1	1		2	3	4	4	4	2	19	3.167
MALI	4	1		1		4	2	3	1	3	2	15	2.5
MEXICO	3			1		2	5	5	5	1	2	20	3.333
MOZAMBIQUE	4		1	1		4	4	3	3	3	3	20	3.333
PERU	5	1	1			5		5	4	3	3	20	3.333
PHILIPPINES			1			2	3	4	4	4	2	19	3.167
RCA	4	1	1	1	1	4	4	3	2	4	4	21	3.5
<b>TOTAL</b>	<b>43</b>	<b>8</b>	<b>10</b>	<b>9</b>	<b>2</b>	<b>46</b>	<b>40</b>	<b>48</b>	<b>43</b>	<b>43</b>	<b>38</b>	<b>258</b>	<b>43</b>
<b>AVERAGE</b>	<b>3.31</b>					<b>3.54</b>	<b>3.08</b>	<b>3.69</b>	<b>3.31</b>	<b>3.31</b>	<b>2.92</b>		<b>3.31</b>

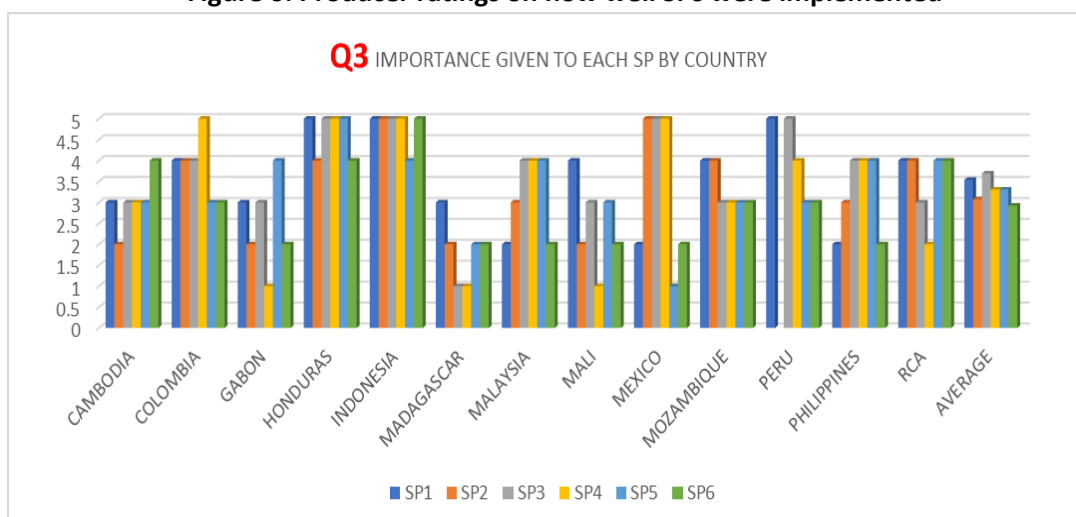
**Figure 4: Producer ratings on usefulness of SAP 2013-2018 (Q1)**

<sup>42</sup> Q1: Rating assigned by respondent on a scale of 1 to 5. Q2: Times of mention to one specific SP. Q3: Times of mention to one specific SP and average

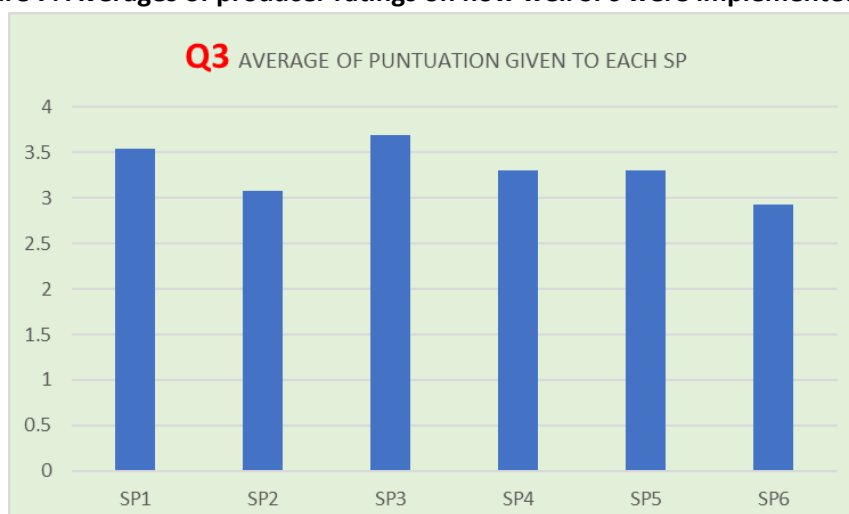
**Figure 5: Geographic distribution of producer ratings on usefulness of SAP 2013-2018 (Q1)**



**Figure 6: Producer ratings on how well SPs were implemented**



**Figure 7: Averages of producer ratings on how well SPs were implemented (Q3)**



### III.B Responses to survey Questions 4-10 on the new SAP

64. Questions 4-10 of the survey focused on the way forward for the SAP 2022-2026. Responses are compiled in full in [Annex 4](#) and tabulated in [Table 20](#) for Questions 1 to 9. Responses to Question 10 include a number of proposals for the new SAP which are summarized in [Box 2](#). The following is a summary of responses received.

- **Question 4:** Most respondents considered that, in addition to its main purpose (guiding the work of ITTO), the SAP should highlight ITTO's relevance to broader global goals and targets (most often mentioned), as well as serve as a reference framework for ITTO member governments, stakeholders and partners and a communication and fundraising tool. Other suggested values of the new SAP included the following:

#### Producers:

- Voluntary Partnership Agreement/FLEGT policy support for signatory countries
- Mechanism to strengthen Members' capacity to manage and execute operations in a timely manner and address emerging issues
- Contribution to development of trade, legality & sustainability of tropical timber supply chains
- Continue to highlight SFM for production forests

#### Consumers:

- Enhancing the role and visibility of ITTO's work at the international level in contributing to the achievement of forest-related goals
- Providing a guidance framework for actions towards halting deforestation and forest degradation and developing and promoting LSSCs, including guidance on tools and approaches to increase supply chain transparency and traceability
- Demonstrating ITTO relevance to CBD, UNFCCC, Paris, CITES and to human well-being

Conclusion: There was general agreement that the new SAP should highlight ITTO's relevance and contribution to international forest-related goals and commitments and have value as a reference framework for ITTO Members, partners and stakeholders and as a communication and fundraising tool.

- **Question 5:** All but one respondent (EU) considered that the six SPs in the SAP 2013-2018 remain generally valid and a good basis for going forward. When asked to identify the three most important SPs for the next five years, SP1 and SP4 were most often mentioned across all respondents as shown in [Table 20](#). [Table 21](#) and [Figure 8](#) indicate that producers most often mentioned SP1, followed by SP3, SP4 and SP2. Consumers as a whole were most interested in SP1 and SP4. As an alternative to the current SPs, the EU proposed the following four new SPs:
  1. Halting deforestation and forest degradation
  2. Halting loss of biodiversity, including by improving the interaction with rural development and agricultural policies, especially with regard to the extension of agricultural land and land conversion to other uses than forests.
  3. Focus on SFM: improved forest governance and improved training/education for SFM
  4. Promoting transparent and sustainable supply chains: Support implementation of effective control mechanisms at national and international levels to that end, including ITTO acting as

a platform for dialogue and cooperation and using modern technologies for tracking, cross-border/regional cooperation on maintaining and enhancing endangered but high value/precious tropical tree species.

**Conclusion:** All but one respondent thought the current six SPs remained generally valid and a good basis for going forward. While views varied on which three SPs were more important for the new SAP, SP1 and SP4 were indicated most often, followed by SP3. The EU's proposed new SPs have elements in common with SP1, SP3 and SP4.

**Table 20: Summary of survey responses to Questions 4-9 on the SAP 2022-2026<sup>43</sup>**

Question	Producers	Consumers	TAG <sup>44</sup>
<b>4. Added SAP values?</b>			
a. Communication/fundraising	xxxxxx	xxxxxxx	x
b. GFGs/SDGs/Paris/etc.	xxxxxxx	xxxxxxxxxxx	xx
c. Reference framework	xxxxx	xxxxxxxxxxx	xx
d. Other	See para 64 Q4	See para 64 Q4	
<b>5. Current SPs generally valid? Which?</b>			
Yes	xxxxxxxxxxx	xxxxxxxxxxx	x
No		x	
Most important SPs over 5 years			
SP1 Governance, investment	xxxxxxx	xxxxxxxxxxx	x
SP2 Economies	xxxxx	xx	
SP3 Biodiversity	xxxxx	xxx	x
SP4 Deforestation	xxxxx	xxxxxxx	x
SP5 Information	xxx	xxxxx	
SP6 Capacity building	xx	xx	
<b>6.b How to reflect PLs in SAP?</b>			
a. Integrate PLs into SPs	xxxx	xxxx	xx
b. As targets/actions under SPs	xxx	xxx	xx
c. As SAP implementation tools	xxxxxxxx	xxxxxxx	
<b>7. Highlight crosscutting issues?</b>			
a. COVID & tropical forest sector	xxxxxxx	xxxxxxx	x
b. Gender equality	xxxxxxx	xxxx	
c. ITTO effectiveness/capacity	xxxxx	xxxxxxx	xxx
d. Other	See para 64 Q7	See para 64 Q7	See para 64 Q7
<b>8. Cross-cutting issues as SPs?</b>			
a. COVID & tropical forest sector	xxx	xx	
b. Gender equality	xx	xxx	
c. ITTO effectiveness/capacity	x	xx	x
d. Other	See para 64 Q8	See para 64 Q8	
<b>9. Targets to achieve in 5 years?</b>			
a. Adopt fundraising strategy	xxxx	xxxxxxx	x
b. Fully operationalize 4 PLs	xxxxxxx	xxxxxxx	xxxx
c. Streamline project cycle	xxxxx	xxxx	
d. Revise project manuals	xxxxx	xxx	
e. Reinvigorate TPs	xxxx	x	x
f. Rationalize PLs & TPs	xx	xxxx	
g. Other	See para 64 Q9	See para 64 Q9	

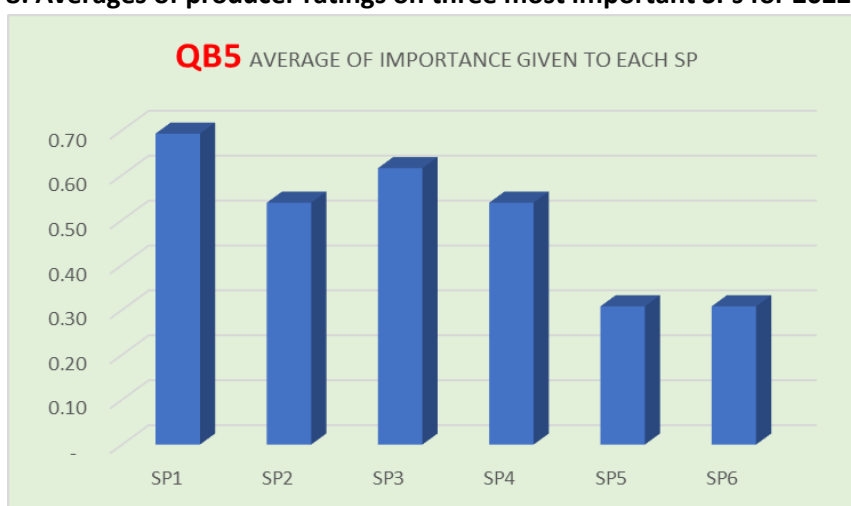
<sup>43</sup> Each "x" in the producer and consumer columns corresponds to one respondent checking the entry.

