

**ITTO THEMATIC PROGRAMME ON
FOREST LAW ENFORCEMENT, GOVERNANCE AND TRADE (TFLET)**

PROGRAMME DOCUMENT

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I. PLANNING ELEMENTS

1. RATIONALE AND PROBLEM ANALYSIS

Rationale

Illegal forest activities contribute to the degradation of forests and undermine the contribution of the forest sector to poverty alleviation, climate change mitigation and social and economic development. An unknown volume of timber is illegally felled, processed and traded but it has been estimated that in some countries illegal harvests exceed those that are officially sanctioned. Forest operations conducted against the law under-value the resource, result in the degradation of the resource, and lead to sub-optimal socioeconomic benefits for local people, unfair competition for legitimate operators and sub-optimal tax revenues for the state as well as loss of environmental services.

As long as timber and timber products coming from illicit operations can find ready outlets both in the domestic and export markets, the problems will continue to exist. Tropical timber trade involves complex trade flows, often including trans-shipments and further processing in transit countries. Complexities in controlling the timber trade include technical difficulties in identifying timber species, insufficient information on the origin of processed products, a lack of commonly agreed scaling methods and conversion factors, inadequate and inconsistent data collection, etc. Many loopholes exist for falsifying information and documentation.

There is a common perception that illegal operations are widespread in the tropical timber sector which taints its image in major import markets. These markets have responded by introducing requirements for legality and sustainability to provide assurance for buyers and consumers of the acceptability of using tropical timber and timber products. In these markets it has become increasingly unacceptable to use illegal timber products in public and private purchasing. At the same time, the hurried imposition of various market requirements poses difficulties of market access to many tropical timber suppliers who may be ill equipped to meet these requirements, particularly community and other small and medium-scale forest-based enterprises (SMEs). Thus it is clear that international trade can be an important element in addressing forest law enforcement and governance, and close cooperation between producer and consumer countries is required in order to avoid possible adverse impacts of unilaterally imposed market requirements.

The International Tropical Timber Agreement (ITTA), 2006, contains commitments on: strengthening the capacity of members to improve forest law enforcement and governance, and address illegal logging and related trade in tropical timber; improving the marketing and distribution of tropical timber and timber product exports from sustainably managed and legally harvested sources; contributing to sustainable development and poverty alleviation; and recognizing the role of forest-dependent indigenous and local communities in achieving sustainable forest management and developing strategies to enhance the capacity of these communities to sustainably manage timber producing forests.¹

In 2007 the ITTO began implementing activities under a precursor of the TFLET Thematic Programme. The objectives of the precursor programme, as well as activities under implementation, are integrated into this TFLET Thematic Programme, which also takes into account the administrative arrangements put in place for the existing activities. The TFLET Thematic Programme also builds on relevant activities defined in the ITTO Action Plan 2008-2011 and ITTO's biennial work programme (2008-2009), as well as other work conducted previously by the Organization.

Problem Analysis

Several analyses of the problems leading to illegal logging have underscored weak governance and enforcement as well as the contributing role of timber trade and markets². However, the situation varies by country depending on the political institutional and legal context, as well as the forest management system, forest product markets, social factors and traditions in place.

¹ ITTA, 2006 Art. 1 (n), (a), (b), (c), (d), (e), (h), (k), (l), (m), (o), and (r).

² E.g. ITTO/FAO. 2005. Best Practices for Improving Forest Compliance in the Forest Sector. FAO Forestry Paper 145. Rome; Contreras Hermosilla, A., Dornbush, R. & Lodge, M. 2007. The Economics of Illegal Logging and Associated Trade. Roundtable on Sustainable Development. OECD SG/SD/RT(2007)1/REV.; Kaimowitz, D. 2003. Forest Law Enforcement and Rural Livelihoods. International Forestry Review 5(3) 199-210; Tacconi, L., Boscolo, M. & Brack, D. 2003. National and International Policies to Control Illegal Forest Activities. CIFOR.; World Bank. 2006. Strengthening Forest Law Enforcement and Governance. Report No. 26638-GLB. Washington, D.C.

A recent analysis by ITTO and FAO³ found five general factors contributing to illegal activities in the forest sector:

1. Flawed policy and legal framework which results in distorted economic incentives promoting illicit operations. Legislation may be inconsistent, unrealistic and not enforceable, leaving important elements undefined such as forest land tenure and use rights. Where there is excessive regulation the transaction costs of legal operations become prohibitively high and are perceived as unfair, making it impractical or even impossible to respect the law. This is particularly the case for community forests and SMEs which are often not well equipped to comply with extensive documentary procedures and may therefore operate outside the law. In countries with a high level of informality or illegal operations the economic contribution of the forest sector is grossly under-reported in official data. There is a lack of understanding of the full impacts of illegal operations for socio-economic development, fiscal revenue, and environmental conservation among policy makers to push them to implement necessary reforms.
2. Minimal enforcement capacity is due to institutional weaknesses often coupled with a lack of transparency in the implementation of the policy and legal framework. For example, inadequate inter-sectoral and inter-agency coordination, overlapping mandates and lack of clarity in the executive and judiciary roles tend to contribute to weak enforcement. Due to powerful political interests directly or indirectly involved in illegal forest operations, and a lack of alternative economic opportunities for local people, there is not enough public pressure to tackle illegal forest activities leading to their silent acceptance. Lack of intra and inter-agency coordination between enforcement and judicial bodies makes the risk of being caught and prosecuted low indirectly encouraging illegal operations. Excessive discretionary powers, a lack of procedural transparency and inexistent mechanisms for resolving disputes and conflicts lead to corruption and lack of proper implementation.
3. Insufficient data about the condition of forest resource and its change over time, timber production, domestic consumption of timber and wood products, illegal operations, timber flows within the country and across-borders make it difficult to reliably monitor what is happening in the forests and the supply chain. The quality of statistical systems is weak, the dissemination of data is usually limited, and the little existing information is not effectively used by stakeholders. Due to lack of political will and budget constraints, advanced technologies for monitoring and control of forest resources and production are not applied and stakeholders are excluded from monitoring activities.
4. Corruption in the private sector and government is possible due to a lack of transparency in policy implementation, marginalization of the rural poor and a lack of public pressure to tackle the problem. Of particular concern is corruption related to the allocation of concession and use rights, the control of forest harvesting and timber transportation, and avoidance of paying taxes and fees. A lack of respect for regulations on industrial capacity can lead to an excessive demand for logs, driving illegal forest land conversion, logging in national parks and other conservation areas, and unsustainable harvesting in production forests. Weakly organized stakeholder constituencies are unable to monitor timber harvesting and trade and to bring the issues to the attention of the regulatory agencies. Forest-related corruption can be linked with organized crime and in such circumstances represents a particular challenge for strengthening forest governance.
5. Market conditions for wood products in domestic and export markets make it difficult and complex to use price and other market-based mechanisms (such as certification and labeling) to change the behavior of those who are acting illegally. As the magnitude of the problem is poorly known, the effects on prices and timber demand of illegal logging and trade are not well understood by suppliers. At the same time there have been ready outlets for low-priced illegally harvested tropical timber and timber products both in the domestic and export markets. On the other hand, markets do not (and are not expected to) provide premiums for producers who can demonstrate legality of their operations as this is generally assumed to be the case. As a consequence, those facing higher costs associated with efforts to meet and demonstrate that they meet legal requirements are often at a disadvantage in competing with illegal operators. Although there are clear benefits from improved governance (better control, better revenue collection, etc.) for governments and legally operating producers, this is not yet broadly recognized in many countries. Uncertainty about the expected export market benefits as well as constantly changing goal-posts of different international market requirements related to legality and sustainability tend to make it difficult for tropical timber producers to take systematic corrective action which requires a long-term investment. Without broader government support and implementation of necessary improvements in policy, legislation enforcement and transparency, individual industry efforts are likely to remain ineffective. This situation calls for concerted action through policy reforms, strengthening of information systems (including trade data), improved enforcement and public-private partnerships. At the international level, coordinated, consistent approaches are most likely to

³ ITTO/FAO. 2005. *ibid.*

encourage governments and industries in tropical timber producing countries to improve governance and combat illegal production. Common approaches and guidance for tropical timber producers can facilitate action to meet market requirements.

