

POLICY DEVELOPMENT

**25**

# ITTO STRATEGIC ACTION PLAN 2022–2026



Policy Development Series 25



**International Tropical Timber Organization**



**ITTO Strategic Action Plan 2022–2026**

**Policy Development Series No. 25**



**International Tropical Timber Organization**

**Preferred citation:** ITTO 2022. *ITTO Strategic Action Plan 2022–2026*. Policy Development Series No. 25. International Tropical Timber Organization (ITTO), Yokohama, Japan.

ITTO is an intergovernmental organization promoting the conservation, restoration and sustainable management, use and trade of tropical forest resources. Its members represent 80% of the world's tropical forests and 90% of the global trade in tropical timber and timber products. ITTO develops internationally agreed policy documents and guidelines to promote sustainable forest management and forest-based enterprises and assists tropical member countries to adapt such policies and guidelines to local circumstances and to implement them in the field through projects. In addition, ITTO collects, analyzes and disseminates data on the production and trade of tropical timber and is the foremost source of information, statistics and trends related to the world tropical timber economy. Since it became operational in 1987, ITTO has funded more than 1200 projects, pre-projects and activities valued at more than USD 430 million. All projects are funded by voluntary contributions, the major donors to date being the governments of Japan and the United States of America.

#### Photo captions and credits

Front cover—An Amazonian-nut tree, Terra Indígena Rio Branco, Alta Floresta D'Oeste, Rondônia, Brazil. Photo: A. Segura Tomasi/Instituto Internacional de Educação do Brasil.

Page 1—Guayana's pristine tropical forest. Photo: Guyana Forestry Commission

Page 3—ITTO facilitates consultations among forest stakeholders, such as in this workshop held between project officers and representatives of forest communities in Veracruz, Mexico, as part of an ITTO project to assess the value of ecosystem services provided by coastal forests. Photo: G. Sánchez-Vigil

Page 7—This suspension bridge spans a valley in the Gunung Gede Pangrango National Park, Indonesia. ITTO's work bridges the many components of sustainable forest management, including the conservation and sustainable use of tropical forests, the development of viable forest-based enterprises and a sustainable tropical timber trade. Photo: Randi/Gunung Gede Pangrango National Park Authority

Page 9—Minato-Mirai, Yokohama, Japan, showing the Pacifico Yokohama (right foreground), the complex that hosts the Yokohama International Organizations Center and ITTO headquarters. Photo: R. Carrillo/ITTO

Page 13—Among other things, ITTO works with members and partners to improve local livelihoods. An ITTO project helped this farmer in Ghana develop agroforestry on his land as part of efforts to implement REDD+. Photo: F. Tease

Page 16—Xochitl Tapia Sánchez (far left) was able to graduate from the International Intensive Course on Diversified Management of Tropical Natural Forests at CATIE thanks to an ITTO Fellowship. Photo: M. Manzanero

Page 20— ITTO encourages the adoption of sustainable forest management at all scales, such as here in the Antimary State Forest in Amazonas, Brazil, where a long-running ITTO project boosted efforts to achieve sustainable forest management and bring economic benefits to local people. Photo: WWF

Page 23—A forest officer measures a tree in the Kabaung Reserved Forest, Myanmar, as part of an ITTO project to build local capacity for REDD+. Photo: Myanmar Forest Department

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ISBN 978-4-86507-081-1

### **ITTO Mission Statement**

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



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## Foreword

Forests, and especially tropical forests, are integral to efforts aimed at addressing global threats such as climate change, biodiversity loss, poverty and the COVID-19 pandemic. Tropical forests contain a large proportion of terrestrial biodiversity and store huge volumes of carbon. The tropical forest sector and the associated tropical timber trade help meet global demand for environmentally friendly materials and support the livelihoods of many millions of families. Tropical forests provide vital ecosystem services that benefit us all.

ITTO's long-running mission is to promote the international tropical timber trade from sustainably managed and legally harvested forests and the sustainable management of tropical timber-producing forests. This mission has never been more important than today—for example, the Glasgow Leaders' Declaration on Forests and Land Use, issued in November 2021 and endorsed by more than 140 countries, represents a new global commitment to the sustainable management and conservation of the world's forests.

The ITTO Strategic Action Plan 2022–2026 will guide the Organization's policy and project work over five years. It builds on the achievements made under previous strategic action plans and sets out a clear strategy and guidance. The plan has five parts:

- Part 1 highlights the importance of forests to human wellbeing and the role of ITTO in this regard.
- Part 2 identifies trends and challenges in the tropical forest sector, including in the context of the COVID-19 pandemic.
- Part 3, the heart of the plan, identifies four strategic priorities for the Organization (“governance and investment”; “economies and tropical timber trade”; “resilience, restoration and conservation”; and “statistics and information”), and four crosscutting strategies (on capacity building, ITTO's effectiveness, COVID-19 recovery, and gender quality), as well as 38 associated targets to be achieved by 2026.
- Part 4 details the framework for implementing the Strategic Action Plan.
- Part 5 addresses the monitoring, reporting and review of the plan's implementation.

The Strategic Action Plan 2022–2026 is based on a draft prepared by two consultants and a working group composed of members nominated by producer and consumer members and the Trade Advisory Group and Civil Society Advisory Group. The International Tropical Timber Council thoroughly reviewed the draft and adopted it at its 57th session, which concluded in early December 2021. I thank all those involved for their excellent work. I am confident that this plan will enable ITTO to support its members as they strive to achieve both conservation and sustainable development in the face of urgent global threats.