<sup>44</sup> TAG Focal Point notes: "Replies here are collated from replies made by TAG members. X = a tick by one TAG member, more "x" indicates more popular choice. An average (in 1 to 5 scale) is used where members have different opinions."



**Table 21: Producer ratings on three most important SPs for 2022-26 (Q5)**

	QB5					
	SP1	SP2	SP3	SP4	SP5	SP6
AVERAGE	0.69	0.54	0.62	0.54	0.31	0.31
CAMBODIA	1	0	0	1	0	1
COLOMBIA	1	0	0	1	1	0
GABON	0	1	1	0	0	1
HONDURAS	1	0	1	1	0	0
INDONESIA	1	1	0	1	0	0
MADAGASCAR	1	1	0	0	0	1
MALAYSIA	0	0	1	1	1	0
MALI	1	1	1	0	0	0
MEXICO	0	1	1	0	1	0
MOZAMBIQUE	1	1	1	0	0	0
PERU	1	0	1	0	0	1
PHILIPPINES	0	0	1	1	1	0
RCA	1	1	0	1	0	0

**Figure 8: Averages of producer ratings on three most important SPs for 2022-26 (Q5)**

- **Question 6:** Views varied on how to reflect the PLs now being piloted in the new SAP, with the majority seeing the PLs as SAP/SP implementation tools. A number of respondents also supporting integrating the PLs into the SPs.

Conclusion: There was general agreement that the pilot PLs should be reflected in the new SAP, although views varied on how. The approaches in 6.a (incorporate PLs into in SPs), 6.b (PLs as targets) and 6.c (PLs as implementation tools) are not mutually exclusive.

- **Question 7:** Nearly all respondents thought the new SAP should highlight one or more of the three cross-cutting issues listed in 7.a-c, with COVID and ITTO operational effectiveness most frequently checked. One consumer noted that while COVID should be a cross-cutting issue, the focus should be on persistent issues, not acute matters during the pandemic. Another consumer suggested that, in addition to COVID-19, ITTO should look into potential future pandemics closely linked to deforestation and loss of biodiversity. Other suggestions for cross-cutting issues were as follows:

Producers:

- Consider how tropical forest management contributes to economic growth, job creation, energy generation and is essential to respond to climate change and support rural communities
- Fair and effective tropical timber market
- Science, technology and innovation

Consumers:

- Enhanced interaction with the private sector and civil society
- Enhanced interaction with IPLCs
- Promotion of sustainable domestic wood in tropical wood producing countries
- Climate change impacts on tropical forests and integration of SFM and conservation goals in climate change mitigation and adaptation and land use policy

TAG:

- Building global demand for sustainable use of the forest resource

Conclusion: There was widespread support for highlighting COVID-19, ITTO operations and gender equality as cross-cutting issues in the new SAP. Other suggestions for cross-cutting issues could be considered for inclusion in the SAP either as cross-cutting issues or integrated into SPs or specific targets.

- **Question 8:** While there was interest among some respondents in addressing one or more of the cross-cutting issues listed in 7.a-c (COVID, ITTO operations, gender equality) as new SPs, most respondents did not supportive additional SPs. One consumer stressed the need to provide sustainable and resilient supply chains post-COVID and ITTO's importance in this regard. Another consumer suggested gender equality could be a central component of SP6 (capacity building). A third consumer noted that emerging issues are listed in the PLs and could change over time and that interactions between agriculture and forestry/land use cover many key concerns. Three respondents who proposed additional cross-cutting issues in response to Question 7 above also proposed that those issues be formulated as SPs:

- Active involvement and participation of IPLCs
- Promotion of sustainable domestic wood in tropical wood producing countries
- Science, technology and innovation

Conclusion: There is mixed interest in formulating cross-cutting issues as SPs. This could reflect a hesitation to increase the number of SPs.

- **Question 9:** Views varied on what specific main targets ITTO should accomplish/achieve over the next five years. Some respondents supported all the targets listed under Question 9, while others checked only one or two targets, which likely reflected their priorities. As shown in [Tables 20 and 22](#) and [Figure 9](#), there was strong interest in finalizing elements of the new financial architecture now being piloted (a streamlined project cycle focused on programme lines and a fundraising strategy). Relatively less priority was given to the project manuals, reinvigorating TPs or rationalizing the PLs and TPs, which either flow from the new project cycle (project manuals) or relate to implementation of Articles 20.1 and 24 of the ITTA 2006. One consumer noted that

the PLs are broader and more current than the TPs, and that the TPs may carry negative baggage. Other targets suggested included:

Producers:

- Establishing a National Reference System (NREF)
- Reviewing the TP approach for current applicability

Consumers:

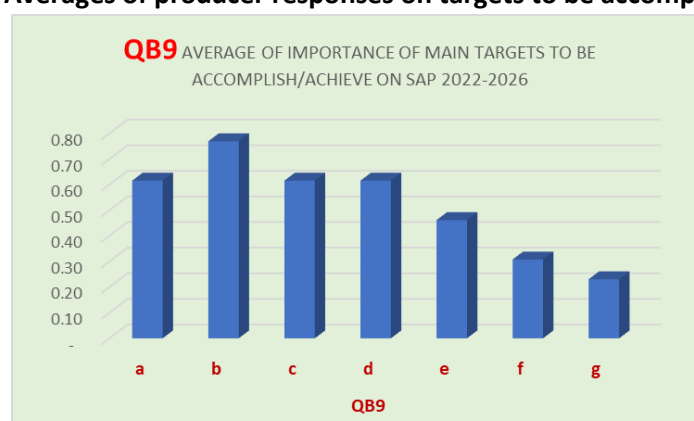
- Having ITTO make a distinct and quantifiable contribution to halting deforestation and forest degradation
- Having ITTO make a distinct contribution to the sustainability, transparency and traceability in timber value chains, including through improved knowledge on verification, timber identification and tracking tools
- Scaling up ITTO's visibility across international agreements and generating synergies to leverage financing for ITTO and increase ITTO's influence internationally

Conclusion: There was general interest in identifying targets to be achieved by 2026 especially for elements of the new financial architecture now being piloted (adopting a streamlined project cycle, associated PLs and a fundraising strategy). A number of other targets were also of interest.

**Table 22: Numeric summary of producer responses on targets to be accomplished (Q9)**

	QB9						
	a	b	c	d	e	f	g
AVERAGE	0.62	0.77	0.62	0.62	0.46	0.31	0.23
CAMBODIA		1	1	1	1	1	
COLOMBIA		1	1	1	1	2	
GABON	1	1	1	1	1		
HONDURAS	1	1	1	1	1		
INDONESIA		1					
MADAGASCAR	1	1					
MALAYSIA				1			1
MALI	1	1	1	1			
MEXICO	1		1				
MOZAMBIQUE	1	1					
PERU	1	1	1		1		1
PHILIPPINES				1			1
RCA	1	1	1	1	1	1	

**Figure 9: Averages of producer responses on targets to be accomplished (Q9)**



- **Question 10:** Many respondents offered additional comments on the new SAP under Question 10. These comments included a number of proposals for the SAP which are summarized in [Box 2](#). Some recurring themes include COVID-19 recovery, climate change, and trade and market issues, including LSSCs. Additional proposals on how to improve the current SAP are listed under [Question 1](#) above (paragraph 63).

**Box 2: Summary of proposals contained in survey responses to Question 10**

**Producer proposals**

- SAP should take into account proposals for improvement from Member countries.
- Within the framework of SP2, promote mechanisms to make visible the contribution of SFM activities to generate employment within the framework of post-COVID economic reactivation.
- SAP should prioritize capacity building for regional and local actors for developing and strengthening forestry extension.
- Analyze desirability of supporting issues related to managing landscapes in an integrated manner in the context of climate change; basic forest products and by products of sustainable value chains; smart policies based on tropical forest management; and innovative instruments for financing, technology and research
- SAP should take into account the characteristics of each country and the poor who become instruments of large operators in illegal logging and illicit transport.
- SAP should take a forward-looking approach to the challenges faced by the tropical timber sector from COVID-19.
- SAP should be reviewed regularly to reflect the current situation (e.g. impairment and COVID-19).
- SAP should outline clear indicators with specific achievable targets, various strategies, action-oriented and enablers in achieving the SAP goal.
- ITTO should consider new SAP elements such as technology advancement and innovation, research on market conditions, human capital development, and resiliency in the tropical timber business.
- Focus the SAP on the international context and think about the difficulty of mobilizing funding in the COVID context.
- There is an urgent need to create a Working Group specializing in fundraising to amend the financial situation facing the Organization.
- Maintain constant communication with Members on the progress on the SAP and financing options for research projects in the forestry sector.
- The SAP should include forest science, technology and innovation as a cross-cutting issue or new SP.
- In the context of SP4, the REDDES TP could include “Design of a Platform for projects and investment in the restoration of ecosystems and degraded areas through forest plantations”.

**Box 2 continued****Consumer proposals**

- Pay more attention to issues on sustainable supply of and demand for tropical timber
- SAP should highlight relevance of ITTO's work to the SDGs and other global goals.
- Capitalize on current high-level attention on sustainable commodity supply chains and trade (UN, G7) by including specific suggestions in new SAP on ITTO's relevance to post-COVID economic recovery.
- SAP should include strategic use of ITTO's statistical/market database to provide information on and promote sustainable and resilient supply chains.
- Consider targets/indicators for each SP to measure and report back.
- Fully operationalize PLs and move forward on a streamlined project cycle.
- More focus on interaction between agriculture (main driver of deforestation) and forestry/land use planning and the value of tropical timber.
- Address/recognize tropical forests in light of climate change, economic recovery (post COVID), and species extinction.