A general underlying factor related to weak governance and illegal logging and illegal trade is poverty. In many communities people have no other option than to rely on informal or illegal forest activities for their livelihoods. On the other hand, forest-dependent communities and small and medium-sized enterprises, often selling their products through intermediaries, are poorly equipped to benefit from market opportunities for tropical timber and timber products, and to demonstrate legal compliance and sustainability of their operations in order to meet the respective market requirements.

The key problem addressed by the TFLET Programme is the weak capacity in forest law enforcement and governance. The Programme seeks to address this problem through a variety of activities and approaches that promote production and trade from legal sources. The Programme also seeks to address related constraints such as the lack of capability among forest communities, indigenous groups and forest owners to control resources and implement SFM.

The impacts of the prevailing situation cover a broad range of social, economic and environmental effects. Social impacts include the marginalization of forest communities, the unfair distribution of forest benefits, and a limited access to the forest resource by the rural poor. These contribute to rural poverty, social conflicts and a lack of security in forest areas. On the economic front, illegal logging and associated trade lead to a lack of level playing field among producers putting responsible operators at a disadvantage, and leading to a lack of competitiveness for those operators implementing sustainable forest management (SFM). Of particular concern is the continued marginalization of community enterprises and SMEs. A negative image of tropical timber leads to market access restrictions contributing to reduced trade in primary and further processed tropical timber products. All these factors mean loss of employment and income undermining the development opportunities offered by the forest sector.

The environmental impacts of illegal logging include increased carbon dioxide emissions due to forest degradation and inappropriate conversion of forests to other uses, coupled with loss of biodiversity, threat to endangered species, soil erosion, and degradation of watersheds. Large tracts of tropical forest have become degraded, reducing the ability of small-scale farmers and other producers to supplement meager cash incomes with traditional foods, medicines and building materials from nearby forests. This has a particularly adverse impact on women and children who are often involved in the collection of fuelwood and non-timber forest products (NTFPs) as part of their basic livelihoods.

A lack of clarity on land tenure and use rights as well as limited access to finance, training and markets often prevent local communities from appropriately developing the land and forests on which they live. Some communities are forced to operate outside the law in order to exploit timber and other forest resources; this diminishes both the value of the products produced and, because there is often an absence of proper management, reduces the quality of the resource. Many communities are unable to prevent outsiders from entering customary lands and extracting timber and other products, often in a highly damaging way, and are given little or nothing by way of compensation. Illegal logging, therefore, not only degrades the forest resource, but it also robs communities of development opportunities and perpetuates a cycle of poverty. It is necessary to offer alternative economic opportunities for people depending on illegal logging for their income. An indicative problem tree analysis of the TFLET Programme is given in Annex 1.

Relevant International and Regional Work

The TFLET Thematic Programme fully conforms with the policies of ITTO producer and developing member countries, many of whom already participate in intergovernmental processes such as the World Bank led regional Forest Law Enforcement and Governance (FLEG) processes, the European Union's Forest Law Enforcement, Governance, and Trade (FLEGT) Action Plan, the ITTO/FAO regional workshop process on forest law compliance and governance, and other regional efforts such as by the Central African Forestry Commission (COMIFAC), the Congo Basin Forest Partnership, the Asian Forest Partnership, ASEAN, the Amazon Treaty Organization (OTCA), etc.

While the EU FLEGT Action Plan provides measures to support developing countries to achieve improved forest governance, it also provides for Voluntary Partnership Agreements (VPAs) between developing timber producing countries and the EU. Partner countries are expected to implement a timber licensing scheme and EU border control agencies allow imports from these countries only if they are accompanied by FLEGT licenses. The EU is providing support to tropical timber producing countries which are interested in signing VPAs through the EU FLEGT Facility which assists countries in assessing and improving legality assurance

systems, policy analysis, and communication activities. The recently launched Regional Support Programme for the EU FLEGT Action Plan in Asia (FLEGT Asia) is aimed at contributing to poverty reduction and sustainable management of natural resources in that region. The programme will facilitate improvement of the information base, support strengthening of relevant institutions and initiatives and cooperation between enforcement agencies in the region. Another recently launched EU FLEGT programme for Africa-Caribbean-Pacific (EU FLEGT-ACP) implemented by FAO will provide funding for proposals from stakeholders to improve forest governance in these countries.

Many bilateral development programmes target at strengthening of forest governance. In addition, a number of NGOs are actively working to improve transparency of international timber trade and to monitor and detect illegal logging and trade.

In October 2008 the European Commission published a draft regulation aimed at recognizing the efforts of producers and traders that invest in ensuring the legality of their timber products. Operators placing timber and products made thereof for first time to the EU market will have to demonstrate due diligence in order to minimize the risk of importing illegally harvested timber. The draft regulation, if approved, would impose significant new requirements on tropical timber suppliers and importers in terms of provision of information, control systems, risk management, audits, and monitoring organizations.

The United States of America has recently amended the Lacey Act aimed at combating illegal logging and expanding anti-trafficking protection to a broader set of plants and plant products by making it unlawful to import, export, transport, sell, receive, acquire, or purchase in interstate or foreign commerce any plants or products made from plants that were harvested or taken in violation of a domestic or foreign law. The Act gives the government the power to fine and jail individuals and companies that import timber products harvested, transported or sold in violation of the laws of the country in which the timber was originally harvested. In any prosecution, the burden of proof is on the government to demonstrate that the violators knew or should have known of the underlying violation. The amended Act includes new import declaration requirements that require information on the tree species of imported wood products and the name of the country where the timber was harvested. Importers can be expected to seek this information from their suppliers and to encourage the use of methods that provide them assurance that, when buying tropical timber products, they will not be at risk for prosecution.

The new legislative measures in the USA and the EU, and a number of similar instruments currently under discussion in countries such as Switzerland, Norway, and New Zealand will provide a robust incentive for tropical timber producers and exporters to stamp out illegal practices in forest management and timber trade and encourage them to make rapid progress towards the demonstration of legal compliance. The US and the EU regulations are not identical and reflect different approaches but are likely to have similar impacts for exporters to these markets.

About 10 countries (including Brazil, Japan, Mexico, New Zealand and several EU member states) are currently implementing public procurement policies on timber and wood-based products which act as an additional demand driver for supplies coming from legal and/or sustainable sources. Individual public procurement policies employ different approaches in their criteria and procedures for how suppliers can demonstrate that their products meet the procurement criteria and this diversity is a potential obstacle for exporters supplying different markets.