**Sheam Satkuru**

ITTO Executive Director

June 2022

## Acronyms

BWP	Biennial Work Programme
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CPF	Collaborative Partnership on Forests
CSAG	Civil Society Advisory Group
FAO	Food and Agriculture Organization of the United Nations
GEF	Global Environment Facility
ITTA	International Tropical Timber Agreement
ITTO	International Tropical Timber Organization
IUCN	International Union for Conservation of Nature
MOU	memorandum of understanding
SFM	sustainable forest management
TAG	Trade Advisory Group
UNFF	United Nations Forum on Forests
USD	United States dollar(s)

# 1 Introduction



The purpose of the ITTO Strategic Action Plan 2022–2026 is to guide ITTO’s policy and project work and to identify priorities toward meeting the Organization’s twin objectives (Box 1) over the five years to 2026 (see Annex 1).<sup>1</sup> The plan also constitutes a reference framework for ITTO members, partners and stakeholders and communicates ITTO’s priorities to the wider international community.

## Box 1: ITTO’s overarching objectives

ITTO’s two overarching objectives, as set out in Article 1 of the International Tropical Timber Agreement (ITTA), 2006, are to promote:

- 1) the expansion and diversification of international trade in tropical timber from sustainably managed and legally harvested forests; and
- 2) the sustainable management of tropical timber-producing forests.

Article 1 of the ITTA, 2006 (Annex 1) also specifies 19 means for achieving the objectives.

In pursuing its twin objectives, ITTO supports the shared vision and mission set out in the United Nations Strategic Plan for Forests 2017–2030 (Box 2) and is committed to contributing to the six Global Forest Goals set out in that plan (Box 3).<sup>2</sup> Consistent with its mandate, ITTO is also committed to advancing the Sustainable Development Goals contained in the 2030 Agenda for Sustainable Development, particularly goal 15, “Life on Land”, as well as the forest-related aims of the Paris Agreement, the Post-2020 Global Biodiversity Framework and the United Nations Decade on Ecosystem Restoration 2021–2030.

<sup>1</sup> The ITTA, 2006 is available at [www.itto.int/council\\_committees/itta](http://www.itto.int/council_committees/itta). The Strategic Action Plan 2022–2026 replaces the Strategic Action Plan 2013–2018 (extended to 2021).

<sup>2</sup> The United Nations General Assembly (which includes all ITTO member countries) adopted the United Nations Strategic Plan for Forests 2017–2030 in 2017. The UNFF is responsible for the follow-up and review of the plan’s implementation. See: [www.un.org/esa/forests/documents/un-strategic-plan-for-forests-2030/index.html](http://www.un.org/esa/forests/documents/un-strategic-plan-for-forests-2030/index.html)



**Box 2: The shared United Nations vision and mission, as set out in the United Nations Strategic Plan for Forests 2017–2030**

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

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

***Tropical forests are crucial for human wellbeing***

Forests are essential for life on Earth. They cover 31% of the planet's land surface<sup>3</sup> and are among the world's most productive land-based ecosystems. An estimated 1.6 billion people depend on forests for subsistence (e.g. food, fuel, fodder and shelter), livelihoods, employment and income.<sup>4</sup>

**Box 3: Forest-related goals adopted by the United Nations General Assembly**

**Sustainable Development Goal 15:** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

**Six Global Forest Goals** to be achieved by 2030:

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

<sup>3</sup> FAO (2020). *Global forest resources assessment 2020*. Rome.

<sup>4</sup> United Nations (undated). *Forests for people fact sheet*. Available at [www.un.org/esa/forests/wp-content/uploads/bsk-pdf-manager/83\\_FACT\\_SHEET\\_FORESTSANDPEOPLE.PDF](http://www.un.org/esa/forests/wp-content/uploads/bsk-pdf-manager/83_FACT_SHEET_FORESTSANDPEOPLE.PDF)

Tropical forests cover 1.84 billion hectares, which is 45% of all forests,<sup>5</sup> and provide a wide range of goods and ecosystem services. The sustainable harvesting and processing of tropical timber and other forest products is a cornerstone of the tropical forest sector. International trade in these products supplies residential and commercial consumers worldwide, contributes to local and national economies, and gives value to tropical forests, which is a key factor in reducing forest conversion to agriculture and other land uses.

When sustainably managed, tropical forests are healthy, productive and renewable ecosystems that provide vital ecosystem services. For example, they conserve soil and water, regulate climate, host biodiversity, filter the air we breathe, prevent land degradation and desertification, and reduce the risk of floods, landslides, droughts and other disasters.

The COVID-19 pandemic has highlighted the value of forests as a safety net for meeting basic human needs in times of widespread economic disruption and as refuges during stay-at-home orders. By acting as natural buffers against zoonoses, forests can help reduce the risk of future pandemics.<sup>6</sup>

#### Box 4: Forest facts (as of 2020)

- Forest cover nearly one-third of the Earth's land surface (4.1 billion hectares).
- 93% of the world's forests have regenerated naturally, and 7% are planted.
- Tropical forests represent 45% of all forests—comprising 22% in Latin America, 16% in Africa and 7% in South and Southeast Asia.<sup>7</sup>



<sup>5</sup> FAO (2020). *Global forest resources assessment 2020*. Rome.