**TAG proposals**

- ITTO should build global demand for sustainable use of forest resources and make consumers aware of SFM and the part played by the trade in non-technical language.
- Establish a "Working Group on International Tropical Timber Trade: Obstacles & Challenges" comprised of TAG members and interested timber traders to understand why the tropical timber trade is losing market share despite adopting SFM, timber certification, FLEGT, and various Due Diligence processes.

**IV. Proposed framework for SAP 2022-2026**

65. The consultants were asked to develop a proposed framework for the SAP 2022-2026 based on Chapters II and III of the Background Paper. For ease of reference, the following is a recap of the "conclusions" contained in Chapter III regarding survey responses on Question 1-9 (see Box 2 for a summary of proposals included in response to Question 10):

Q1: The current SAP was moderately or more useful to a majority of respondents. Respondents offered many ideas on how to improve the SAP going forward.

Q2: The current SAP was generally useful as a reference for developing national policies and/or project proposals and as a communication tool within and beyond ITTO.

Q3: There is no consensus on how well each of the six SPs were implemented. Given the disparity in ratings, responses may be highly subjective, reflecting the specific experience of the responding country/organization during the SAP timeframe.

Q4: There was general agreement that the new SAP should highlight ITTO's relevance and contribution to international forest-related goals and commitments and have value as a reference framework for ITTO Members, partners and stakeholders and as a communication and fundraising tool.

Q5: All but one respondent considered that the current six SPs remain generally valid and a good basis for going forward. While views varied on which three SPs were more important for the new SAP, SP1 (governance and policy frameworks for investments) and SP4 (deforestation/degradation, environmental services) were indicated most often, followed by SP3 (biodiversity conservation). The EU's proposed SPs have elements in common with SP1, SP3 and SP4.

Q6: There was general agreement that the PLs should be reflected in the new SAP, although views varied on how. The approaches in 6.a (incorporate PLs into SPs), 6.b (PLs as targets) and 6.c (PLs as implementation tools) are not mutually exclusive.

Q7: There was widespread support for highlighting COVID-19, ITTO operational effectiveness and gender equality as cross-cutting issues in the new SAP. Other suggestions for cross-cutting issues could be considered for integration into SPs or as specific targets.

Q8: There was mixed interest in formulating cross-cutting issues as SPs. This could reflect a hesitation to increase the number of SPs.

Q9: There was general interest in identifying targets to be achieved by 2026 especially for elements of the new financial architecture now being piloted (adopting a streamlined project cycle and associated PLs and a fundraising strategy). A number of other targets were also of interest.

66. Below is a proposed framework for the SAP 2022-2026, which takes into account responses to the survey. ITTO Members and TAG and CSAG focal points are invited to submit comments on the proposed SAP framework to [Breulmann@itto.int](mailto:Breulmann@itto.int) by 9 August 2021. On the basis of comments received, the consultants will prepare a preliminary draft text of the SAP 2022-2026 for consideration by a Working Group<sup>45</sup>, which following its review will circulate a revised draft SAP. Based on comments received on the revised draft, a final draft SAP will be circulated for consideration at ITTC 57.

---

<sup>45</sup> The Background Paper itself will not be revised.

## **Proposed framework for the SAP 2022-2026**

### **Premise/context**

- The SAP will guide ITTO's work and priorities over five years, with a view to advancing the objectives in Article 1 of the ITTA 2006. Five years is a relatively short planning horizon. The SAP should be as concrete as possible while also providing Council with the flexibility to respond to new and emerging issues and challenges.
- The SAP should be realistic and commensurate with ITTO's projected capacity. While Council has taken vigorous steps to address the impairment and is piloting a new financial architecture, it is unclear as to its efficacy and to what degree voluntary contributions will increase in the near future.
- 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 tropical forest sector. The SAP should take this into account.
- The SAP will include strategic priorities (SPs), cross-cutting issues/strategies and associated targets to be reached/accomplished by 2026, taking into account work now being piloted (fundraising strategy, streamlined project cycle, PLs).
- Given the integrated nature of ITTO's objectives, there will likely be synergies across SPs and cross-cutting issues/strategies, as well as synergies among targets. A given target may contribute to more than one SP/cross-cutting issue.
- It is expected that in 2026 Council will extend the ITTA 2006 for a final three years and decide the process for negotiating a successor agreement. The SAP may be viewed as a transitional guidance document between 2022 and initiating a review of the mandate and structure of the Organization.
- The SAP should be a clear, concise, attractive document that can be used and understood by a wide range of audiences within and beyond ITTO (while clearly oriented toward advancing ITTO's mandate).

### **Proposed structure and content of the SAP 2022-2026**

#### **1. Introduction. This section would highlight (in an appropriate order):**

- The purpose of the SAP:
  - Guide ITTO's policy and project work and priorities over five years to advance the objectives in Article 1 of the ITTA 2006
  - Serve as reference framework for ITTO Members, partners and stakeholders and communication tool with the wider forest community, including donors, who may not be familiar with ITTO's contributions to SFM and sustainable supply chains and trade

- The importance of tropical forest resources, products and services to people worldwide, including local livelihoods, and the role of international trade in supporting the sustainability of the forest resource
- ITTO's unique role and comparative advantages in promoting SFM and sustainable forest enterprises, supply chains and international trade and in providing up-to-date market information and statistics
- ITTO's relevance/contributions to internationally agreed goals and commitments (UNSPF/GFGs, 2030 Agenda/SDGs, Paris Agreement, Post-2020 Global Biodiversity Framework, etc.)
- ITTO's core partnerships which leverage its relevance/contributions: TAG & CSAG, CPF and its member organizations (e.g. CITES, CBD), regional organizations, etc.
- Major trends and challenges in the tropical forest sector, including the tropical timber trade: Market trends, FRA 2020, impacts of COVID and outlook for recovery

## 2. Strategic priorities, cross-cutting strategies, targets:

- This section would set out ITTO's SPs and crosscutting strategies for the next five years and associated targets to be achieved/accomplished by 2026.
- The SPs (and as appropriate cross-cutting strategies) would be clearly linked to the GFGs, SDGs, Paris Agreement and post-2020 Global Biodiversity Framework
- Box 3 contains three conceptual options for approaching the SPs and cross-cutting issues/strategies:
  1. Baseline option: Same six SPs as SAP 2013-2018 plus three crosscutting strategies
  2. SPs integrating thematic elements from the pilot PLs plus four cross-cutting strategies. (SP6 on capacity building becomes a cross-cutting strategy.)
  3. Prioritized strategies and crosscutting strategies reflecting the language in subparas 1.a to 1.s of Article 1 of the ITTA 2006.
- Boxes 4 and 5 list potential targets for conceptual options 1-2 and associated crosscutting strategies based on survey responses, recent Council decisions and BWPs. Box 6 lists potential targets for conceptual option 3 based on survey responses, recent Council decisions and BWPs.

## 3. Implementation framework

- The SAP will be implemented through BWP activities and through projects financed largely from voluntary contributions earmarked to specific activities and projects.
- Core operational activities included in the BWPs (e.g. communication activities, expert meetings, studies, guidelines, manuals) may be funded from the Administrative Account (core budget) pursuant to Article 19.2 of the ITTA 2006.



- Council will assess lessons learned from TP operations and explore the feasibility for reinvigorating the TP concept pursuant to Articles 20 and 24 of the ITTA 2006.
- The SAP will recognize that final decisions on elements of the new financial architecture now being piloted (streamlined project cycle, PLs, fund raising strategy) will be taken by Council in 2022 and may reflect refinements/modifications based on the pilot operation. (The Council decision in 2022 may be added as addendum to the SAP.)
- Project proposals submitted after November 2022 will follow the new project cycle procedures as adopted by Council.
- Proposed BWP activities and project proposal documents (e.g. concepts notes) will indicate their relevance to the SPs and cross-cutting issues/strategies, GFGs and SDGs, as well as Article 1 of the ITTA 2006. (Adjustments to the BWP format may be indicated.)
- ITTO Members, TAG and CSAG and international and regional partners have an important role to play in supporting the SAP and will be invited to share their contributions to SAP implementation during annual Council sessions (new agenda item)

#### 4. Monitoring and review

- The ED/OIC will report annually to Council on progress (accomplishments, challenges) on SAP implementation through the BWPs and through the project cycle
- The ED/OIC will also report intersessionally as requested by Council
- Council will review and assess the effectiveness of the SAP in 2026 based on review parameters/indicators agreed in 2025.
- Council may also wish to undertake a mid-term review/assessment of the SAP in 2024 based on review parameters/indicators agreed in 2023.
- Based on its review and assessment in 2026, Council may wish to extend the SAP 2022-2026 through 2029 in line with a three-year final extension of the ITTA 2006 (per Article 44), with refinements/amendments to the SAP as needed.

### Box 3: Three conceptual options for approaching the SPs in the SAP 2022-2026<sup>46</sup>

#### Conceptual option 1: Baseline option – Same SPs as SAP 2013-2018

##### Strategic Priorities

1. Promote good governance and enabling policy frameworks for strengthening SFM and related trade and enhancing SFM financing and investment (Art. 1.i, 1.k, 1.n)
2. Increase the contribution of tropical forests to national and local economies, including through international trade (Art. 1.i, 1.k)
3. Enhance the conservation and sustainable use of biodiversity in tropical timber producing forests (Art. 1.m)
4. Reduce tropical deforestation and forest degradation and enhance the provision of environmental services (Art. 1.c, 1.j, 1.q)
5. Improve the quality and availability of information on tropical forests, forest product markets and trade (Art. 1.e, 1.h, 1.k, 1.l, 1.o; Articles 27 & 28)
6. Build and develop human resource capacity to implement SFM and increase trade in forest goods and services from sustainably management forests (Art. 1.d, 1.g, 1.q, 1.r)

##### Three cross-cutting strategies:

(1) Enhance ITTO operational effectiveness; (2) Mainstream the tropical forest sector in COVID-19 recovery plans, measures and investments; (3) Promote gender equality and the empowerment of women

#### Conceptual Option 2: SPs integrating thematic elements from the pilot PLs

##### Strategic Priorities

1. Promote good governance and policy frameworks to enhance financing and investment in sustainable tropical forest management, legal and sustainable supply chains and related trade (Art. 1.i, 1.k, 1.n)
2. Increase the contribution of the tropical forest sector, including trade in forest products, to national and local economies and resilient livelihoods (Art. 1.i, 1.k)
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 (Art. 1.j, 1.m, 1.q)
7. Improve the quality, availability, timeliness of information on tropical forest product markets, supply chains and international trade (Art. 1.e, 1.h, 1.k, 1.l, 1.o; Arts 27 & 28)

##### Four cross-cutting issues:

(1) Build capacity in Member countries to advance the SAP; (2) Enhance ITTO operational effectiveness; (3) Mainstream the tropical forest sector in COVID-19 recovery plans, measures and investments; (4) Promote gender equality and the empowerment of women

<sup>46</sup> Notations in parentheses refer to relevant subparas of Article 1 of ITTA 2006. All SPs contribute to Article 1.a, 1.c. and 1.s.