Achieving verified legal compliance and sustainability of forest operations within a short time period is a huge challenge for many tropical timber producers and it is apparent that they will require significant support to meet the mounting and diverse market requirements in order to maintain their market shares. Several bodies are presently applying their own standards or definitions of legality which is likely to create confusion and can limit efficiency and effectiveness of procurement policies due to the multitude of approaches. Common approaches or standards at international level would facilitate implementation but flexibility is needed to adapt them to local conditions in tropical timber producing countries which vary extensively in terms of the legal framework and institutional set-up. The goal for many countries would be to carry out legality assurance through national systems rather than relying on private sector service providers. Common approaches can facilitate building up such national systems and thereby trade, provide an adequate framework for various private sector initiatives, and promote reliable communication on tropical timber products that are demonstrably coming from legally produced products.

Countries involved in the international tropical timber trade are cooperating to regulate the trade of endangered tree species through the Convention on International Trade in Endangered Species of Wild

Fauna and Flora (CITES) which presently lists a few tropical timber species⁴ in its Appendix II. ITTO is currently implementing a joint programme with CITES to strengthen capacity of countries to implement CITES requirements for listed tropical timber species.

Added Value of the TFLET Thematic Programme

ITTO is uniquely placed to tackle key drivers of weak governance and slow development of tropical timber trade from legal and sustainable sources at different levels. Several ITTO projects have addressed forest law enforcement and governance in specific countries, and capacity-building activities have been implemented to increase the ability of tropical ITTO member countries to enforce forest laws and improve governance. Through its broad membership covering over 90% of global tropical timber trade and about 80% of the total forest area in tropical countries, ITTO has a strong potential to enhance trade-related initiatives such as the WB regional FLEG processes, the EU FLEGT Action Plan and various bilateral programmes and initiatives as well as actions to help ensure that exporters meet the requirements of the US Lacey Act. ITTO can also assist the many timber producing countries that are actively taking measures to combat illegal logging within their own jurisdiction. As a common forum for tropical timber producers and consumers, ITTO is in a strong position to undertake work to link improved governance with trade-related initiatives by providing a unique service for exchange of information and lessons learned.

In governance reforms, success critically depends on the existence of political will⁵. As an intergovernmental organization, ITTO has access to key policy makers of its member countries and a demonstrated ability to influence the development of national policies and legislation in tropical timber producing countries. For example, an ITTO project was instrumental in the development of Peru's new Forestry and Wildlife Law, while another ITTO project has been assisting in the law's implementation. In Indonesia, ITTO's support was instrumental in building up national capacity for forest certification. ITTO's diagnostic missions carried out to date in a total of 23 member countries have invariably looked into governance issues and thereby contributed to awareness-raising among policymakers and often to changes in forest policy and regulations. ITTO's role in this respect is particularly important in countries which are not major exporters of tropical timber and therefore not significantly impacted by international market requirements.

Through its multilateral approach which puts the consumers and producers of tropical timber on an equal footing, the Organization significantly contributes to spreading political awareness on the importance of combating illegal logging and illegal timber trade among its members. By engaging both producing and consuming countries in an effective continuous dialogue in a joint neutral forum, ITTO has a strong competitive advantage in addressing issues related to the trade in tropical timber and its impacts on poverty, sustainable management of tropical forests and environmental conservation. The Organization's main competitive advantage is in supporting participating countries to implement commitments made on international and regional levels related to forest governance and combating illegal logging and illegal timber trade. For example, through its policy work, ITTO has been able to promote convergence and comparability between forest certification systems and acceptance of phased approaches to certification to facilitate implementation in producing member countries. The TFLET Thematic Programme's contribution to the enabling conditions in the forest sector of ITTO's member countries is also important in view of accessing international transfer payments from Reducing Emissions from Deforestation and Forest Degradation (REDD) mechanisms in the post 2012-climate change regime and other international payment schemes for forest environmental services.

ITTO has been working for many years to improve transparency in the sector. It has a substantial programme to train forest statisticians, publishes an annual review of the world timber situation as well as disseminates tropical timber prices and market news in the bi-weekly *Tropical Timber Market Report*. It has published *Status of Forest Management in the Tropics 2005*, the most comprehensive assessment of forest management in the tropics, and is in the process of updating this report. ITTO is also working to improve forest law compliance at the field level through projects and other activities, including through a major training program in the application of ITTO's Criteria and Indicators for sustainable forest management which also cover policy and institutional aspects.

ITTO has effectively engaged with the private sector through its Trade Advisory Group (TAG) and is helping to improve private-sector practices in many ITTO member countries. ITTO has also engaged local, regional and international civil society organizations through its Civil Society Advisory Group (CSAG). As an example ITTO has piloted a program that brings private-sector and civil-society organizations together to improve forest operations and governance in order to obtain certification for specific forest areas. The private sector

⁴ The most important ones are *Swietenia macrophylla* (mahogany), *Gonystylus* spp. (ramin) and *Pericopsis elata* (afrorosia)

⁵ E.g. Brown, D. et al. 2008. Legal Timber. Verification and Governance in the Forest Sector. Overseas Development Institution

has received support to develop capacity to demonstrate legality and sustainability. Innovative timber tracking practices have been piloted to assist individual producers to make substantiated claims on the legal origin of the products supplied to international markets.

Several local and national partnerships have already been facilitated by the precursor phase of the TFLET project program, mainly to help individual companies make progress towards legal compliance and sustainability. Several projects have been implemented by local organizations in collaboration with international organizations, national civil society and private sector organizations, and/or government agencies. The TFLET program builds upon experiences on experiences obtained through these partnerships.

There are strong synergies between the ITTO-CITES Programme and the TFLET Thematic Programme as both have to address the same issues of eliminating illegal forest operations and strengthening of forest governance, enforcement of national legislation, monitoring and control of trade. Through coordinated implementation, important synergies can be harnessed to improve the effectiveness of both programmes. Due to the fundamental importance of good governance for the maintenance and enhancement of forest environmental services, strengthening of governance and law compliance is also a common theme with the ITTO REDDES Thematic Programme and therefore the relevant activities of the two programmes will be closely coordinated to maximize their effectiveness. Without adequate forest governance it will be impossible to implement REDDES and other international initiatives related to reduced deforestation and forest degradation (REDD).

The TFLET Programme also complements the Thematic Programmes on Trade and Market Transparency, Community Forestry and Enterprises, and Industry Development and Efficiency by building up critical capacity in forest governance and combating illegal logging and trade thereby providing enabling conditions for broader development of sustainable forest management, further processing, and trade from legally harvested and sustainably managed sources.

2. OBJECTIVES

The general objective of the Thematic Programme is to improve national forest law enforcement and governance in tropical ITTO member countries in order to

- enhance and diversify international trade in tropical timber from sustainably managed forests, and
- help alleviate poverty in those countries.

The specific objectives of the Programme are to:

1. Strengthen forest law compliance and governance through improved national policy and legal frameworks, strengthened enforcement and other institutions, improved data and knowledge, strengthened partnerships and improved cooperation among the private sector, civil society organizations and other stakeholders;
2. Improve transparency and effective management of supply chains and increased domestic and international trade in legally produced tropical timber;
3. Improve capacity of community and small and medium-sized enterprises to implement and demonstrate that timber produced and traded comes from legal sources contributing to sustainable livelihoods; and
4. Improve international cooperation in forest law enforcement and governance among ITTO member countries and other related international initiatives.