<sup>6</sup> United Nations Department of Economic and Social Affairs, United Nations Forum on Forests Secretariat (2021). *The Global Forest Goals report 2021*.

<sup>7</sup> FAO (2020). *Global forest resources assessment 2020*. Rome.

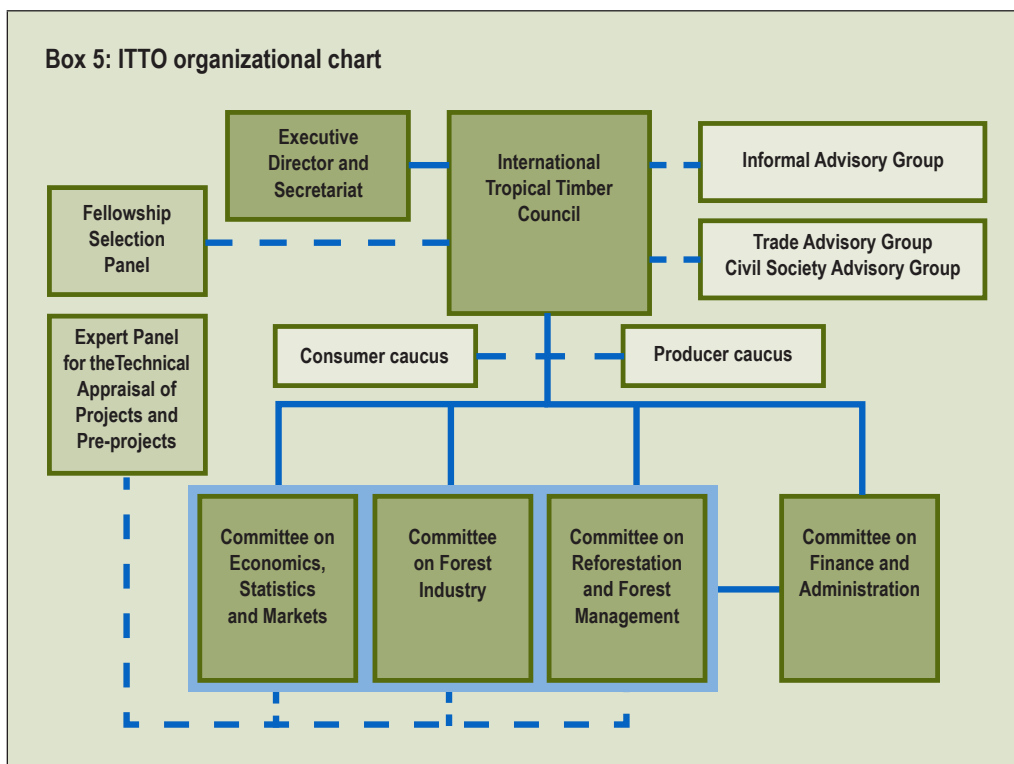
### ***ITTO: The only international organization focused solely on tropical forests***

ITTO is a treaty-based international organization headquartered in Yokohama, Japan. It was established by the ITTA, 1983 to bring together governments to jointly consider issues facing the tropical forest sector and related international trade, including the crucial importance of the tropical forest resource base. The ITTA, 1983 was replaced by the ITTA, 1994, which, in turn, was superseded by the ITTA, 2006.

ITTO is the only intergovernmental organization focused exclusively on the sustainable management of tropical forests and the sustainable and legal trade of tropical timber and timber products. The Organization has two categories of members, producers and consumers (see Annex 2), thus providing a unique forum and framework for negotiation, consultation, international cooperation and policy development relevant to its objectives.

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

ITTO is governed by the International Tropical Timber Council, which is open to all members and meets annually. The Council is supported by four subsidiary standing committees, a highly experienced and professionally diverse Secretariat, and a number of advisory groups and expert panels (Box 5).



ITTO undertakes policy and project work in an integrated manner, supported by voluntary financial contributions from donors, in-kind contributions from non-donor members, and the assessed financial contributions of all members.<sup>8</sup>

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

Since it became operational in 1987, ITTO has funded more than 1200 projects, pre-projects and activities valued at more than USD 430 million. The majority of these have been field projects that have helped operationalize ITTO's policies and guidelines and build capacity in tropical member countries. Many projects have provided multiple benefits, such as in terms of climate-change mitigation, biodiversity conservation, the provision of ecosystem services, disaster risk reduction and community development.

**Since ITTO became operational in 1987, the Organization has funded more than 1200 projects, pre-projects and activities valued at more than USD 430 million.**

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

Through its bi-monthly *Tropical Timber Market Report*, quarterly *Tropical Forest Update* and Annual Market Discussions, ITTO is the foremost source of real-time information, statistics and trends related to the world tropical timber economy and the tropical forest resource base. The Organization's Biennial Review and Assessment of the World Timber Situation compiles the most up-to-date and reliable international statistics available on the global production of, and trade in, timber, with a focus on the tropics.

### ***ITTO partnerships leverage sustainable benefits***

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

- ITTO is supported by the open-ended Trade Advisory Group (TAG) and Civil Society Advisory Group (CSAG), which provide advice and recommendations (including on the development of this Strategic Action Plan) based on their expertise and perspectives, as follows:
  - TAG's contributions focus on market access and issues related to tropical timber supply and demand. TAG also organizes ITTO's Annual Market Discussions on topics relevant to the tropical timber trade.
  - CSAG's contributions focus on conservation, Indigenous and local communities, and improving the livelihoods of women, including through their involvement in the implementation of ITTO-funded projects.