### Box 3 continued

#### Conceptual option 3: Prioritized Strategies from subparas of Article 1 of ITTA 2006<sup>47</sup>

##### **Promote the expansion and diversification of international trade in tropical timber from sustainably managed and legally harvested forests (Art. 1 chapeau)**

###### Prioritized Strategies:

- 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 (Art. 1.a)
- Providing a forum for consultation to promote non-discriminatory timber trade practices (Art 1.b)
- Promoting a global forum for SFM, timber and NTFP market and environmental services (new)
- 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 SFM (Art 1.e)
- 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 (Art 1.i)
- 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 (Art 1.m)

##### **Promote the sustainable management of tropical timber producing forests (Art. 1 chapeau)**

###### Prioritized Strategies

- 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 (Art 1.r)
- Promoting mechanisms to make visible the contribution of SFM activities to post-COVID employment and economic reactivation (new, relates to Art 1.s)
- 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 (Art 1.f)
- Strengthening the capacity of members to improve forest law enforcement and governance, and address illegal logging and related trade in tropical timber (Art 1.n)
- 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 (Art 1.g)
- Encouraging members to support and develop tropical timber reforestation, as well as

<sup>47</sup> Notations in parentheses indicate the subparas in Article 1 of the ITTA 2006 where the text is a direct quote. "New" strategies are not contained in Article 1.

rehabilitation and restoration of degraded forest land, with due regard for the interests of local communities dependent on forest resources (Art 1.j)

- 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 (Art 1.m)
- Focusing on interaction between agriculture (main driver of deforestation) and forestry/land use planning and the value of tropical timber (new)

#### Crosscutting

- 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 (Art 1.p)
- 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 (Art 1.l)
- Highlight the relevance of ITTO's work to the SDGs and other global goals (Art 1.c). And take into account the characteristics of each country and the poor who become instruments of large operators in illegal logging and illicit transport (new)

**Box 4: Potential SP targets by 2026 for SP conceptual options 1 and 2**

<p><b>SP on governance and financing for SFM/LSSCs</b></p> <ul style="list-style-type: none"> <li>• Develop a strategy/roadmap for meeting GEF and GCF requirements for accreditation as a partner agency</li> <li>• Leverage financing through enhanced international partnerships and synergies</li> <li>• Develop and promote tools and approaches to monitor and increase transparency and traceability in tropical timber product supply chains</li> <li>• Promote ITTO as a platform for LSSC dialogue and cooperation</li> <li>• Explore opportunities/constraints to investment in tropical timber processing industries and technologies</li> </ul>
<p><b>SP on contribution of the tropical forest sector to local and national economies/livelihoods</b></p> <ul style="list-style-type: none"> <li>• Conduct a study on domestic wood production and supply chains in producer countries to better understand their role in local and national economies</li> <li>• Establish a joint ITTO-TAG working 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</li> <li>• Develop and promote business models for SMEs, including IPLC enterprises</li> <li>• Promote full valuation of tropical forest resources and their contribution to formal and informal economies</li> <li>• Explore opportunities for value creation in producer countries</li> <li>• Assess the role of tropical plantations and agroforestry systems in local and national economies and opportunities to rehabilitate degraded land for these uses</li> </ul>
<p><b>SP on deforestation/degradation, restoration, biodiversity, ecosystem services</b></p> <ul style="list-style-type: none"> <li>• Articulate/promote ITTO's role in reducing tropical deforestation and forest degradation and contributing to climate change mitigation and adaptation and forest landscape restoration</li> <li>• Promote zero deforestation agriculture and related land use policies</li> <li>• Establish an MOU with UNFCCC to promote collaboration/synergies, including on forest restoration and integration of SFM in climate mitigation/adaptation strategies</li> <li>• Refine the MOU with CBD as needed to reflect the Post-2020 Global Biodiversity Framework</li> <li>• Extend/renew the MOU with UNCCD through 2026</li> <li>• Promote use of ITTO Guidelines for Tropical Forest Restoration in the Tropics (2020)</li> </ul>
<p><b>SP on statistics and information</b></p> <ul style="list-style-type: none"> <li>• Make strategic use of ITTO's market/trade databases to inform LSSC discussions in international fora and within CPF</li> <li>• Prepare an updated SFM Tropics report based on ITTO's C&amp;I</li> <li>• Upgrade ITTO databases on projects and activities, taking into account the database developed as part of piloting a streamlined project cycle</li> </ul>
<p><b>SP (or cross-cutting issue) to help build capacity in Member countries to advance the SPs</b></p> <ul style="list-style-type: none"> <li>• Upscale best practices, tools, scientific/research applications and innovation</li> <li>• Enhance training, education and extension, including through the ITTO Fellowship Programme and a revitalized CEEP</li> <li>• Develop and adopt ITTO knowledge management guidelines</li> </ul>

**Box 5: Potential Cross-cutting targets by 2026 for SP conceptual options 1-3**

**Enhance ITTO's operational effectiveness**

- Adopt and operationalize an ITTO fundraising strategy and a streamlined project cycle based on the results of the pilot phase
- Revise/update ITTO's project-related manuals accordingly
- Adopt and implement a communication and outreach strategy, including to promote the SAP
- Enhance partnerships with TAG and CSAG, including IPLCs
- Assess lessons learned from TPs and explore opportunities to attract unearmarked funds to ITTO to complement earmarked contributions
- Consider ways to address the continuing shortfall in the Administrative Account

**Mainstream the tropical forest sector in COVID-19 recovery plans, measures and investments**

- Assess impacts of COVID on tropical forest sector, including impacts on trade and national and local economies
- 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 CPF to identify links between tropical forests and reducing risk of future pandemics

**Promote gender equality and the empowerment of women**

- Enhance/accelerate application and operationalization of ITTO's GEEW Policy Guidelines, including in the context of the new streamlined project cycle now being piloted
- Conduct a study on how gender gaps accentuate the vulnerability of women to impacts of climate change and limit their adaptive capacity to face disaster risks

**Potential targets by 2026 for conceptual option 3**

ITTA's Objective (Article 1)	Prioritized strategies for SAP 2022-2026	Potential Targets
Expansion and diversification of International trade in tropical timber from sustainably managed and legally harvested forests (Article 1 chapeau)	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 (Art 1.a)	Build global demand for sustainable use of forest resources and make consumers aware of SFM and the part played by the trade in non-technical language
	Providing a forum for consultation to promote non-discriminatory timber trade practices (Art 1.b)	Establish joint ITTO-TAG working group to look at market/trade issues, resiliency in the tropical timber business, and ways to build global demand for sustainably produced and supplied tropical timber
	Promoting a global forum for sustainable forest management, timber and NTFP market and forest environmental services (new)	<ul style="list-style-type: none"> <li>- Develop a strategy/roadmap for achieving GEF and GCF accreditation and fundraising opportunities</li> <li>- Establish an MOU with UNFCCC to promote collaboration/synergies, including on forest restoration and integration of SFM in climate mitigation/adaptation strategies aiming to obtain funds for SFM and climate change projects</li> </ul>
	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 (Art 1.e)	<ul style="list-style-type: none"> <li>- Develop together with Members the full valuation of tropical timber and other forest resources and value creation and national forest accounts</li> <li>- Capitalize on current high-level attention on sustainable commodity supply chains and trade (UN, G7)</li> </ul>
	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 (Art 1.i)	Conduct a study on domestic wood production and supply chains in producer countries and identify opportunities to enhance sustainability and efficiency
	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 (Art 1.m)	Develop regional and subregional workshops and dissemination activities among Members
Promote the sustainable management of tropical timber producing forests (Article 1 chapeau)	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 (Art 1.r)	<ul style="list-style-type: none"> <li>- Articulate/promote ITTO's role and participation in reducing tropical deforestation and forest degradation and contributing to climate change mitigation and adaptation</li> <li>- Assist countries to promote positive interactions between agriculture and forestry/land use policies</li> </ul>
	Promoting mechanisms to make visible the contribution of SFM activities to post-COVID employment and economic reactivation (new based on Art 1.s)	Develop a strategic plan on ITTO's relevance to post-COVID economic recovery

Promote the sustainable management of tropical timber producing forests (continued)	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 (Art 1.f)	Support national and regional program/projects on timber, non-timber and forest services markets (environmental services)
	Strengthening the capacity of members to improve forest law enforcement and governance, and address illegal logging and related trade in tropical timber (Art 1.n)	Develop and promote tools and approaches to monitor and increase transparency and traceability in tropical timber product supply chains
	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 (Art 1.g)	<ul style="list-style-type: none"> <li>- Operationalize PLs and move forward on a streamlined project cycle</li> <li>- Working Group specializing in fundraising to improve the financial potential of the Organization</li> <li>- Design of a Platform for projects and investment in the restoration of ecosystems and degraded areas through forest plantations</li> <li>- Assess lessons learned from TPs and explore opportunities to attract unearmarked funds to ITTO</li> </ul>
	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 (Art 1.j)	Analyze and promote approaches to managing landscapes in an integrated manner in the context of a changing climate
	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 (Article 1.m)	Prepare an updated SFM Tropics report based on ITTO's C&I I and national and regional forest sector reviews
	Focus on interaction between agriculture (main driver of deforestation) and forestry/land use planning and the value of tropical timber	Assist producer members in the development and implementation of intersectoral working groups for deforestation control and reduction, using strategies of agroforestry systems and sustainable alternative income generation activities
Crosscutting strategies	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 (Art 1.p)	Enhance training, education and extension, including through ITTO Fellowship Programme and a revitalized CEEP
	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 (Art 1.l)	Upgrade ITTO databases on projects and activities
	Highlight relevance of ITTO's work to the SDGs and other global goals. And take into account the characteristics of each country and the poor who become instruments of large operators in illegal logging and illicit transport. (new based on Art. 1.c)	Active participation of UNFF, FAO, UNFCCC, CITES, CBD supporting their goals and exploring/negotiating special funds for common/ relevant programs





## ANNEX 1

## SURVEY TO GATHER INITIAL VIEWS ON THE NEW ITTO STRATEGIC ACTION PLAN (SAP)

Please send completed surveys to [breulmann@itto.int](mailto:breulmann@itto.int) by 14 May 2021