3. PROGRAMME STRATEGY

The strategy recognizes that strengthening forest governance and elimination of illegal logging and illegal trade are a shared responsibility between producer and consumer countries. The strategy comprises four main areas of intervention: (i) strengthening of forest law enforcement and governance by governments, and capacity of local communities, indigenous groups, the private sector, civil society organizations and other stakeholders in law compliance and contributing to improved governance; (ii) support to production and marketing of legally produced tropical timber and effective management of supply chains; (iii) strengthening of capacity among community forest enterprises and other SMEs to control their forests and implement SFM, and (iv) strengthening of international and regional cooperation.

The Programme's cross-cutting general objective of poverty reduction is not limited to targeted actions for employment and income generation among poor forest-dependent communities but it is also addressed under strengthening of law compliance and the legal and policy framework, trade promotion and international cooperation, as appropriate.

The Programme complements ITTO's work on policy and transparency by intensifying its work with government, private-sector and civil-society actors. As a cross-cutting strategy, the Programme encourages and facilitates partnerships between government agencies, civil society organizations and private companies in order to increase the involvement of local communities and indigenous groups in forest management, production and benefit-sharing, and to improve market access for their products from legal sources.

The underlying principle of promoting partnerships is to fully engage local and indigenous communities depending on the conservation and sustainable use of tropical forest resources in forest management, production, trade, and sustainable use of timber and non-timber forest products. With the involvement of the civil-society organizations, the Programme will facilitate partnership-building processes between local communities and SMEs (including community-based forest enterprises). This leads to greater empowerment of local communities in decision-making on forest resource use and the equitable sharing of costs and benefits from such use.

In strengthening of forest governance the Programme focuses on five areas: (a) improvement of policy and legal frameworks and strengthening of institutions, including enhanced inter-agency cooperation and cooperation at different levels of government, (b) improved data collection and analysis, and knowledge dissemination, (c) enhancement of civil society and private sector organizations to contribute to law compliance, (d) strengthening of educational institutions and civil society capacity building organizations, and (e) strengthening of national, regional and international cooperation. A systematic approach to governance improvement is promoted through diagnosis and elaboration and implementation of national action plans to combat illicit operations drawing on available guidance documents⁶. Participatory approaches are supported involving all the relevant stakeholder groups such as the private sector, civil society organizations, community forest enterprises and other SMEs, forest industries, and other groups depending on the forests.

In supporting trade in legally produced tropical timber and effective management of supply chains, the Programme interventions include support to: (a) implementation of timber-tracking systems, (b) national stakeholders in responding to market requirements, (c) development and implementation of timber procurement policies in member countries, (d) promotion of policy dialogue and exchange of experience on international and domestic market requirements, (e) market promotion of legally produced tropical timber, and (f) assessment and dissemination of advanced technologies for monitoring and control of timber flows.

In capacity building of community forest enterprises and other SMEs the Programme focuses on planning and implementation of SFM, reduced impact logging, monitoring, verification and certification, management and information systems, human resource development, marketing and communication as well as other aspects of business development to produce and trade timber products from legal and sustainable sources. Development of networks, associations and other cooperative arrangements are also promoted as well as partnerships between community and other SMEs as well as civil society organizations and the private sector.

In international cooperation the Programme interventions are targeted at supporting country efforts to strengthen forest governance, reduce poverty and diversify trade. This will involve (a) improvement of data and information and its effective sharing, (b) strengthening of regional, cross-country and international cooperation mechanisms, (c) promotion of international policy dialogue and improved convergence among market requirements for legality, (d) knowledge management and (e) development of partnerships.

The target groups are forest-dependent communities, indigenous groups, SMEs, forest industries, government agencies, private sector organizations, the civil society and knowledge institutions. The participating stakeholders are expected to share a commitment to the Programme objectives, willingness to foster genuine partnerships with forest stakeholders, and to find solutions to forest resource management that leads not only to improved forest management but also to local economic development, including improvement in the situation of women.

The Programme will be implemented in a demand-driven and flexible manner. Potential beneficiaries can, in consultation with ITTO and other stakeholders, determine the exact nature of the activities they undertake

⁶ FAO/ITTO. 2008. *ibid.*; World Bank. 2006. Guidelines Formulation and Implementation of National Action Plans to Combat Illegal Logging and Other Forest Crime. World Bank Technical Paper. Draft June 2006.

through the programme. In order to ensure the achievement of all the specific objectives of the Thematic Programme, a number of targeted activities have been included for this purpose, particularly for assisting forest-dependent communities and SMEs and their organizations in preparing submissions (see section 6).

The main instrument of Programme implementation is providing support to the implementation of projects/pre-projects/activities proposed by stakeholders in the ITTO member countries and submitted through the national ITTO focal points to ensure a coordinated approach. These proposals should fall under one or more of the four strategic areas of the TFLET Programme. In addition, a number of ITTO implemented activities are carried out in capacity building, international and regional cooperation, knowledge sharing and other strategic areas which will directly contribute to efforts in member countries.

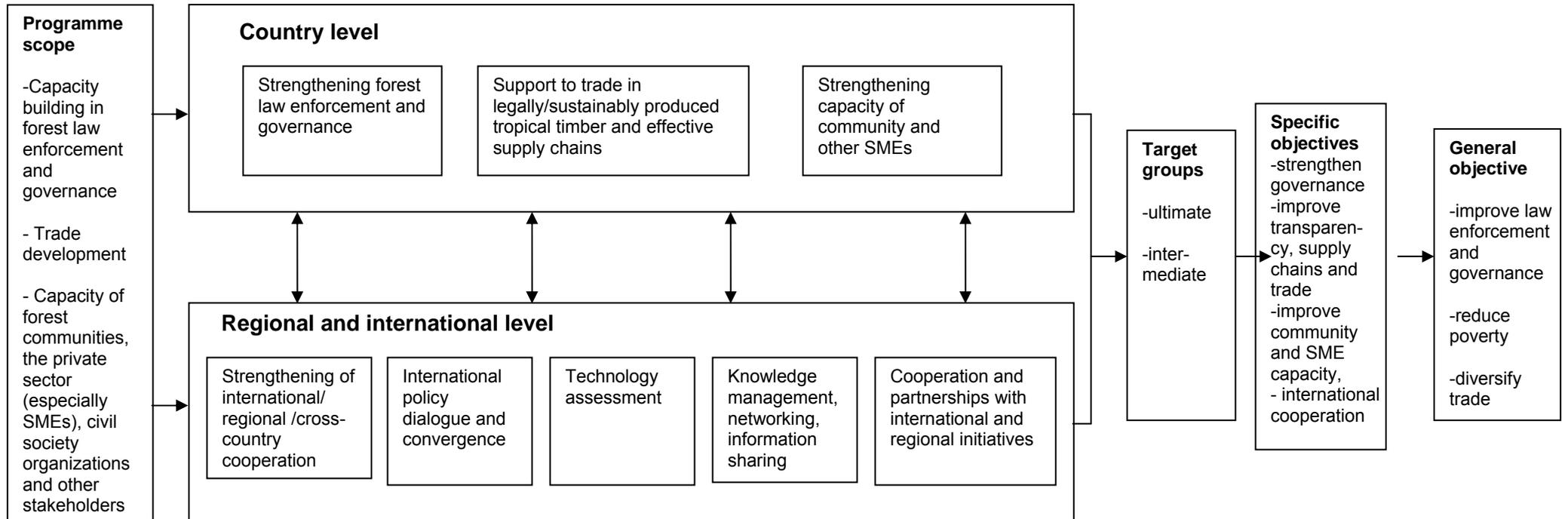
Civil-society, private-sector (especially SMEs), forest communities, indigenous groups and government organizations from ITTO member countries will be encouraged to collaborate in the preparation and submission of proposals in partnership that demonstrate an ability to jointly contribute to the overall objectives of the Programme.