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<sup>8</sup> Current ITTO donor members include Japan, the European Union, the United States of America, Germany, the Republic of Korea, China, the Netherlands and Sweden.

- ITTO is a member of the Collaborative Partnership on Forests (CPF), which was created in 2001 to support the United Nations Forum on Forests (UNFF)<sup>9</sup> and is chaired by the Food and Agriculture Organization of the United Nations (FAO). Today, the CPF comprises representatives of 15 international organizations committed to enhancing coherence and synergies among its members with the aim of promoting the sustainable management of all types of forests and strengthening long-term political commitment to this end.<sup>10</sup>
- ITTO and FAO co-lead the CPF Joint Initiative on Sustainable Wood for a Sustainable World,<sup>11</sup> the aim of which is to strengthen sustainable wood value chains, enhance their social, economic and environmental benefits from production to consumption, and increase the supply of low-carbon products for a climate-resilient planet.
- ITTO and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) are long-term partners and collaborators through the ITTO–CITES Programme, the aim of which is to help ensure that international trade in CITES-listed timber species is consistent with their sustainable management and conservation.
- The aim of the long-standing ITTO–Convention on Biological Diversity Collaborative Initiative on Tropical Forest Biodiversity, recently renewed to 2025, is to enhance the conservation and sustainable use of biodiversity in tropical forests and to address the main drivers of biodiversity loss from deforestation and forest degradation.
- ITTO and the International Union for Conservation of Nature (IUCN) teamed up to develop the ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Timber Production Forests.
- Every year, ITTO partners with Eurostat, FAO and the United Nations Economic Commission for Europe to collect the latest information on global timber production and trade through the Joint Forest Sector Questionnaire. Updates are posted on the ITTO website.
- ITTO is in discussions with the Global Environment Facility (GEF) Secretariat on how ITTO can help advance the GEF Sustainable Forest Management Impact Program and the tropical deforestation component of the GEF Food Systems, Land Use and Restoration Impact Program under the GEF-8 replenishment.
- ITTO has co-sponsored a number of collaborative activities with regional organizations and processes, including the Amazon Cooperation Treaty Organization, the Congo Basin Forest Partnership, the Asia-Pacific Network for Sustainable Forest Management and Rehabilitation, and Forest Europe.

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<sup>9</sup> The UNFF was established by the United Nations General Assembly in 2000 as a subsidiary body of the Economic and Social Council. See [www.un.org/esa/forests/index.html](http://www.un.org/esa/forests/index.html)

<sup>10</sup> [www.cpfweb.org](http://www.cpfweb.org)

<sup>11</sup> [www.fao.org/forestry/sustainable-wood](http://www.fao.org/forestry/sustainable-wood)

## 2 Trends and challenges in the tropical forest sector



### ***Threats to forests continue***

Deforestation and forest degradation continue at alarming rates. The world lost an estimated 10 million hectares of forest (an area the size of the Republic of Korea) per year between 2015 and 2020, only slightly less than the 12 million hectares per year lost between 2010 and 2015.<sup>12</sup> Most deforestation and degradation occurs in the tropics and has a variety of underlying causes:

- Major drivers of tropical deforestation continue to be development activities and policies that favour competing land uses that produce higher and more rapid financial returns, such as agriculture, energy, mining and transportation infrastructure. Global subsidies for agricultural commodities (such as beef, oil palm and soy beans) have been estimated at USD 200 billion per year and are responsible for half of forest loss since 2001.<sup>13</sup>
- Forest conversion to agricultural plantations and other land uses is facilitated by the failure of markets, public policies and national accounting systems to reflect the full value of forest ecosystem services (e.g. soil, water, carbon and biodiversity) and other non-market benefits (e.g. spiritual and cultural benefits, pollination, and insurance against future risk). The significant contribution of the informal forest economy to local livelihoods in many countries is also largely unaccounted for.
- Natural tropical forests are under threat from unsustainable and illegal logging, woodfuel collection, fragmentation, and disturbances from insects, disease, severe weather events and wildfires, all of which affect forest health and vitality. In 2015, for example, about 98 million hectares of forest were affected by fire, mainly in Africa and South America, where 4% of the total forest area was burnt.<sup>14</sup>
- The escalating impacts of global climate change and biodiversity loss—with 1 million species at risk of extinction<sup>15</sup>—also have serious long-term implications for tropical forest ecosystems and the trade in timber and other forest products.

<sup>12</sup> FAO (2020). *Global forest resources assessment 2020*. Rome.

<sup>13</sup> [www.cpfweb.org/47013-0cdceb8e3687f9ec4f5ae61576d77a9d8.pdf](http://www.cpfweb.org/47013-0cdceb8e3687f9ec4f5ae61576d77a9d8.pdf); [www.fao.org/3/cb6341en/cb6341en.pdf](http://www.fao.org/3/cb6341en/cb6341en.pdf)

<sup>14</sup> FAO (2020). *Global forest resources assessment 2020*. Rome.

<sup>15</sup> Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (2019). *Global assessment report 2019*.

Forest-based enterprises and international trade add value to tropical forests and can contribute significantly to sustainable economies and livelihoods. There is evidence, however, that the share of tropical wood in major import markets is affected by the negative environmental image of tropical wood and by its substitution by non-tropical wood and non-renewable materials (e.g. plastics, non-wood laminates, concrete and metals). This suggests that some consumer markets are overlooking the significant benefits of tropical timber as a renewable, environmentally friendly resource, especially during recessions.