ITTO Member/Organization: \_\_\_\_\_

Respondent name and agency/affiliation: \_\_\_\_\_

A. SAP 2013-2018, in your view:

1. How useful has the current SAP been to your country/organization on a scale of 1 to 5 (5 being most useful)?  
In what ways could the current SAP be improved? Please indicate: \_\_\_\_\_
2. How did your country/organization use the SAP:
  - a. \_\_\_\_\_ As a communication tool with agency partners and stakeholders?
  - b. \_\_\_\_\_ As a reference for developing or funding project and pre-project proposals?
  - c. \_\_\_\_\_ As a reference for developing or supporting national policies?
  - d. \_\_\_\_\_ Other ways? Please indicate: \_\_\_\_\_
3. How well has each of the current six Strategic Priorities (SPs) been implemented on a scale of 1 to 5 (5 being very well):<sup>48</sup>
  - \_\_\_\_\_ SP1 - Governance, policy frameworks, financing and investment
  - \_\_\_\_\_ SP2 - Contributions to national and local economies
  - \_\_\_\_\_ SP3 - Conservation and biodiversity
  - \_\_\_\_\_ SP4 - Deforestation, forest degradation, environmental services
  - \_\_\_\_\_ SP5 - Quality and availability of information
  - \_\_\_\_\_ SP6 - Human resource capacity development

B. Looking forward to the new SAP 2022-2026, in your view:

4. The main purpose of the SAP is to guide the overall direction of the Organization and its operations towards achieving the objectives in the ITTA 2006. In addition, should the SAP have value:
  - a. \_\_\_\_\_ As a communication/fundraising tool?
  - b. \_\_\_\_\_ By highlighting the relevance of ITTO's work to advancing the Global Forest Goals (GFGs)<sup>49</sup>, Sustainable Development Goals (SDGs)<sup>50</sup>, especially SDG 15, and Paris Agreement?
  - c. \_\_\_\_\_ As a reference framework for ITTO Member governments, stakeholders and partners
  - d. \_\_\_\_\_ Other? Please indicate: \_\_\_\_\_
5. Are the six Strategic Priorities set out in the current SAP still generally valid and a good basis for going forward? \_\_\_\_\_ Yes \_\_\_\_\_ No.
  - If yes, which SPs are more important over the next five years (name up to 3): \_\_\_\_\_
  - If no, what should be the strategic priorities over the next five years: \_\_\_\_\_

<sup>48</sup> The full text of the six SPs is contained in paragraph 4 of the introductory section.

<sup>49</sup> The UN Strategic Plan for Forests 2017-2030 adopted by the UN General Assembly sets out 6 GFGs and 26 associated targets.

<sup>50</sup> SDG15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

6. How should the new Programmatic Lines (PLs) be reflected in the new SAP?
  - a. ☐ Integrated into the SPs?
  - b. ☐ As targets/actions under the SPs?
  - c. ☐ As SAP implementation tools (together with the BWPs, Thematic Programmes and projects/pre-projects)?
  
7. What cross-cutting issues should be highlighted in the SAP:
  - a. ☐ COVID and the tropical forest sector?
  - b. ☐ Gender equality and the empowerment of women?
  - c. ☐ ITTO's operational effectiveness/capacity (e.g. new financial architecture, Secretariat strengthening and decentralization)
  - d. ☐ Other? Please indicate: \_\_\_\_\_
  
8. Should one or more of the above cross-cutting issues be reflected as a strategic priority? If so, please indicate: \_\_\_\_\_
  
9. What main targets would you like to see ITTO accomplish/achieve in the next four years, assuming financial resources are available?
  - a. ☐ Adopt and implement a fundraising strategy based on the results of the pilot approach?
  - b. ☐ Fully operationalize the four Programmatic Lines?
  - c. ☐ Establish a streamlined project cycle based on the results of the pilot phase?
  - d. ☐ Revise the ITTO project manuals to reflect the new streamlined project cycle?
  - e. ☐ Reinvigorate Thematic Programmes (TPs) since they are referred to in the ITTA 2006?
  - f. ☐ Rationalize the PLs and TPs (e.g. characterize PLs as second-generation TPs)?
  - g. ☐ Other? Please indicate: \_\_\_\_\_
  
10. Do you have any additional comments/suggestions regarding developing the new SAP?

## ANNEX 2

### Council Decisions on internal controls and new financial architecture

#### A. Decisions to strengthen internal controls and address the impairment

##### 2015

##### [Decision 4\(LI\) ITTO Investments and Financial Management](#)

Establishes an Oversight Committee to amend ITTO Whistleblower policy and commission an independent investigation. The Annex sets out terms of reference for an Investigative Panel.

##### 2016

##### [Decision 1 \(LI.1\) Revision of ITTO Financial Rules and Procedures, Audit Standards, and Relevant Staff Regulations and Rules](#)

Authorizes OIC to commission external expertise in internationally recognized financial rules and audit standards/best practices and make recommendations on revisions needed. The Annex sets out terms of reference for the revision.

##### [Decision 2 \(LI.1\) Extension of the Mandate of the Oversight Committee established under Decision 4\(LI\)](#)

Requests the Oversight Committee to, *inter alia*:

- Develop strategies for prioritizing projects and managing impacts of the loss of project funds
- Follow, advise, and report on evolving legal issues
- Provide advice and comments on proposals for amending the financial and administrative rules
- Investigate the incentives that led ITTO's previous management to seek additional funds through certain investments

##### [Decision 4 \(LI.1\) Legal Measures Related to ITTO Investments](#)

Authorizes OIC to initiate legal action against PWM/DSK to claim damages for lost investment in LM Managed Performance Fund before the expiry of the statute of limitations under Japanese civil law.

##### 2017

##### [Decision 5\(LIII\) Amendment of Rules of Procedure and Financial Rules and Rules Relating to Projects](#)

Requests ED to make documents relating to budgets, assessments, financial resource levels, financial statements and audits, and CFA documents publicly available on the ITTO website.

##### [Decision 7\(LIII\) Reconfirmation of Further Measures Regarding the Financial Impairment](#)

Requests ED to: Request "former ITTO employees" involved in the loss of funds to contribute to meeting the financial shortfall; and maintain the ability of ITTO to pursue further legal action.

##### 2018

##### [Decision 2\(LIV\) Reconfirmation of Further Measures and Mandating of Legal Actions Regarding the Financial Impairment](#)

Requests ED to: Request "former ITTO employees" involved in the loss of funds to contribute to meeting the financial shortfall; maintain the ability of ITTO to pursue further legal action; and take appropriate legal actions against responsible parties.

##### [Decision 3\(LIV\) ITTO Anti-Money Laundering and Counter Terrorism Financing Policy \(AML/CFT\)](#)

Adopts the AML/CFT Policy annexed to the Decision

**2019****[Decision 5\(LV\) Amendment of the Financial Rules of the ITTO](#)**

Amends ITTO's Financial Rules and Rules Relating to Projects to extend audit terms to match best practices in the market.

**B. Decisions on piloting a new financial architecture****2017****[Decision 9\(LIII\) Improving ITTO's Financing Infrastructure and Fundraising Strategies](#)**

Establishes an ad hoc Working Group (AHWG) on Financing Infrastructure to make recommendations or present options for improving ITTO's financing infrastructure and fundraising strategies.

**2018****[Decision 5\(LIV\) Enhancing the Financing Architecture and Fundraising of the Organization](#)**

Requests ED, *inter alia*, to:

- Pilot a fundraising approach focused on pro-active development of proposals with potential sources of funding and/or participate in tenders
- Engage as needed short-term fundraising and/or marketing specialist(s)
- Carry out an electronic survey to gain information on what Members see as the value and competitive advantage of ITTO and how it could become more attractive to investors
- Extend for one year the mandate of the AHWG to propose a new "streamlined project cycle" concept and help develop themes to be used in fundraising proposals
- Cluster existing projects awaiting financing and incoming ones by theme and explore emerging funding opportunities

**2019****[Decision 8\(LV\) Implementing ITTO's New Financing Architecture – Phase I](#)**

- Decides to pilot a "programmatic approach" for 2020-2022 with four programme lines (PLs): (1) Legal and Sustainable Supply Chains, (2) Conservation of Biodiversity and Ecosystem Services, (3) Forest Landscape Restoration and Resilient Livelihoods, (4) Emerging Issues and Innovation
- Establishes an advisory board composed of IAG and TAG and CSAG representatives (an expanded IAG) to virtually review implementation of pilot every four months

Requests ED, *inter alia*, to:

- Explore ITTO becoming a non-accredited GEF partner (while still pursuing GEF accreditation) and engage in the GEF Steering Committees on SFM and on Food, Land Use and Restoration
- Extend/renew MOUs with CBD and UNCCD for five years and explore an MOU with UNFCCC
- Establish a "virtual informed feedback loop" under the new funding architecture to solicit Members' views before entering into agreements
- Develop a project concept note template for use in piloting the streamlined project cycle and issue a call for concept notes specifying geographical and thematic focus
- Convene an ad hoc working group to develop descriptions and objectives for the four pilot PLs and refine elements for the pilot streamlined project cycle, taking into account the Report of the AHWG on Financing Infrastructure and Fundraising Strategies (ITTC(LV)/10)

**2020**Decision 4(LVI) Implementing ITTO's New Financing Architecture – Phase II

- Adopts goals and objectives for the four PLs during the pilot phase (Annex A)
- Acknowledges four financing scenarios (Annex B)
- Adopts a project concept note (CN) template for use during the pilot phase (Annex C)
- Requests the ED, *inter alia*, to:
  - Launch an annual call for project CNs at least six months before the annual Expert Panel meeting, in addition to special calls for CNs when specific funding opportunities arise
  - Issue a first open call for CNs and small project proposals under financing scenario 4
  - Develop a CN and project proposal database as soon as possible
  - Apply current qualification criteria and sunset provisions for projects to CNs
  - Apply existing financial rules and project manual guidelines during the pilot phase
  - Continue to indicate in the BWP 2021-2022 how each activity aligns with the PLs
  - Ensure BWP activities proposed for funding outside the core budget are formulated as CNs and included in the database
  - Utilize the “virtual informed feedback loop” to keep Members informed
  - Propose for consideration at ITTC57 the structure and approach for reviewing the effectiveness of the pilot phase in 2022
- Requests the Advisory Board to develop formal terms of reference for its work for consideration at ITTC57.