The main Programme risks and how they can be addressed are as follows:

- (i) Political environment for policy and governance improvement may not be favorable in all countries but a commitment to improvements in governance is necessary for sustained results of the Programme. In order to mitigate possible adverse changes in the political environment, specific actions have been designed to contribute to increased awareness among politicians, decision makers and the general public emphasizing the social, economic and environmental benefits of combating illegal logging as well as improved transparency.
- (ii) There is a risk that vested interests block improvement of forest tenure arrangements, the transparent application of procedures to determine other users' rights and better benefit sharing mechanisms for local communities and indigenous groups. It is also possible that common visions on how to strengthen forest law enforcement and governance cannot be created, making Programme implementation difficult. Improved forest sector transparency and broad-based involvement of all the relevant stakeholders in the Programme activities are expected to mitigate against this source of risk.
- (iii) It is possible that export market requirements are seen to be, or actually become too difficult for tropical timber producers, particularly for community enterprises and other SMEs. In addition, conditions in markets (such as weak demand and/or the absence of price-based rewards for legally-produced timber and products) may not provide sufficient incentives for timber producers and operators. The Programme strategy therefore includes provisions for policy dialogue and actions to address market requirements (such as public procurement policies) in order to help ensure that they are achievable by tropical timber producers and to promote the use of cost-efficient procedures (such as those for monitoring, verification and certification) that can be implemented by small-scale operators.
- (iv) There is a risk of inadequate recognition of the benefits of regional and cross-border cooperation which is necessary for addressing illegal trade. National commercial and economic interests may override benefits of regional and cross-border cooperation which is necessary for addressing illegal trade in forest products. The Programme therefore includes targeted activities for ensuring cooperation between forest, customs and other related authorities of trading partners to strengthen monitoring and control of tropical timber trade.
- (v) Adequate project proposals by forest-dependent communities and SMEs may not be received. This is addressed by promotional activities and targeted capacity building among these beneficiaries to facilitate the elaboration of such proposals that can meet the Programme criteria.
- (vi) Operational cooperation and coordination with related initiatives may not be successful at international, regional and country levels. This risk will be addressed through transparent implementation, active contacts with other key actors and processes, and their direct engagement in the Programme's activities as appropriate.
- (vii) Adequate financing should be made available including counterpart financing. Targeted fundraising efforts should therefore be included in the Programme's detailed annual work plans.

In accordance with the Decision 9/(XLIV) of the International Tropical Timber Council (ITTC), the TFLET Thematic Programme is to be implemented on a pilot basis during the first three years after which the effectiveness of its operation will be reviewed and evaluated by the ITTC.

Figure 1. TFLET Programme Strategy



4. OUTCOMES/OUTPUTS, DELIVERABLES AND EXPECTED IMPACTS/BENEFITS

Outcomes/Outputs/Deliverables

Table 1. Outcomes, Outputs and Deliverables of the TFLET Programme

Specific objective	Outcomes	Outputs	Deliverables
A. Strengthen forest law compliance and governance through improved national policy and legal frameworks, strengthened enforcement and other institutions, improved data and knowledge, strengthened partnerships and improved cooperation among the private sector, civil society organizations and other stakeholders	Improvement in the efficiency and effectiveness of forest law enforcement and governance	<ul style="list-style-type: none"> - Improved access to forest resources by forest communities and other forest-dependent people - Multi-stakeholder platforms for policy dialogue on forest governance - National action plans for strengthening forest governance and law compliance 	<ul style="list-style-type: none"> - Evidence on policy and legal changes on forest tenure and their implementation - Evidence on participatory processes applied in policy and programme design - Evidence on adoption and implementation of national action plans to strengthen governance
	Better enforcement of forest laws and regulations through chain of custody and tracking and tracing systems and improved verification and monitoring procedures.	<ul style="list-style-type: none"> - Improved data and knowledge on illegal logging and trade - Improved verification and monitoring procedures for legal compliance - Assessment of appropriate technologies for chain of custody, tracking and tracing 	<ul style="list-style-type: none"> - Improved forest and trade statistical systems and reporting - Evidence on reduced illegal logging and illegal trade - Increased production of timber and timber products as verified from legal/sustainable sources - Improved management systems, such as chain of custody, tracking and tracing systems adopted - Compendium of tracking and tracing technologies and evidence on dissemination
B. Improve transparency and effective management of supply chains and increased domestic and international trade in legally produced tropical timber	Increased market opportunities for legally and sustainably produced timber from tropical forests by supporting business-to-business initiatives	<ul style="list-style-type: none"> - Ensured market access for competitive tropical timber products from legal/ sustainable sources - Increased opportunities in the public sector markets for legally produced tropical timber and timber products - Appropriate public procurement policies related to timber 	<ul style="list-style-type: none"> - Increased volumes of traded tropical timber and timber products from legal sources - Increased exports/avoidance loss of sales to markets with limited or no access for illegal timber and timber products - Number of B2B initiatives implemented - Public procurement policies assessed and developed
	Enhanced capacity of trade associations and civil-society organizations, in particular those	<ul style="list-style-type: none"> - Functioning partnerships established among civil society organizations, the private sector and government 	<ul style="list-style-type: none"> - Evidence on increased capacity among trade associations and civil society organizations in policy implementation

Specific objective	Outcomes	Outputs	Deliverables
	representing local groups and workers in the forest sector, to be involved and actively participate in the development and implementation of policies and programmes on tropical forest management and timber trade	<ul style="list-style-type: none"> agencies in monitoring of timber flows and legal compliance and origin of tropical timber supplies - Capacity building activities undertaken among civil society organizations - Approved codes of conducts of trade associations and demonstration of commitments to their implementation 	<ul style="list-style-type: none"> - Number of codes of conduct adopted - Number of enterprises committed to codes of conduct - Number of effective partnerships in operation
C. Improve capacity of community and small and medium-sized enterprises to implement and demonstrate that timber produced and traded comes from legal sources contributing to sustainable livelihoods	Enhanced capacity of forest-dependent and local communities to improve governance and sustainably manage their forests in order to alleviate poverty	<ul style="list-style-type: none"> - Increased production of tropical timber from legal and sustainable sources - Capacity building activities undertaken in communities 	<ul style="list-style-type: none"> - Number of communities with evidence on improved capacity to effectively control and sustainably manage their forests - Number of partnerships with community forest enterprises
	Enhanced capacity of small and medium-sized enterprises in harvesting, processing and handling timber from legal and sustainably managed sources	<ul style="list-style-type: none"> - Increased production of tropical timber from legal sources by SMEs - Capacity building activities undertaken for SMEs - Increased number of SMEs operating in the formal sector 	<ul style="list-style-type: none"> - Number of SMEs with production from legal and sustainably managed sources - Number of partnerships with SMEs - Number of SMEs registered as formal operators
D. Improve international cooperation in forest law enforcement and governance among ITTO member countries and other related international initiatives.	Policies and programmes to improve forest law enforcement and governance, contributing to the implementation of international objectives as agreed in the ITTA, UNFF, CITES, CBD and UNFCCC	<ul style="list-style-type: none"> - International policy development activities undertaken - Regional and international cooperation initiatives implemented 	<ul style="list-style-type: none"> - Evidence on improved regional and international cooperation - Evidence on appropriateness and reduced diversity of market requirements related to tropical timber from legal/sustainable sources
	Improved effectiveness of other initiatives and bilateral and other international programmes targeted at strengthening of governance and combating illegal logging and illegal trade	<ul style="list-style-type: none"> - Information sharing and knowledge management activities undertaken 	<ul style="list-style-type: none"> - Evidence on existence and effective functioning of information sharing mechanisms