With the world population projected to reach 9.7 billion people by 2050,<sup>16</sup> competition for land is likely to intensify, further threatening the vital goods and ecosystem services that sustainably managed natural tropical forests provide.

Rapid population growth, and rising per-capita income, are accelerating global demand for forest products and putting pressure on natural forests. The role of fast-growing plantations in meeting future demand for wood fibre will be increasingly important.

### **COVID-19 impacts and outlook for recovery**

The rapid onset of the COVID-19 pandemic in early 2020 and related global economic contractions and government lockdown measures exacerbated some of the trends outlined above, with negative economic, social and environmental impacts on the tropical forest sector in many countries. For example:

- Factory and mill closures, sharply reduced sales, falling prices, shipping disruptions/freight rate spikes, disrupted supply chains and suspended capital investments led to severe unemployment and the collapse of many small and medium-sized forest enterprises.
- Significant migration from cities to rural forest areas increased pressure on forest resources as people sought to escape the pandemic and find alternative means of subsistence (e.g. food, woodfuel and shelter).
- Increased incidents of illegal logging, wildlife poaching and slash-and-burn farming and incursions into protected forests and Indigenous forest lands often went unchecked due to reduced government presence and decreased monitoring and law enforcement.<sup>17</sup>

Recovery from the disruptions and impacts of the COVID-19 pandemic could preoccupy many sectors of the global economy for the next few years, including the forest sector. For example:

- The emergence of COVID-19 variants in many countries is leading to new lockdowns, delaying the revival of economic activity in the forest sector and prolonging the impacts on forest-dependent communities and on forest health.
- As restrictions on the movement of goods and people ease, tropical forests could be more at risk than ever. In some cases, domestic economic stimulus initiatives to accelerate recovery are rolling back or weakening the enforcement of forest laws and regulations in favour of agricultural commodities, industrial agricultural plantations and mining.<sup>18</sup>

<sup>16</sup> United Nations, Department of Economic and Social Affairs, Population Division (2019). *World population prospects 2019: highlights* (ST/ESA/SER.A/423).

<sup>17</sup> UNFF Expert Group Meeting (January 2021). See: [www.un.org/esa/forests/wp-content/uploads/2020/12/CoChairs-Summary-EGM-covid19-impact-280121.pdf](http://www.un.org/esa/forests/wp-content/uploads/2020/12/CoChairs-Summary-EGM-covid19-impact-280121.pdf)

<sup>18</sup> UNFF Expert Group Meeting (January 2021). See: [www.un.org/esa/forests/wp-content/uploads/2020/12/CoChairs-Summary-EGM-covid19-impact-280121.pdf](http://www.un.org/esa/forests/wp-content/uploads/2020/12/CoChairs-Summary-EGM-covid19-impact-280121.pdf)

- ITTO modelling suggests that global timber production could recover to pre-crisis levels by 2026.<sup>19</sup> The outlook for tropical timber production is less clear and could vary significantly between countries and regions, depending on national circumstances and the structure of the tropical timber economy.
- In the post-COVID-19 era, tropical wood producers and processors may need to rely more on domestic markets to stay in business, which could fundamentally change supply and value chains and also accelerate deforestation and forest degradation.
- Although always important, timely information on tropical timber markets is increasingly critical as disruptions in market conditions and supply chains continue due to the pandemic. Market participants (producers and consumers) acknowledge relying more than ever on ITTO's Market Information Service to understand and address ongoing COVID-19-related market volatility.
- The medium- to long-term impacts of COVID-19 are unclear. Nevertheless, the way forward will undoubtedly involve national, regional and global initiatives and investments that recognize the economic, social and environmental contributions of tropical forests and forest-based enterprises to recover from the pandemic.

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

—*The Global Forest Goals report 2021*

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<sup>19</sup> Held, C., Meier-Landsberg, E. & Alonso, V. (2021). *Tropical timber 2050: an analysis of the future supply of and demand for tropical timber and its contributions to a sustainable economy*. ITTO Technical Series No. 49. ITTO, Yokohama, Japan.



### 3 Strategic priorities, crosscutting strategies and targets



ITTO's work over the next five-year period will be guided by **four strategic priorities, four crosscutting strategies** and **38 associated targets** to be accomplished or achieved by 2026 to advance ITTO's objectives, taking into account relevant global forest-related trends.

Table 1 sets out ITTO's strategic priorities and crosscutting strategies and indicates their relevance to the ITTA, 2006, the Global Forest Goals and the Sustainable Development Goals. Table 2 and Table 3 set out the targets to be achieved for each strategic priority and crosscutting strategy. The targets constitute ITTO's expected outputs by 2026. Given the integrated nature of ITTO's objectives, synergies exist between and across ITTO's five-year strategic priorities and crosscutting strategies, as well as among targets. A given target may contribute to more than one strategic priority and crosscutting strategy.