**ANNEX 3**  
**Compilation of responses to survey Questions 1-3 on SAP 2013-2018**

**Producer responses to Questions 1-3**

<b>Producers</b>	<b>Q1 How useful was current SAP (1 to 5, 5 is most useful)? How could it be improved?</b>	<b>Q2 How did you use the SAP? (2.a-d)</b>	<b>Q3 How well were SPs implemented (1 to 5, 5 is best)?</b>
Cambodia	<b>3</b>	2.a Communication 2.b Project reference 2.c Policy reference	SP 6 = 4 SP 1 3 4 5 = 3 SP 2 = 2
CAR	No rating. The SAP has made it possible in our country to strengthen the provisions governing the sustainable management of our natural resources in general and forestry in particular; the SAP can improve reporting and surveys in ITTO member countries.	2.a Communication 2.b Project reference 2.c Policy reference 2.d. As support for texts governing sustainable management of our forest resources & capacity building for actors in the forest sector	SP 1 2 5 6 = 4 SP 3 = 3 SP 4 = 2
Colombia	<b>4</b> The SAP has been useful for the country because it has provided guidance and references for the formulation of policies, plans, programs, strategies, technical guides, guidelines related to SFM (community forestry), forest management, deforestation control and SFM, restoration, forest governance as well as in the knowledge of new initiatives related to the legal and sustainable timber trade. The current plan could be improved by including measures to respond to the current crisis situation generated by the COVID 19 pandemic for the economic reactivation of the forestry sector, as well as support to institutions and regional and local actors for development and strengthening of forestry extension.	2.a Communication 2.b Project reference 2.c Policy reference	SP 4 = 5 SP 1 2 3 = 4 SP 5 6 = 3
Gabon	<b>2</b> The SAP addresses relevant strategic orientations for policy approaches to SFM at the national level, particularly for the exploitation of forest species, development of technical standards and formulation of projects. The next SAP for the period 2022-2026, or the ITTO 'road map', should establish strategic objectives/actions that reaffirm ITTO's commitment to SFM, contribute to the implementation of globally agreed goals and targets on forests and sustainable development, and respond to current emergencies (including the COVID-19 pandemic). These strategic objectives/actions should i) strengthen SFM, conservation and sustainable use of forest biodiversity, ii) strengthen development of tropical timber processing industries and technologies, forest plantations and agroforestry, iii) improve access and market conditions for tropical timber from sustainably managed forests, iv) strengthen the training of human resources for SFM and the social, economic and ecological benefits derived from forests, including people's livelihoods who depend on it. The SAP must also, v) promote governance frameworks for the DGF and related trade (timber, and other ecosystem products/services), vi) make cooperation and partnership more effective, with a view to mobilizing sources of financing for SFM, management and	2.b Project reference 2.c Policy reference	SP 5 = 4 SP 1 3 = 3 SP 2 6 = 2 SP 4 = 1

	payment of other ecosystem services (forest carbon).		
Honduras	<b>5</b> ITTO SAP 2013-2018 can be improved by targeting current and emerging issues on international policies and measures related to the sustainable conservation of tropical forests.	2.a Communication 2.b Project reference 2.c Policy reference 2.d <sup>51</sup>	SP 1 3 4 5 = 5 SP 2 6 = 4
Indonesia	<b>5</b> SP 4 could be added with "... including carbon emission reduction	2.a Communication 2.b Project reference	SP 1 2 3 4 6 = 5 SP 5 = 4
Madagascar	<b>1</b>	2.c Policy reference	SP 1 = 3 SP 2 5 6 = 2 SP 3 4 = 1
Malaysia	<b>3</b>	2.b Project reference (4) <sup>52</sup> 2.c Policy reference (3) 2.a Communication (2)	SP 5 = 4 SP 2 3 4 6 = 3 SP 1 = 2
Mali	<b>4</b> Continue to promote forest governance and public policy frameworks enabling the strengthening of SFM; intensify communication and develop human resources suitable for the implementation of SFM; develop tools for the implementation and evaluation of SFM and monitoring the product marketing circuit.	2.a Communication 2.c Policy reference	SP1 = 4 SP 3 5 = 3 SP 2 6 = 2 SP 4 = 1
Mexico	<b>3</b> The SAP has been an international benchmark for guiding official actions in Mexico's forest sector. One way to improve SAP execution would be to attract more resources to finance activities, projects and dissemination of tangible and useful products for ITTO Member countries	2.c Policy reference	SP 2 3 4 = 5 SP 1 6 = 2 SP 5 = 1
Mozambique	<b>4</b>	2.b Project reference. 2.c Policy reference	SP 1 2 = 4 SP 3 4 5 6 = 3
Peru	<b>5</b> SAP has been useful for strengthening Governance (SP1) and financing and investments in SFM. Through ITTO, Peru has accessed financial support and the only country during 2020 to receive project support with non-reimbursable funds from the ITTO, for more than US\$1.3 million. The SAP could improve in terms of: • Forest science, technology and innovation has been little addressed in the current SAP, this issue could be included as a cross-cutting issue or new SP. • Develop strategic activities for SP4: The REDDES thematic program could include "Design of a Platform for projects and investment in the restoration of ecosystems and degraded areas through forest plantations". CC mitigation projects with forest plantations are still little addressed. Not REDD +.	2.a Communication 2.b Project reference 2.c Policy reference	SP 1 3 = 5 SP 4 = 4 SP 5 6 = 3 SP 6 = ND
Philippines	No rating. Offers guidance to all members, both producer and consumer, for project funding and support	2.b Project reference	SP 3 4 5 = 4 SP 2 = 3. SP 1 6 = 2

<sup>51</sup> Honduras response to 2.d: The SAP was used as an appropriate secondary tool for planning, evaluating forest management in particular in the generation of forest statistics and measures of production and productivity from legal sources.

<sup>52</sup> Malaysia's numbers in parenthesis indicate relative use of the SAP on a scale of 1-5, with 5 being most used



### Consumer responses to Questions 1-3

Consumers	Q1 How useful was current SAP (1-5)? How could it be improved?	Q2 How did you use the SAP? (2.a-d)	Q3 How well were SPs implemented (1-5, 5 is best)?
Australia	4	2.c Policy reference	SP 1 5 = 4. SP 2 3 6 = 3
China 1 <sup>53</sup>	4	2.b Project reference. 2.c Policy reference	SP 4 5 = 5. SP 1 3 = 4. SP 2 6 = 2
China 2	4	2.a Communication tool. 2.b Project reference	SP 3 5 = 4. SP 1 2 4 6 = 3
Japan MOFA	4	2.a Communication tool. 2.b Project reference	SP 1 3 5 6 = 4. SP 2 4 = 3
Japan Forestry	3	2.b Project reference	SP 1 3 5 = 4. SP 2 4 6 = 3
Switzerland	3	2.d Not actively used	Do not have necessary info to judge
USA	3 In favor of improving the SAP by integrating the new Programmatic Lines (PL). The PLs have been carefully negotiated and are approved by Council, and can provide a strong strategic framework for the ITTO. Integrating them into SAP would give a boost to their pilot phase and encourage their lasting impact.	2.a Communication 2.c Policy reference 2.d Guiding input into the functioning of the Organization including financial architecture	SP 6 = 5 SP 1 4 <sup>54</sup> 5 <sup>55</sup> = 4 SP 2 <sup>56</sup> 3 = 3
EU	2 <sup>57</sup>	2.b Project reference 2.c Policy reference	SP 5 6 = 3 SP 1 2 = 2 SP 3 4 = 1
Croatia	5	2.a Communication tool (3). 2.b Project reference (3) 2.c Policy reference (3) <sup>58</sup>	SP 1 3 4 5 = 5 SP 2 6 = 4
Slovenia	blank	2.c Policy reference	SP 5 = 5

<sup>53</sup> The Secretariat received two responses from the Chinese Academy of Forestry.

<sup>54</sup> USA comment on SP4: The driver of deforestation is outside of the sector (agriculture) and so mixed.

<sup>55</sup> USA comment on SP5: It is always so hard to get high quality data, and the underlying quality is related to the source.

<sup>56</sup> USA comment on SP2: For some producer countries these ITTO projects have directly impacted local economies through their salaries, training programs, evaluations, and longer-term follow-up projects. Many of them have the intention of contributing to economies through improved revenues, locally and nationally.

<sup>57</sup> EU response to 1: The SAP could be improved by clearly aligning priority areas with internationally agreed goals regarding SFM, including forest protection, such as the SDGs UNSPF and upcoming post 2020 Global Biodiversity Framework of the CBD, and by further promoting coherence and collaboration within CPF;

- As deforestation and degradation of tropical forests continue at alarming rates, and being major contributors to climate change and loss of biodiversity, it is imperative to clearly define actions to halt deforestation and forest degradation and help member countries to that end.
- giving more importance to the development and promotion of legal and sustainable supply chains, including guidance on tools and approaches to increase supply chain transparency and traceability.
- focus more action on value creation within producing countries.
- giving more importance to the participation of indigenous people and local communities (IPLC) and respective issues of land rights and tenure.

<sup>58</sup> Croatia's numbers in parentheses indicate relative use of the SAP on a scale 1 to 5, with 5 being most used.

## TAG responses to Questions 1-3

TAG	Q1 How useful was current SAP (1-5)? How could it be improved?	Q2 How did you use the SAP? (2.a-d)	Q3 How well were SPs implemented (1-5, 5 is best)?
TAG <sup>59</sup>	3.5	2.a Communication (xxxx). 2.b Project reference (xx). 2.c Policy reference (x). 2.d SAP is important to <u>focus</u> ITTO work so it is impactful for timber trade and TAG members – these include suppliers, exporters and importers and most importantly the communities and workers that rely on sustainable trade.	SP 5 = 4 SP 1 3 4 6 = 3.75 SP 2 = 3

<sup>59</sup> Note from TAG Focal Point: “Replies here are collated from replies made by TAG members. X = a tick by one TAG member, more “x” indicates more popular choice. An average (in 1 to 5 scale) is used where members have different opinions.”

**ANNEX 4**  
**Compilation of responses to Survey Questions 4-10 on SAP 2022-2026**

**Producer responses to Questions 4-10**

Producers	Q4 Additional SAP values? (4.a-d)	Q5 Current SPs still valid? Which 3 most?	Q6 How to reflect PLs in SAP? (6.a-c)	Q7 Highlight cross-cutting issues? (7.a-d)	Q8 Cross-cutting Issues as SPs?	Q9 Targets to achieve in 5 years? (9.a-g)
Cambodia	4.a Communication 4.b GFGs/SDGs/etc. 4.c Ref framework	Yes: SP 1 4 6	6.a In SPs 6.c Implementation	7.a COVID 7.b Gender equality 7.c ITTO operations	COVID ITTO Operations	9.b Operational PLs 9.c Project cycle 9.d Project manuals 9.e TPs 9.f TPS & PLs
CAR <sup>60</sup>	4.a Communication 4.b GFGs/SDGs/etc. 4.c Ref framework 4.d Support general policy to implement VPA/FLEGT in signatory countries	Yes: SP 1 2 4	6.a In SPs (1) 6.b As targets (2) 6.c Implementation (3)	7.c ITTO operations (1) 7.a COVID (2) 7.b Gender equality (3)	blank	9.b Operational PLs (1) 9.a Fundraising (2) 9.c Project cycle (3) 9.e TPs (4) 9.d Project manuals (5) 9.f TPS & PLs (6)
Colombia	4.a Communication 4.b GFGs/SDGs/etc. 4.c Ref framework	Yes: SP 4 1 6	6.a In SPs 6.b As targets	7.a COVID 7.b Gender equality 7.c ITTO operations	No	9.b Operational PLs 9.c Project cycle 9.d Project manuals 9.e TPs
Gabon	4.a Communication 4.b GFGs/SDGs/etc. 4.c Ref framework	Yes: SP 2 3 6	6.a In SPs 6.b As targets	7.a COVID 7.b Gender equality 7.c ITTO operations	No	9.a Fundraising 9.b Operational PLs 9.c Project cycle 9.d Project manuals 9.e TPs
Honduras	4.a Communication 4.b GFGs/SDGs/etc. 4.c Ref framework 4.d <sup>61</sup>	Yes: SPs 1 3 4, and linking SP6 to SP1	6.c Implementation <sup>62</sup>	7.a COVID 7.b Gender equality 7.c ITTO operations 7.d <sup>63</sup>	COVID and reactivation of the Forest Sector Economy	9.a Fundraising 9.b Operational PLs 9.c Project cycle 9.e TPs

<sup>60</sup> CAR's numbers in parentheses for Questions 6, 7 and 9 indicate relative priority, with 1 being highest priority.