Indicators and means of verification for outputs and deliverables will be developed in connection with setting the medium-term targets of the Programme. Collection of baseline information will be included in relevant individual project and other interventions to facilitate monitoring and evaluation of Programme outputs, outcomes and impacts.

Expected Impacts/Benefits

The environmental benefits of the Programme derive from reduction in illegal activities which will contribute to reduction of deforestation and degradation of tropical forests. This will also contribute to the maintenance and enhancement of forest environmental services such as climate change mitigation, biodiversity, soil and water conservation, amenity etc. The social and economic impacts of the Programme are identified by target groups as follows:

For governments the Programme provides benefits through rationalization of the policy and legal framework through informed decision making, expanded trade with increased employment and income, stronger enforcement with improved cost-efficiency as a result of stakeholder engagement in monitoring, increased fiscal revenues, reduced conflicts in forest areas, reduced deforestation and forest degradation leading to less carbon emissions and loss of biodiversity, and a better country image for investment in the forest and other sectors such as tourism

For forest communities, indigenous groups and other forest dependent people the Programme contributes to reduced rural poverty, secured access to forest resources, increased employment and income for forest communities, improved distribution of benefits, less social conflicts, improved security in forest areas and improved social capital among forest communities. Realizing these positive impacts requires effective mechanisms of benefit sharing.

For the private sector the benefits would derive from improved competitiveness of legally produced and processed tropical timber and timber products, reduced transaction costs of legal production and trade, development of due diligence systems, improved risk management, as well as improved market information and knowledge.

For SMEs the Programme provides tools to expand their production and trade from legal sources, including improved control and verification of their supply chains, with resulting improvements in the competitiveness of their operations. The Programme will also contribute to their capacity to implement reduced impact logging, and other elements of SFM.

For civil society organizations the Programme's benefits are enhanced capacity for participating in policy and legal reforms, monitoring of legal compliance and partnerships with other stakeholders in implementing SFM and its legal verification and certification, as well as in supporting community forest enterprises and SMEs.

For consumers and buyers, the Programme contributes to expanded supply of tropical timber and timber products and assurance that they have been legally and sustainably produced.

5. OTHER PARTNERS AND STAKEHOLDERS

The Thematic Programme is implemented in close cooperation with with ITTO's Civil Society Advisory Group (CSAG) and Trade Advisory Group (TAG). The Programme will engage a number of partners in the implementation and it will provide a direct contribution to the effectiveness of various other international, regional and bilateral programmes targeted at improving forest governance and promoting trade from legal and sustainable sources. These include, inter alia, the WB regional FLEG processes, the EU FLEGT Action Plan and related support programmes⁷, the ITTO-CITES Work Programme, the World Customs Organization (WCO), the Asian Forest Partnership, ASEAN, the Central African Forest Commission (COMIFAC), the Economic Community of West African States (ECOWAS), the New Partnership for Africa's Development (NEPAD), the Amazon Treaty Organization (OTCA), and other relevant regional, sub-regional and bilateral initiatives and programmes. The Programme partners will also include trade and industry associations, as well as relevant non-governmental organizations working to improve forest governance, law enforcement and SFM.

⁷ EU FLEGT Facility, EU FLEGT Asia, and EU FLEGT ACP

6. ACTIVITIES

In this section an indicative non-exhaustive list of activities which can be supported by the Programme is provided. As country situations vary, necessary support interventions can differ and therefore other activities which are consistent with the Programme objectives may be considered in decision-making on the approval of submissions.

Proposals for projects/pre-projects/activities can include several elements from different action areas of the Programme if deemed appropriate.

A. Strengthening forest law compliance and governance

- 1) Improve policy and legal frameworks and strengthen institutions targeted at improved law compliance and poverty reduction through one or more of the following actions:
 - a) Carry out diagnostic studies;
 - b) Establish multi-stakeholder forums and structured participatory processes for policy dialogue, planning and monitoring of policy implementation, including national action plans for combating illegal logging and illegal trade;
 - c) Design revision of forest legislation including on forest and land tenure to improve access by forest communities and other local people to forest resources;
 - d) Design revision of fiscal regimes;
 - e) Implement measures to build capacity among enforcement organizations through training; and/or
 - f) Undertake other relevant activities to strengthen policy and institutional frameworks and support to capacity building for monitoring, verification and certification
- 2) Improve data and knowledge through the following actions:
 - a) Promote awareness on the benefits of improved information systems among decision-makers;
 - b) Improve forest information systems to enhance collection and reporting of national and sub-national timber harvesting and wood product production data to address gaps in existing data and increase timeliness and availability; improve information on drivers and impacts of illegal logging and illegal trade, including poverty, climate change mitigation, and other environmental impacts;
 - c) Improve production and trade statistics and market information to facilitate estimation and monitoring of illegal harvesting and associated production and trade in tropical timber and timber products;
 - d) National surveys and studies on timber flows to identify the extent of illegal logging and associated trade; and/or
 - e) Develop knowledge management activities such as web-based databases, dissemination of lessons learned, and other means of sharing knowledge including improvement of the availability of the relevant information to forest-dependent communities and SMEs;
- 3) Enhance capacity of the civil society, the private sector organizations and other actors to contribute to forest law compliance through the following actions:
 - a) Support capacity building and other efforts by the civil society and the private sector to detect and monitor illegal logging activities and other illicit activities in areas known to be critically affected by such activities;
 - b) Develop and implement methods and approaches to monitor changes in the forest and timber flows and other related capacity building; and/or
 - c) Support private sector organizations to develop and implement codes of conduct for legal compliance and SFM
- 4) Strengthen educational institutions and other relevant bodies to:
 - a) Develop and implement specific training courses and programmes on forest law compliance and governance, including training of trainers and training of forest-dependent communities and SMEs;
 - b) Elaborate and disseminate relevant training materials; and/or
 - c) Promote exchange of knowledge and experience among relevant educational bodies at sub-regional and regional level; and or
 - d) Assess capacity needs and identify measures to address them