Table 1: ITTO 's strategic priorities and crosscutting strategies, 2022–2026

Strategic priority	Relevant to:		
	Articles in the ITTA, 2006	Global Forest Goals	Sustainable Development Goals
<b>1. Governance and investment—</b> Promote good governance and policy frameworks to enhance financing and investment in sustainable tropical forest management, legal and sustainable forest product supply chains and related trade	1.a, 1.c, 1.i, 1.k, 1.n	1, 3, 4, 5	15, 16, 17
<b>2. Economies and tropical timber trade—</b> Increase the contribution of the tropical forest sector to national and local economies and resilient livelihoods, including through the further processing and trade of tropical timber and other forest products and services	1.a, 1.c, 1.i, 1.k	2	8, 15
<b>3. Resilience, restoration and conservation—</b> 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	1.a, 1.c, 1.i, 1.j, 1.k, 1.m, 1.q	1, 2, 3, 5, 6	13, 15
<b>4. Statistics and information—</b> Improve the quality, availability and timeliness of information on tropical forest product markets, supply chains and international trade, including challenges and opportunities related to market access, expansion and diversification	1.a, 1.b, 1.c, 1.e, 1.h, 1.k, 1.l, 1.o, 27, 28	4, 6	15
<b>Crosscutting strategy</b>			
1. Help build capacity in member countries to advance the Strategic Action Plan 2022–2026	1.a, 1.c, 1.d, 1.g, 1.q, 1.r		4, 15
2. Enhance ITTO's operational effectiveness	All articles	6	15
3. Promote integration of the tropical forest sector in COVID-19 recovery plans, measures and investments	1.a, 1.c, 1.s	5	
4. Promote gender equality and the empowerment of women	1.a, 1.c		5, 15

**Table 2: Targets to be achieved by 2026, by strategic priority**

Strategic priority	Targets
1. Governance and investment	<ol style="list-style-type: none"> <li>1) Develop a strategy/roadmap for meeting GEF and Green Climate Fund requirements for accreditation as a partner agency and in the interim pursue effective participation in GEF and Green Climate Fund multistakeholder engagement arrangements</li> <li>2) Leverage financing through enhanced international partnerships and synergies</li> <li>3) Develop and promote tools to monitor and increase transparency and provide traceability in supply chains</li> <li>4) Promote ITTO's leadership as a platform for dialogue and cooperation on legal and sustainable supply chains</li> <li>5) Promote actions to combat illegal trade in tropical timber species and reinforce collaboration with CITES to this end</li> <li>6) Explore opportunities for, and constraints to, investment in tropical timber-processing industries and technologies</li> </ol>
2. Economies and tropical timber trade	<ol style="list-style-type: none"> <li>7) Analyze the effects of domestic wood production and trade in producer countries on SFM and promote sustainable domestic wood production and supply chains</li> <li>8) Establish an ITTO working group, including TAG and CSAG, to look at market and trade issues, resilience in the tropical timber sector, and ways to build global demand for sustainably produced tropical timber</li> <li>9) Develop and promote Indigenous and local community forest management and business models for small and medium-sized enterprises, including legal and sustainable supply chains</li> <li>10) Explore opportunities for sustainable value creation in producer countries</li> <li>11) Assess the role of tropical plantations and agroforestry systems in local and national economies and opportunities to rehabilitate degraded land for these uses</li> </ol>
3. Resilience, restoration and conservation	<ol style="list-style-type: none"> <li>12) Articulate and 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>13) Promote positive interactions between forestry, agriculture and other sectors to reduce illegal deforestation, including through land-use policies and landscape planning</li> <li>14) Analyze and promote approaches to managing forest landscapes in an integrated manner in the context of a changing climate</li> <li>15) Seek to establish a memorandum of understanding (MOU) with the United Nations Framework Convention on Climate Change to promote collaboration and synergies, including on forest restoration and the integration of SFM in climate-change mitigation and adaptation strategies</li> <li>16) Refine the MOU with the Convention on Biological Diversity as needed to reflect the Post-2020 Global Biodiversity Framework</li> <li>17) Extend or renew the MOU with the United Nations Convention to Combat Desertification to 2026</li> <li>18) Promote use of the Guidelines for Forest Landscape Restoration in the Tropics (2020) and update as needed the ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Production Forests (2009)</li> </ol>
4. Statistics and information	<ol style="list-style-type: none"> <li>19) Make strategic use of ITTO's trade and market databases to inform and support discussions on legal and sustainable supply chains in international fora and in the CPF</li> <li>20) Prepare an updated report on the status of SFM in the tropics ("SFM Tropics") based on ITTO's criteria and indicators for SFM</li> <li>21) Upgrade the ITTO database on projects and concept notes, taking into account the database being developed as part of piloting a streamlined project cycle</li> </ol>