<sup>61</sup> Honduras response to 4.d: As a mechanism to strengthen capacities of Members in policies and procedures that allow them to manage and execute operations in a timely manner and address emerging issues of tropical forest management, with the purpose to achieve the technical, administrative and financial objectives of the Organization.

<sup>62</sup> Honduras response to 6.c: As SAP application tools (together with BWPs, TPs, & projects/ pre-projects) and focused on international progress of the UNSPF, 2030 Agenda, Paris Agreement, CBD, among other international instruments and processes related to SFM.

						9.g See response to 7
Indonesia	4.a Communication 4.b GFGs/SDGs/etc. 4.c Ref framework	Yes: SP 1 2 4	6.c Implementation	7.d Fair and effective tropical timber market	No	9.b Operational PLs
Madagascar	4.a Communication 4.c Ref framework	Yes: SP 2 6	6.c Implementation	7.c ITTO operations	Gender equality	9.a Fundraising
Malaysia <sup>64</sup>	4.a Communication (5) 4.c Ref framework (5) 4.b GFGs/SDGs/etc. (3)	Yes: SP 1 2	6.a In SPs (5) 6.b As targets (3) 6.c Implementation (2)	7.c ITTO operations (5) 7.a COVID (3) 7.b Gender (1)	ITTO operations	9.f. TPs & PLs (5) 9.b-e (4) 9.a Fundraising (2)
Mali	4.b GFGs/SDGs/etc.	Yes: SP 1 2 3	6.c Implementation	7.a COVID 7.b Gender equality	COVID Gender equality	9.a Fundraising 9.b Operational PLs 9.c Project cycle 9.d ITTO manuals
Mexico	4.a Communication 4.b GFGs/SDGs/etc. 4.d SAP should contribute to development of trade, legality & sustainability of tropical timber supply chains	Yes: SP 2 3 5	6.c Implementation	7.b Gender equality 7.c ITTO operations 7.d Fundraising	Yes, because it would not be useful to have a planning element without considering the resources needed to achieve it and ITTO objectives	9.a Fundraising 9.c Project cycle
Mozambique	blank	Yes: SP 1 2 3	6.b In SPs 6.c As targets	7.a COVID 7.b Gender equality	blank	9.a Fundraising 9.b Operational PLs
Peru	4.a Communication 4.b GFGs/SDGs/etc. 4.c Ref framework	Yes: SP 1 3 6	6.c Implementation	7.a COVID 7.b Gender equality 7.c ITTO operations 7.d Science, technology & innovation as a key activity for SFM	Gender equality <sup>65</sup> Also, science, technology & innovation as a key activity for SFM	9.a Fundraising 9.b Operational PLs 9.c Project cycle 9.e TPs 9.g Establish a National Reference System (NREF)
Philippines	4.d We must continue to highlight or emphasize to manage our production forests sustainably since	Yes: SP 3 4 5	6.c Implementation	7.a COVID	COVID, as a global pandemic that affects all aspects of human activities, must be	9.d ITTO manuals 9.g Review TP approach as they may have

<sup>63</sup> Honduras response to 7.d: Consider issues such as management of tropical forests contributes to economic growth, job creation, food security, energy generation, and are essential to help countries respond to climate change, support rural economies and other productive and conservation forestry alternatives outside the agricultural sector, focusing on restoration, recovery and rehabilitation of productive and functional ecosystems to increase resilience to climate change, including forest issues of indigenous communities.

<sup>64</sup> Malaysia's numbers in parenthesis for Questions 4, 6, 7 and 9 indicate relative priority on a scale of 1-5, with 5 being highest priority.

<sup>65</sup> Peru response to 8: SAP must recognize gender equality in forest management, and that gender gaps accentuate the vulnerability of women to impacts of climate change and limit their adaptive capacity to face disaster risks that these changes generate. Also, science, technology

	such forests offer life support system and impacts on climate change				considered as a cross-cutting issue for SPs	applicability again after 15 years
<b>Producers</b>	<b>Q10 Additional comments/suggestions regarding the new SAP</b>					
Cambodia	None					
CAR	Take into account proposals for improvement from member countries.					
Colombia	a) Prioritize the strengthening of capacities of regional and local actors for the development and strengthening of forestry extension. b) Within the framework of SP2 on "Contribution to national and local economies", promote mechanisms to make visible the contribution of SFM activities in the generation of employment within the framework of economic reactivation in the post-pandemic.					
Gabon	None					
Honduras	Analyze the desirability of supporting issues related to: a) approaches to managing landscapes in an integrated manner in the context of a changing climate; b) Basic forest products and by-products and sustainable value chains; c) Governance and smart policies based on the management of tropical forests; and, d) Innovative instruments for further progress including financing, technologies and research in tropical forests.					
Indonesia	None					
Madagascar	The SAP must take into account the characteristics of each country. Indeed, for Madagascar, we have 5 ecoregions with characteristic forests. The way they are managed is different from one type of forest to another. In addition, Madagascar does not have sufficient financial means to ensure the application of these programs, support is necessary for it. Gender equality and the empowerment of women must allow effective participation of women in decision-making processes, but also their prioritization in information and capacity building sessions. The development of the new SAP must take into account the poor classes who become instruments of the large operators in illegal logging and illicit transport.					
Malaysia	SAP 2013-2018 describes broad areas of work, not specifically spell out the expected outcomes of SAP. Malaysia finds the strategic plan should outline clear indicators with specific achievable targets, various strategies, action-oriented and enablers in achieving the action plan's goal. In addition, the six years planning considered short-term planning, thus ITTO should be able to illustrate the outcome of the plan for mid-term and end of the 6th year outcome. The SAP needs to be reviewed and regularly assessed to fit the current situation example during the financial impairment and pandemic situation. ITTO should consider the new SAP elements such as technology advancement and innovation, research on market conditions, human capital development, and resiliency in the tropical timber business. The main objective of ITTO is to enhance the capacity of the producer members through the availability of financial resources and promote the non-discriminatory timber trade. However, consumer members seem to have dominated the ITTC sessions with prioritizing consumer interest and needs, and Producers' interests are side-lined. Furthermore, the inadequate fund received from donor countries for project implementation also dampens the capacity building for SFM in producer countries. For example, trade issues important to tropical producer countries have been neglected, with the increasing focus being given to SFM and conservation issues. Although the ambit of the ITTA is for trade and remunerative prices for tropical timber, this aspect has not been seriously pursued by the ITTC. In addition, Thematic Programme introduced in 2008 was not well implemented and executed. Since 2014, no fund remaining in the Thematic Programme Pooled account as the funds in that account had been utilized to address the funding shortfall due to the impairment of ITTO funds. The last call for proposals launched under Thematic Programmes was in November 2014. Thus, SAP 2022-2026 should take a forward-looking approach to the persistent challenge faced by the tropical timber sector and the continuing fallout of tropical timber from the pandemic.					
Mali	Focus the plan on the international context and think about the difficulty of raising funds in the context of COVID19.					
Mexico	There is an urgent need to create a Department or Working Group specializing in fundraising to amend the financial situation facing the Organization.					
Mozambique	None					
Peru	Maintain constant communication with ITTO Members on progress of SAPs and financing options for research projects in the forestry sector.					
Philippines	How about requesting inputs or comments or suggestion from producer countries in developing future ITTO SPs.					

### Consumer responses to Questions 4-10

Consumers	Q4 Additional SAP values? (4.a-d)	Q5 Current SPs still valid? Which 3 most?	Q6 How to reflect PLs in SAP? (6.a-c)	Q7 Highlight cross-cutting issues? (7.a-d)	Q8 Cross-cutting issues as SPs?	Q9 Targets to achieve in 5 years? (9.a-g)
Australia	4.a Communication 4.b GFGs/SDGs/etc. 4.c Ref framework	Yes: SP 1 5 4	6.c Implementation	7.a COVID <sup>66</sup> 7.b Gender equality 7.c ITTO operations	Gender could be a component of SP6	9.a Fundraising 9.b Operational PLs 9.c Project cycle 9.f Rational PLs & TPs
China 1	4.a Communication 4.b GFGs/SDGs/etc. 4.c Ref framework	Yes: SP 6	6.b As targets	7.c ITTO operations	ITTO operations	9.a Fundraising 9.b Operational PLs 9.f Rational PLs & TPs
China 2	4.a Communication 4.b GFGs/SDGs/etc.	Yes: SP 1 2 5	6.c Implementation	7.a COVID	COVID	9.a Fundraising 9.b Operational PLs
Japan MOFA	4.a Communication 4.b GFGs/SDGs/etc. 4.c Ref framework	Yes: SP 1 3 5	6.a In SPs	7.a COVID-related trade/ supply chain disruptions 7.c ITTO operations	COVID <sup>67</sup> ITTO operations	9.a Fundraising 9.b Operational PLs 9.g Scale up internationally <sup>68</sup>
Japan Forestry	4.b GFGs/SDGs/etc. 4.c Ref framework	Yes: SP 4 3 1	6.a In SPs	7.a COVID 7.d Promotion of sustainable wood in wood producing countries	Sustainable wood in wood producing countries	9.c Project cycle 9.f Rational PLs & TPs
Switzerland	4.b GFGs/SDGs/etc. 4.c Ref framework	Yes: SP 1 3 4	6.c Implementation	7.b Gender equality 7.c ITTO operations	Gender equality	9.a Fundraising 9.d Project manuals
USA	4.a Communication 4.b GFGs/SDGs/etc. 4.c Ref framework	Yes: SP 1 5 4 <sup>69</sup>	6.a In SPs 6.b As targets 6.c Implementation	7.a COVID <sup>70</sup> 7.b Gender equality 7.c ITTO operations		9.a Fundraising 9.b Operational PLs 9.c Project cycle 9.d Project manuals

<sup>66</sup> Australia response to 7.a: Agree with COVID, but it needs to focus on the persistent issues, note the acute during-pandemic matters.