B. Support to production and marketing of legally produced tropical timber and effective supply chain management

- 5) Support development of cost-effective timber tracking systems and methods to demonstrate the legality of timber and timber products, including systems suitable for forest-dependent communities and SMEs by:
- a) Piloting and promotion of innovative methods to track and trace timber to improve transparency and auditability of the supply chains of tropical timber and timber products;
 - b) Development of methods for data reconciliation and improvement within the supply chain, especially in harvesting and processing operations;
 - c) Technical support to develop auditing systems of legal compliance and origin tailored to national circumstances;
 - d) Development of tools for risk assessment;
 - e) Assessment and promotion of the business case for improved chain of custody systems within tropical timber producing countries;
 - f) Development of a compendium of methods for supply chain management including timber tracking technologies useful for monitoring illegal logging, production and trade; and/or
 - g) Other dissemination activities
- 6) Support efforts to increase awareness of illegal logging in domestic markets in tropical timber producing countries and to promote export and domestic demand for legally produced tropical timber and timber products by:
- a) Organizing awareness-raising workshops with broad stakeholder participation;
 - b) Developing procurement policies and other tools for market promotion through a structured participatory and transparent process;
 - c) Assisting in communication and training activities; and/or
 - d) Establish a functioning web-based information system for market promotion of legally and sustainably produced timber to make available information on potential suppliers for buyers and consumers to facilitate procurement of legally/sustainably produced timber, and promote the use of the website through the ITTO Market Information Service and other means.

C. Strengthening capacity of community and other small and medium-sized enterprises

- 7) Support capacity building of poor forest-dependent communities and small and medium-sized enterprises to produce and trade timber from legal and sustainable sources through a variety of activities, such as:
- a) Forest and land tenure and conflict resolution
 - b) Forest management planning;
 - c) Reduced impact logging and other measures of SFM;
 - d) Timber tracking, chain of custody and auditable procurement practices;
 - e) Market surveys and information on market requirements on legally harvested and sustainably produced tropical timber and timber products;
 - f) Strengthening of management and information systems;
 - g) Production planning and quality control;
 - h) Training and organizational development;
 - i) Financial planning and cost-benefit analyses;
 - j) Independent auditing, verification and certification;
 - k) Communication and other marketing development; and/or
 - l) Development of production and other networks, associations and other cooperative arrangements

Upon request, ITTO may provide technical assistance to interested poor forest-dependent communities and SMEs to formulate proposals for the sustainable management of their forests and legal compliance in timber production and trade.

D. Improve international cooperation in forest law enforcement and governance

- 8) Strengthen regional and international cooperation in forest law enforcement and governance in cooperation with relevant international, regional and sub-regional organizations and intergovernmental bodies through:
 - a) Improvement of international/regional compilation and exchange of production and trade data (e.g. comparative analyses of international trade data in order to identify discrepancies, inconsistencies and inaccuracies, improvement of knowledge on conversion factors and their possible harmonization, etc.);
 - b) Development of, and exchange of experience on, methods and tools for assessing illegal harvesting and associated production, and illegal trade;
 - c) Strengthening of mechanisms for monitoring of trade (including cross-border trade);
 - d) Establishment and functioning of regional and sub-regional platforms for trade facilitation and monitoring; and/or
 - e) Knowledge sharing

- 9) Promote policy dialogue and exchange of experience and information on international market developments related to the demand for legal and sustainable tropical timber and timber products and meeting market requirements through:
 - a) Monitoring and analysis of the existing and emerging international and regional market conditions and requirements related to legality;
 - b) Identification of options for convergence and comparability in definitions, market requirements, monitoring and verification tools and means of communication; and promotion of international common approaches for definition of legality, legality assurance systems, supply chain controls, independent monitoring and verification procedures, and requirements for independent auditing bodies;
 - c) International stakeholder meetings to review practices and evolving initiatives, exchange experience and make action recommendations;
 - d) Support to the civil society, the private sector organizations, organizations of forest-dependent communities and other stakeholder groups in the international and regional consultation processes; and/or
 - e) Analysis of policies and options for meeting the international market requirements for tropical timber and timber products in order to assist producing countries participating in bilateral agreements and other arrangements related tropical timber trade

7. WORK PLAN, BUDGET ESTIMATES AND DONOR CONTRIBUTIONS

Work plan

The general indicative work plan is given in Table 2. Detailed annual work plans will be prepared to implement the Programme. Two rounds of call for submissions by stakeholders through the ITTO focal points are arranged per year. During the first year the following activities are planned.

- a) Promotion of the Programme launching through various ITTO organized and participated events to create awareness among stakeholders on the availability of programme support
- c) Organization of the first two rounds of submissions by stakeholders
- b) Financing and implementation of 2-3 projects in forest governance, one project in trade and supply chain improvement, and 2-3 projects in capacity building of community/SMEs
- d) Implementation of activities in promoting international/regional cooperation (part of activities 8 and 9), establishment of supplier web-page (part of activity 6) and elaboration of a compendium of tracking technologies (part of activity 5)
- e) Provision of support to project formulation to stakeholders who have requested assistance (part of activity 7)

Table 2. General Work Plan

Actions	Year 1				Year 2				Year 3			
1. Programme launching and promotion												
2. Call for proposals	•		•		•		•		•		•	
3. Advisory Committee meetings	•	•		•		•		•		•		•
4. Implementation of TP activities												
5. Annual monitoring reports				•				•				•
6. Review and evaluation of the TFLET pilot phase by the ITTC												•

Budget estimates

The total budget of the activities to achieve a significant improvement in tropical forest governance and law enforcement and expansion in trade of tropical timber from legal and sustainable sources in the three tropical regions is US\$15 million (Table 3).

Table 3. TFLET Programme Budget (indicative)

Activity (US\$ 1,000)	Year 1	Year 2	Year 3	Total	Per cent
A. Strengthening of forest governance	1,200.0	1,700.0	1,800.0	4,700.0	34.3
B. Support to international trade in legally/sustainably produced timber	1,200.0	1,000.0	1,000.0	3,200.0	23.4
C. Strengthening of capacity of community and other SMEs	1,500.0	1,000.0	2,300.0	4,800.0	35.0
D. Strengthening of international cooperation	298.6	350.0	350.0	998.6	7.3
SUBTOTAL	4,198.6	4,050.0	5,450.0	13,698.6	100.0
Programme Management (9.5%)	398.8	384.8	517.8	1,301.4	
GRAND TOTAL	4,597.4	4,434.8	5,967.8	15,000.0	

Donor contributions

Accounting for existing unutilized donor contributions to the Programme through the precursor of the TFLET activities Thematic Programme allows the following representation of the current financing situation (as of November 2008):

Pledged, allocated	US\$ 3,331,189
Pledged, unallocated	US\$ 1,565,815
Balance	US\$ 10,102,996
TOTAL	US\$ 15,000,000

In addition to donor contributions, implementing agencies for activities or projects developed in the framework of this agreement are also expected to contribute financial and in-kind resources, taking into account their roles, responsibilities and capacities, in principle with a share consistent with the level of such inputs in the existing ITTO project portfolio. The counterpart contributions (in-kind) include provision of logistical support comprised of services of staff members, office spaces, transportation, etc., provided by the implementing agencies. On average ITTO projects include counterpart contribution from implementing agencies of 10-20% of the ITTO budget and this average level is also targeted in the Thematic Programme.