**Table 3: Targets to be achieved by 2026, by crosscutting strategy**

Crosscutting strategy	Targets
1. Capacity building in member countries	22) Upscale best practices, tools, scientific/research applications and innovation 23) Enhance training, education and extension, including through the ITTO Fellowship Programme, regional/subregional workshops, and the development and dissemination of targeted materials and packages 24) Finalize and operationalize an ITTO knowledge management strategy and guidelines 25) Support initiatives to promote cross-sectoral coordination at the national and local levels
2. ITTO's operational effectiveness	26) Adopt and operationalize a new ITTO financial architecture to include an ITTO resource mobilization strategy and streamlined ITTO project cycle focused on programme lines, based on the results of the pilot phase 27) Revise/update ITTO's project-related manuals as needed to reflect the new project cycle 28) Adopt and implement a communication and outreach strategy highlighting ITTO's contributions to global forest-related goals and commitments 29) Enhance partnerships with TAG and CSAG, including Indigenous Peoples and local communities, as well as with relevant international organizations 30) Enhance the effectiveness and sustainability of the Administrative Account in supporting core activities and operations
3. Integration of the tropical forest sector in COVID-19 recovery	31) Building on existing reporting, assess the economic, social and environmental impacts of the COVID-19 pandemic on the tropical forest sector and related trade 32) Identify post-COVID-19 recovery challenges and opportunities, including through the Annual Market Discussion and the Biennial Review and Assessment of the World Timber Situation 33) Promote post-COVID-19 recovery investments in tropical forestbased enterprises and sustainable and resilient supply chains 34) Promote mechanisms that highlight the contributions of SFM, legal and sustainable supply chains and trade to post-COVID-19 employment and economic reactivation 35) Work with the CPF to identify links between tropical forests and the risk of future pandemics 36) Widely publicize and disseminate findings and reports on targets 31–35 to highlight ITTO's role in assisting the post-pandemic recovery
4. Gender equality and empowerment of women	37) Enhance/accelerate application and operationalization of ITTO's Policy Guidelines on Gender Equality and Empowering Women, including in the context of ITTO's data collection and statistical processes and the streamlined project cycle now being piloted 38) Conduct a study on the role of women in the tropical forest sector, including primary forest industries, and the impacts of gender gaps on women's resilience in the sector to climate-change challenges

## 4 Implementation framework



The Strategic Action Plan 2022–2026 will be implemented through policy activities financed under ITTO’s biennial work programmes (BWPs) and through projects financed under the ITTO project cycle, as well as through the actions of members, partners and stakeholders at the national, regional and global levels. Policy activities and projects will be supported primarily by voluntary contributions earmarked by donor members and will be undertaken in an integrated manner consistent with Article 24.1 of the ITTA, 2006.

The outlook for voluntary contributions to implement the Strategic Action Plan 2022–2026 is currently unclear. ITTO is piloting a new financial architecture to be decided in 2022/2023 with a view to attracting additional resources to the Organization. The ongoing COVID-19 pandemic also creates uncertainty for the ITTO and the tropical forest sector.

The Council should, within one year of adoption of the Strategic Action Plan 2022–2026, establish an indicative five-year resource mobilization goal for voluntary contributions to implement the targets in Table 2 and Table 3. This indicative five-year goal should be based on and reflect the estimated cost of achieving the targets and also take into account discussions on a new resource mobilization strategy, as referred to in target 26. ITTO members in a position to do so are urged to provide voluntary contributions to support the five-year goal.

All ITTO members are urged to pay their annual assessed contributions and any arrears to the Administrative Account, which supports the Secretariat and core operational activities.<sup>20</sup>

<sup>20</sup> Consistent with Article 19 of the ITTA, 2006, ITTO members pay annual assessed contributions to the Administrative Account that covers Secretariat costs and core operations. Secretariat costs are shared equally by producer members (50%) and consumer members (50%); 80% of core operational costs is met by consumers and 20% is met by producers.

### ***Biennial work programmes***

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

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

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

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

### ***Project financing/project cycle***

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

Following the completion of a multiyear pilot phase, the Council is expected to adopt a streamlined project cycle focused on the following four pilot programme lines as part of ITTO's new financial architecture:

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

The pilot phase includes the development of project concept notes to bring forward project ideas related to one or more programme lines for potential donor funding and with a view to the development of full project proposals. A proposal's relevance to Article 1 of the ITTA, 2006 (see Annex 1), the Global Forest Goals and the Sustainable Development Goals is also indicated. Following adoption of the Strategic Action Plan 2022–2026, concept notes will indicate a proposal's contribution to the strategic priorities and crosscutting strategies set out in Table 1. Project proposals submitted after the adoption of ITTO's new financial architecture will be subject to the new project-cycle process and procedures.

Consistent with ITTO's Policy Guidelines on Gender Equality and Empowering Women (see Part 5),<sup>21</sup> the new project cycle will integrate and mainstream gender issues, which will be addressed in all phases of the project cycle, from project concept notes to project formulation, implementation, monitoring, review and evaluation.

Consistent with ITTO's Environmental and Social Management Guidelines,<sup>22</sup> concept notes for field projects will include an initial environmental and social screening to provide a preliminary assessment of a proposal's potential risks and negative and positive impacts.

<sup>21</sup> [www.itto.int/guidelines](http://www.itto.int/guidelines)

<sup>22</sup> [www.itto.int/guidelines](http://www.itto.int/guidelines)

Article 20 of the ITTA, 2006 establishes the Thematic Programmes Sub-Account to facilitate unearmarked voluntary contributions for approved projects and activities. Five ITTO thematic programmes were established in 2009 and attracted nearly USD 22 million in unearmarked project funding, including from non-traditional ITTO donors. In, recent years, however, there has been a trend away from the contribution of unearmarked voluntary funds to international organizations, including ITTO. Although the Council should be receptive to unearmarked financing in support of the Strategic Action Plan 2022–2026, the focus will be on attracting funds for specific projects aligned with the programme lines from all available sources.

### ***Members, partners and stakeholders***

ITTO members, partners and stakeholders have an important role to play, individually and collectively, in the implementation of the Strategic Action Plan 2022–2026.

Annual Council sessions will include an agenda item inviting members to share the steps they have taken to contribute to the plan's strategic priorities and crosscutting strategies. Such steps may include national and local policies and actions, as well as measures taken bilaterally, regionally and internationally.