<sup>67</sup> Japan MOFA response to 8: It would be topical to include 7a. (=the concerns highlighted by G7 statements, UNFF, GEF8 programming priorities etc.). The need to provide sustainable and resilient supply chains and relevant information have been loud and clear across international forums. We also checked c to indicate that ITTO's ability to respond to these concerns in an agile/ capable manner would be important, and can highlight ITTO's unique structure with TAG (although activity here could be more dynamic).

<sup>68</sup> Japan MOFA response to 9.g: Scale up internationally (be visible across various multi-stakeholder international agreements), and generate synergies (which in turn will generate future sources of funds and influence for ITTO).

<sup>69</sup> USA response to 5: Generally the SPs remain valid, however, we propose fully operationalizing the PLs as the basis for thematic and strategic priorities going forward. Look to the PLs – they are carefully negotiated and agreed to by Council. Additionally: Forest Restoration and role in the economy as natural climate solution (new integrated SFM models to respond to new climate financing and markets and economic recovery by greater participation); Continued support for applied research on climate/tropical forest/biodiversity interface.

<sup>70</sup> Australia response to 7.a: Agree with COVID, but it needs to focus on the persistent issues, note the acute during-pandemic matters.

USA continued	4.d <sup>71</sup>			7.d <sup>72</sup>	8 <sup>73</sup>	9.f Rational PLs & TPs <sup>74</sup>
EU	4.a Communication 4.b GFGs/SDGs/etc. 4.c Ref framework 4.d <sup>75</sup>	No <sup>76</sup>	6.b As targets 6.c Implementation	7.a COVID 7.b Gender equality 7.c ITTO operations 7.d <sup>77</sup>	Gender equality Involvement and active participation of IPLC	9.a Fundraising 9.b Operational PLs 9.c Project cycle 9.f Rational PLs & TPs 9.g <sup>78</sup>
Croatia <sup>79</sup>	4.a Communication (5) 4.b GFGs/SDGs/etc. (5) 4.c Ref framework (3)	Yes: SP 1 4 2	6.a In SPs (5) 6.b As targets (5) 6.c Implementation (3)	7 a COVID (5) 7.c ITTO operations (4) 7.b Gender equality (3)	blank	9.a Fundraising (5) 9.b Operational PLs (5) 9.c Project cycle (5) 9.d Project manuals (4) 9.e Reininvigorate TPs (4) 9.f Rational PLs & TPs (3)
Slovenia	4.b GFGs/SDGs/etc.	Yes: SP 1 4 6	6.c Implementation	7.c ITTO operations	blank	9.b Operational PLs

<sup>71</sup> USA response to 4.d: A purpose of the SAP is demonstrating ITTO relevance to other fora, including CBD and Climate conventions, CITES, and human well-being – and also as a reference/guiding framework.

<sup>72</sup> USA response to 7.d: Climate change impacts on tropical forests and the integration of SFM and conservation goals within opportunities for mitigation and adaptation including human livelihoods and land use policy

<sup>73</sup> USA response to 8: Instead of recreating the wheel, would it be easier to reference that emerging issues are already listed in the PLs. The top cross-cutting issues may change over time, but the importance of the interaction between agriculture and forestry/land use covers many key concerns.

<sup>74</sup> The PLs are broader than the TPs, they are current, and agreed upon after significant effort. Since the TPs can carry negative baggage, perhaps it would be smart not to connect the two and allow space for the PLs to have a fresh start?

<sup>75</sup> EU response to 4.d: (a) in view of enhancing the role and visibility of ITTO's work at international level in contributing to the achievement of forest-related goals (SDGs, GFGs, Paris Agreement, post-2020 global Biodiversity Framework, etc.) (in conjunction with b above). (b) by providing guidance framework for actions, in particular towards halting deforestation and forest degradation and developing and promoting legal and sustainable supply chains, including guidance on tools and approaches to increase supply chain transparency and traceability (in conjunction with c above and also taking into account the other points proposed under Question 1).

<sup>76</sup> EU response to 5: The SPs should be: (1) halting deforestation and forest degradation, (2) halting loss of biodiversity, inter alia by improving the interaction with rural development and agricultural policies, especially with regard to the extension of agricultural land and land conversion to other uses than forests; (3) focus on SFM: improved forest governance, improved training/education for SFM; (4) promoting transparent and sustainable supply chains: support to the implementation of effective control mechanisms at the national and international level to that end, including ITTO acting as a platform for dialogue and cooperation and using modern technologies for tracking, cross-border/regional cooperation on maintaining and enhancing endangered but high value/precious tropical tree species.

<sup>77</sup> EU response to 7.d: - Not to focus only on COVID-19 but to also look into potential future pandemics that are closely linked to deforestation and loss of biodiversity and the importance of halting deforestation and forest degradation, of protecting forests and their sustainable management. - Enhancing interaction with Private sector and Civil Society - Indigenous Peoples and Local Communities (IPLC).

<sup>78</sup> EU response to 9.g: (1) ITTO should make a distinct and quantifiable contribution to halting deforestation and forest degradation.  
(2) ITTO should make a distinct contribution to the sustainability, transparency and traceability in timber value chains, including through improved knowledge on verification, timber identification and tracking tools.

<sup>79</sup> Croatia's numbers in parentheses for Questions 4, 6, 7 and 9 reflect relative priority on a scale of 1 to 5, with 5 being highest priority.

Consumers	Q10 Additional comments/suggestions regarding the new SAP
Australia	None
China 1	Pay more attention to issues on sustainable supply and demand of tropical timber
China 2	None
Japan MOFA	Tropical forests and the importance of producer/consumer dialogue over sustainable commodity supply chains and trade have been highlighted in many high-level statements across the UN and in G7 documents lately, in light of recent disruptions. ITTO should capitalize on this high-level attention on its mandate to generate some relevant suggestions via the new SAP and communicate how the organization can be relevant and contribute to sustainable economic activity in a post-COVID sustainable recovery world. In that light, we suggest using the latest documents from UNFF, GEF-8 replenishment programming directions and Post 2020 Global Biodiversity Framework targets for ideas/references, as these are areas where big funds (i.e. interest) will be concentrating over the next 4-5 years. We think that this is a realistic approach as we enter an uncertain/risk-adverse economic/financial environment ahead. • Reviewing the current SAP to make sure how it has worked would be helpful for the next SAP formulation. • Consider targets/indicators for each strategic priority to measure and report impact. There needs to be a strategic use of the statistic/market database to highlight potential influence over achieving the sustainable/legal trade mandate. It may also be useful to revisit existing indicators. Data is where power and influence lies, and ITTO should find a way, through the SAP and its data, to build its brand and influence as an information hub on sustainable trade/policy matters. Most international organizations fail at providing quality data and cannot report impact and/or durability. If ITTO can do so, that would be a MAJOR differentiator, and could lead to a lot of influence internationally. We are seeing a lot of competition recently (FACT dialogue, LEAF coalition, TFA, The Alliance for the conservation of rainforests, etc.), because there is a market need that is not fulfilled, and ITTO should find a way to do so.
Japan Forestry	The relevance of ITTO's work and contributions to advancing the Global Goals, especially SDGs, need to be highlighted. Involvement of Member countries in the formulation of the new SAP is important for raised awareness and smooth implementation of the new SAP among Member countries. A comprehensive review of implementation of the former SAP is necessary for further discussion of the new SAP. The Secretariat needs to share its review in a timely manner. The positions of the new PL and TPs Programmes in the new SAP need to be clarified to avoid duplications.
Switzerland	None
USA	Beyond fully operationalizing the four PLs and moving forward on the streamlined project cycle, we see the importance of the interaction between agriculture and forestry/land uses as a broad topic that covers many of the key topics stated above. We want to focus on ITTO's strengths and give the PL/CN process space. There will be implementation issues, which we will learn in the next year or two and can then address those problems. Additional considerations: addressing tropical forests in light of climate change, economic recovery, and species extinction; ITTO should advocate the value of tropical timber in light of the main driver of deforestation – agriculture, and failed land use planning at the national level, and recognize forests for economic recovery post covid with restoration and financing.
EU	The draft SAP -that is to going to be prepared by the consultants- should be also shared with all Members for inputs/comments for the consideration of the members of the Working Group (to be convened).
Croatia	None
Slovenia	None



TAG responses to Questions 4-10<sup>80</sup>

TAG	Q4 Additional SAP values? (4.a-d)	Q5 Current SPs still valid? Which 3 most?	Q6 How to reflect PLs in SAP? (6.a-c)	Q7 Highlight cross-cutting issues? (7.a-d)	Q8 Cross-cutting issues as SPs?	Q9 Targets to achieve in 5 years? (9.a-g)
	4.b GFGs/SDGs (xx) 4.c Reference (xx) 4.a Communication (x)	Yes: SP 1 3 4	6.a In SPs (xx) 6.b As targets (xx)	7.c ITTO operations (xxx) 7.a COVID (x) 7.d Build global demand for sustainable use of forest resource	ITTO operations	9.b Operational PLs (xxxx) 9.a Fundraising (x) 9.e Reininvigorate TPs (x)
<b>Q10 Additional comments/suggestions regarding the new SAP</b>						
<ul style="list-style-type: none"> <li>There is general agreement amongst TAG members that Council, and hence ITTO, is not heeding the voice of the tropical timber trade: yes, they heard us, but they ignored our views. Hence, there are questions on relevancy of ITTO to the Trade.</li> <li>There is generally too much focus on deforestation. Though this is an important issue, it has little relation to the legal timber trade, as represented by TAG.</li> <li>ITTO must build global demand for sustainable use of forest resources. Consumers must be made aware of SFM in non-technical language, and the part played by the Trade.</li> <li>TAG proposes an activity in SAP: “Working Group on International Tropical Timber Trade: Obstacles &amp; Challenges”. Participants will be TAG members (and interested timber traders). The main focus is to understand why the <u>tropical timber trade is losing market share despite adopting SFM, timber certification, FLEGT, and various Due Diligence processes</u>. We are hands-on and work day to day on trade issues so we are confident we can find ways for ITTO to go forward.</li> </ul>						

<sup>80</sup> Note from TAG Focal Point: “Replies here are collated from replies made by TAG members. X = a tick by one TAG member, more “x” indicates more popular choice. An average (in 1 to 5 scale) is used where members have different opinions.”