II. OPERATIONAL ELEMENTS

Composition of the Thematic Programme Advisory Committee

The Advisory Committee (AC) has the following composition:

- a) Three producer member representatives with recognized expertise on the Thematic Programme;
- b) At least one non-donor consumer member representative with recognized expertise on the Thematic Programme;
- c) Expert representatives of interested donors and collaborating institutions; and
- d) Executive Director or his designated representative.

In consultation with members, the Executive Director will invite individuals to participate on Thematic Programme Advisory Committees.

As a general rule, the membership will not exceed seven members, taking into account the need for balanced representation among members.

The task of the AC is to assist the Executive Director with the implementation of the Thematic Programme as follows:

- a) Selection of activities/pre-projects/projects for financing under the Thematic Programme;
- b) Monitoring and evaluation of progress in implementing the Thematic Programme; and
- c) Identification of potential additional sources of voluntary financial contributions to the Thematic Programme)

As a general rule, the AC works and coordinates through electronic means and meets once a year.

Specific selection criteria for proposed activities/projects/pre-projects

In selecting activities/pre-projects/projects for financing, the Thematic Programme Advisory Committee will consider the following general criteria:

- a) Conformity with the Thematic Programme Document and ITTA objectives;
- b) Technical feasibility;
- c) Cost effectiveness;
- d) Environmental and social effects;
- e) Linkages or relevance to other activities/pre-projects/projects under the programme;
- f) Applicability/extension of results, e.g. regionally or globally;
- g) Clear quantitative and qualitative indicators to evaluate progress towards achieving programme objectives;
- h) Measures to verify the coherence and effectiveness of individual activities/pre-projects/projects funded under the programme;
- i) Overall impact and sustainability of outputs and outcomes; and
- j) Mechanisms for effective stakeholder participation.

In addition, the AC will consider the following specific criteria:

- k) Potential impact to the achievement of the specific objectives of the Thematic Programme
- l) Contribution to the Programme deliverables

Administrative arrangements

The Programme is implemented under the direction of the Executive Director of ITTO. The Programme is coordinated by a full-time coordinator assisted by secretarial support staff.

Monitoring and evaluation procedures

The projects/pre-projects/activities of the Programme are monitored according to the procedures of the ITTO Manual for Project Monitoring, Review, Reporting and Evaluation and using the Organization's on-line monitoring system as appropriate.

The Advisory Committee monitors the progress of Programme implementation at least once a year based on the information generated by the monitoring system, including periodic progress reports. A programmatic monitoring protocol will be developed for the Programme as a whole.

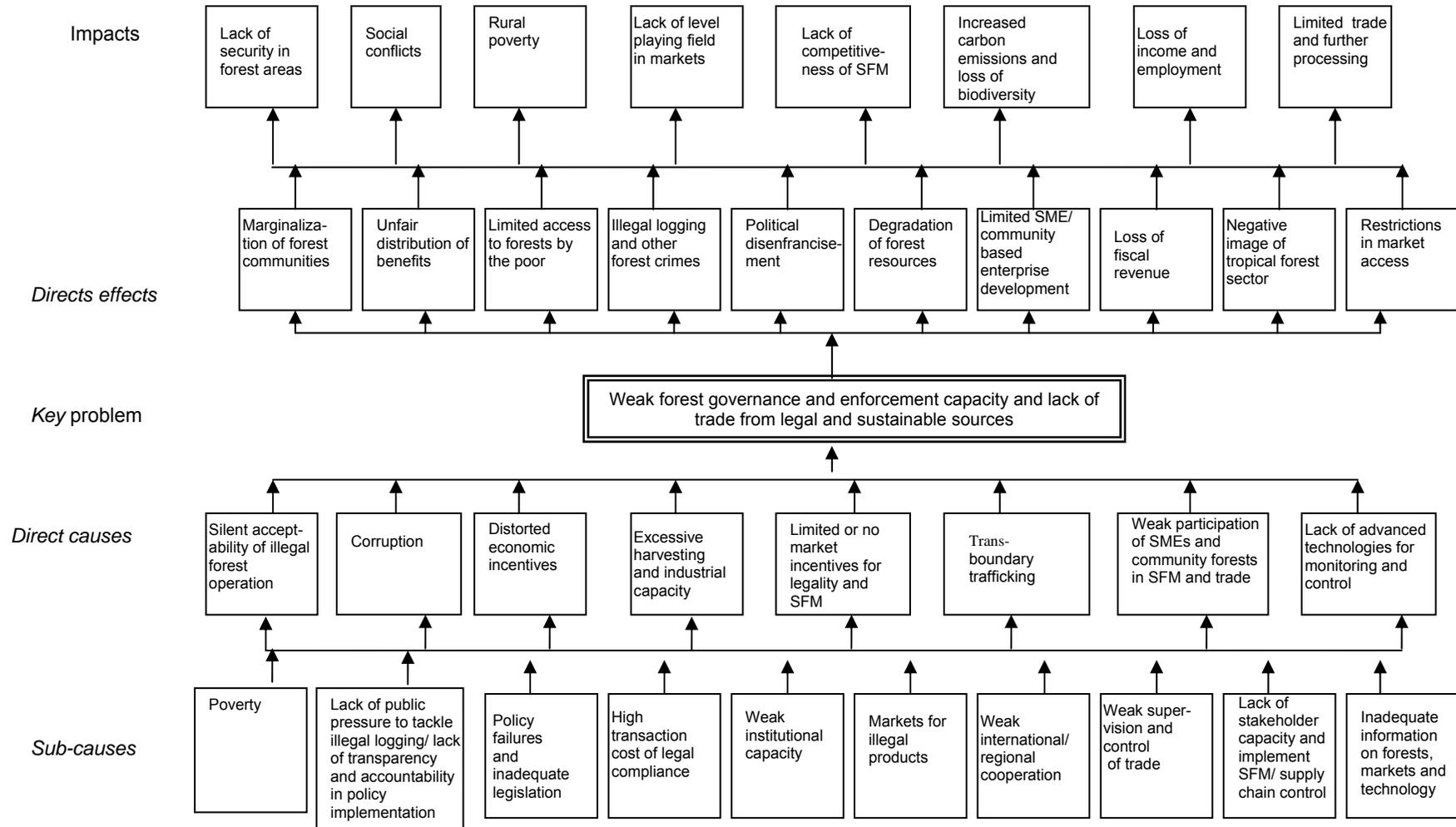
In accordance with the Decision 9/(XLIV) of the International Tropical Timber Council (ITTC), the Executive Director will report at each Council session on the development, status and other relevant information on the pilot operation of the Thematic Programme, and to keep Members informed inter-sessionally through the ITTO web site.

The effectiveness of the pilot operation of the Thematic Programmes will be reviewed and evaluated after three years by the ITTC.

Technical and financial reporting procedures

The Programme has standardized reporting formats on individual activities/pre-projects/projects and the Thematic Programme as a whole. The reporting elements include work-plan, budget, regular progress, technical and completion reports, inclusive of narrative reports and financial reports, formats for consolidated narrative and financial reports, monitoring and evaluation reports. The provisions of the ITTO Manual for Project Monitoring, Review, Reporting and Evaluation will apply, as appropriate. Donor contributions are not earmarked to specific pre-projects/activities and a common reporting framework will be applied for participating donors rather than individual reports for each donor.

Annex 1. Indicative Problem Tree Analysis of the TFLET Thematic Programme



ANNEX 2

THEMATIC PROGRAMME APPRAISAL PROCESS