ITTO partners, including TAG, CSAG and global and regional partners, will also be invited to share their contributions to the implementation of the Strategic Action Plan 2022–2026 at annual Council sessions. For this purpose, the Executive Director will facilitate the participation of TAG and CSAG, including Indigenous Peoples and local communities, in Council sessions.

All reports and updates provided by members and partners on their efforts to contribute to the strategic priorities and crosscutting strategies will be made available to the public on the ITTO website.

In representing ITTO in the CPF, the Executive Director will promote joint initiatives that advance the strategic priorities and crosscutting strategies of interest to other members.

As members of the governing bodies of CPF member organizations, other forest-related global and regional organizations and processes, ITTO members are encouraged to promote ITTO's strategic priorities and crosscutting strategies through such organizations and processes, consistent with their mandates and priorities. ITTO focal points are also encouraged to coordinate closely with the focal points of other CPF member organizations, including the GEF, the UNFF and the Rio Conventions.

## 5 Monitoring, reporting and review



### ***Monitoring and reporting***

The Executive Director will report annually to the Council on progress in the implementation of the Strategic Action Plan 2022–2026, including financing, accomplishments and challenges. The Executive Director may also report intersessionally, as requested by the Council or as needed to keep members apprised of developments.

Project executing agencies will report biannually to the Secretariat on the status of projects financed through ITTO. The Secretariat will continue to report annually to relevant committees on projects in progress and completed projects. Reports on completed projects will include evaluations of their effectiveness in meeting their objectives.

Based on the progress reports submitted by the Executive Director and committees, the Council may take action, as it deems necessary, to facilitate and enhance the implementation of the Strategic Action Plan 2022–2026.

### ***Review***

The Council will review and assess the effectiveness of the Strategic Action Plan 2022–2026 in 2026. The review will assess the extent to which the targets in Part 3 have been met or accomplished, considering global and regional trends in the value and volume of traded tropical timber products over the life of plan. The Council will decide on review parameters and indicators as soon as possible following the adoption of ITTO's new financial architecture. The Council may undertake a mid-term review in 2024, as it deems necessary.

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



## Annex 1

### Text of Article 1 of the ITTA, 2006

#### Article 1: Objectives

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

- 1 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;
- 2 Providing a forum for consultation to promote non-discriminatory timber trade practices;
- 3 Contributing to sustainable development and to poverty alleviation;
- 4 Enhancing the capacity of members to implement strategies for achieving exports of tropical timber and timber products from sustainably managed sources;
- 5 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;
- 6 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;
- 7 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;
- 8 Improving market intelligence and encouraging information sharing on the international timber market with a view to ensuring greater transparency and better information on markets and market trends, including the gathering, compilation and dissemination of trade related data, including data related to species being traded;
- 9 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;
- 10 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;
- 11 Improving marketing and distribution of tropical timber and timber product exports from sustainably managed and legally harvested sources and which are legally traded, including promoting consumer awareness;
- 12 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;
- 13 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;

- 14 Strengthening the capacity of members to improve forest law enforcement and governance, and address illegal logging and related trade in tropical timber;
- 15 Encouraging information sharing for a better understanding of voluntary mechanisms such as, inter alia, certification, to promote sustainable management of tropical forests, and assisting members with their efforts in this area;
- 16 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;
- 17 Promoting better understanding of the contribution of non-timber forest products and environmental services to the sustainable management of tropical forests with the aim of enhancing the capacity of members to develop strategies to strengthen such contributions in the context of sustainable forest management, and cooperating with relevant institutions and processes to this end;
- 18 Encouraging members to recognize the role of forest-dependent indigenous and local communities in achieving sustainable forest management and develop strategies to enhance the capacity of these communities to sustainably manage tropical timber producing forests; and
- 19 Identifying and addressing relevant new and emerging issues.

## Annex 2

### List of ITTO members (As of 31 December 2021)

#### Producer members (36):

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

#### Consumer members (38):

Albania	European Union <sup>24</sup> and its 27 member states:		
Australia	Austria	France	Malta
China	Belgium	Germany	Netherlands
Japan	Bulgaria	Greece	Poland
New Zealand	Croatia	Hungary	Portugal
Norway	Cyprus	Ireland	Romania
Republic of Korea	Czech Republic	Italy	Slovakia
Switzerland	Denmark	Latvia	Slovenia
United Kingdom	Estonia	Lithuania	Spain
United States of America	Finland	Luxembourg	Sweden

\* \* \*

<sup>23</sup> The European Union is an ITTO member in its own right.

The ITTO Strategic Action Plan 2022–2026 will guide ITTO’s policy and project work over a five-year period. It builds on the achievements made under previous strategic action plans and sets out a clear strategy and guidance. The plan has five parts:

- Part 1 highlights the importance of forests to human wellbeing and the role of ITTO in this regard.
- Part 2 identifies trends and challenges in the tropical forest sector, including in the context of the COVID-19 pandemic.
- Part 3, the heart of the plan, identifies four strategic priorities for the Organization (“governance and investment”; “economies and tropical timber trade”; “resilience, restoration and conservation”; and “statistics and information”), and four crosscutting strategies (on capacity building, ITTO’s effectiveness, COVID-19 recovery and gender equality), as well as 38 associated targets to be achieved by 2026.
- Part 4 details the framework for implementing the Strategic Action Plan.
- Part 5 addresses the monitoring, reporting and review of the plan’s implementation.



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