Advisory Committee on Sustainable Forest-based Industries

STRATEGIC REVIEW

Kathryn Fernholz & Ed Pepke
Dovetail Partners

April 2021
Contents

6 Executive Summary

8 List of findings and recommendations

11 Introduction

13 The governance system of the ACSFI

19 Impacts of the ACSFI

22 ACSFI programme and priorities

24 ACSFI partnerships

29 SWOT analysis of the ACSFI

35 Next steps

37 Annexes
The Food and Agriculture Organization (FAO) Advisory Committee on Sustainable Forest-based Industries (ACSFI; “the Committee”) is a unique statutory body within the FAO Forestry Division. Established in 1960, it supports FAO in its mission to develop and strengthen the global forest sector. Committee members, serving in an individual capacity, represent many private forest sector associations with memberships around the world, from both temperate and tropical forest regions. Over the past seven decades the Committee has added considerable value to the work of the Organization by providing advice, industry insight and links to global stakeholders. In light of the United Nations Sustainable Development Goals (SDGs), coupled with major global trends and the promotion of multi-sector engagement, it is time to take a fresh look at the Committee in order to ensure that it remains relevant and impactful in the decades to come.

This report assesses the strategic potential of the ACSFI and highlights opportunities for change in the context of global issues affecting the forest sector. Key among these is the 2020 COVID-19 pandemic, which has revealed the world’s dependence on the sector and its essential products. The effects of the pandemic will reverberate throughout the forest industries for years to come, affecting not only people’s lives and livelihoods, but also profitability, supply chains and domestic and international markets and trade. Recovery will entail “building back better” by aligning resources, policies and partners towards green, sustainable and climate-smart action. Linked to this is the need to ensure that stakeholders are engaged in a meaningful way, and that addressing major concerns including climate change, sustainability, biodiversity, inclusive growth, human rights and issues affecting emerging economies can benefit from the ideas of many. In mid-2020, the twin drives to foster recovery have been labelled Build Back Better Together and Build Back Better Informed, with the forest sector playing a central role in both.

In this dynamic context, the potential of the ACSFI to make a difference has never been greater. To do so requires first clear recognition of the importance of an enhanced ACSFI, bridging the gap between the broad and diverse global forest sector and development partners and agencies. Second, it requires that the Committee take a leadership role in engaging stakeholders and catalyzing partnerships in topical areas of mutual interest and in emerging issues of strategic importance to the FAO and the forest sector.

The perspective of Committee members and the Secretariat provides the starting point for this report, supplemented by an analysis of strengths, weaknesses, opportunities and threats (SWOT), which focuses on opportunities to better position the ACSFI for success and value to FAO in the coming years. A number of recommendations emerge from this review, falling into three main areas:
1 The Committee’s activities should be driven by the priority topics of FAO’s work in the context of the SDGs and the UN Global Forest Goal 2 (GFG2). The topics should be jointly set and regularly reviewed by the Committee and the Secretariat.

2 There should be active links between the Committee and the FAO senior management, facilitated by the Secretariat, to ensure that ACSFI impacts are widely shared within the Organization, and that its direction remains relevant.

3 Committee membership should be expanded to reflect the diversity of the sector, and include other private-sector stakeholders in global forestry, aiming for wider geographical representation and deeper value-chain diversity, as well as the inclusion of observers whose expertise complements that of the Committee.

The Committee’s strengths stem from its expert membership, linked to a broad and informed private industry network. Members raise important topical issues and provide advice to FAO via the Committee on Forestry (COFO), which magnifies the impact of their priorities, messages and information. The Forestry Division’s support, statistics and information, and analysis are additional strengths. Virtual meetings held in 2020 have underscored the value of incorporating digital technologies into the work of the Committee.

Drivers for change in the coming decade afford the opportunity to orient and focus the Committee’s programme to better contribute to global initiatives and the achievement of long-term development goals. With this new emphasis, the Committee could play a leadership role by providing thought leadership, forums for discussion and forward-looking contributions to the Decade on Ecosystem Restoration, transition to a circular forest bioeconomy including substitution by wood fibre-based products, and partnerships to meet the targets of the SDGs and the GFG2. The alignment of their programme of work with the FAO Forestry Division’s biennial work plan will be crucial.

The Committee has already provided an important platform for discussion on COVID-19. Further evidence-based guidance will be needed to help the sector manage during the prolonged period of the recovery effort. There is likely to be an ongoing change in the sector, and planning for this will require the kind of foresight, expertise and network that the Committee offers. The ACSFI should therefore aim to be a key player in this effort.

Over the coming decade, the Committee has significant potential for increasing its influence and reach in the changing global context. An enhanced Committee will benefit from greater engagement, legitimacy and standing. Specific initiatives to capitalize on the ACSFI’s strengths and opportunities are found in the complementary document: ACSFI Strategic Framework, 2020-2030.
List of findings and recommendations

**FINDING 1.**
The ACSFI governance system has served the Committee well in its work to date; however, changes are required for the Committee to continue to deliver value in the current global context and to become more forward looking in its membership, role and contribution to the mission of FAO.

**Recommendation 1.1.** FAO should broaden the membership of the ACSFI to its maximum, to include additional relevant parts of the forest sector, additional technical expertise, and more representative geographical coverage. Rules for the regular inclusion of observers should be elaborated.

**Recommendation 1.2.** FAO should institute a regular review of ACSFI Statutes and related Rules of Procedures, and revise as needed to ensure transparency and responsiveness to new requirements and demands. For transparency, the relevant documents should be posted online with dates, responsible entities and contact information listed.

**FINDING 2.**
While ACSFI initiatives have had a positive impact on FAO and on member constituencies over the years there is significant potential for broader reach and stronger impact in terms of topics selected, target audiences, collaboration and partnership, and pursuit of strategic initiatives.

**Recommendation 2.1.** The ACSFI should further define its areas of expected impact, related to the targets of the SDGs and the UN Global Forest Goal 2, informed by FAO’s overall priorities and wide stakeholder input while ensuring effective outreach.

**Recommendation 2.2.** FAO should establish benchmarks and ensure regular monitoring of the contributions of the ACSFI in order to assess progress and impact.

**Recommendation 2.3.** Introductions and interactions between ACSFI members and FAO staff are needed to generate further awareness of opportunities to work together where common interests exist.

**FINDING 3.**
The diverse initiatives proposed by the Committee lack an overall long-term strategic focus and method of prioritization.

**Recommendation 3.1.** The ACSFI should mainly focus on priority topics to be addressed in the medium term (4 years), normally including a scoping study and outputs that address the needs of key stakeholders, taking into account the strategic priorities of FAO.
The ACSFI stakeholders expressed a heterogeneous interest in priority topics to be covered by the Committee, reflecting the diversity of stakeholders and their needs.

**Recommendation 4.1.** The ACSFI should continue to provide a platform for information sharing and dialogue as an opportunity to identify needs, align work and select key topics with input from diverse stakeholders.

**Recommendation 4.2.** The ACSFI Secretariat should define criteria guiding the selection of priority themes to be addressed in the short and medium term.

The work of the ACSFI is currently not guided by a strategic plan linked to FAO’s priorities and programme of work, missing the opportunity for alignment and maximizing value from the contribution of the Committee.

**Recommendation 5.1.** The ACSFI should be guided by a Strategic Framework 2020-2030, defining its short, medium and long term objectives and priorities.

The ACSFI provides unique opportunities for building and strengthening strategic external partnerships with stakeholders and internal cooperation within FAO.

**Recommendation 6.1.** The ACSCFI should increase its outreach activities to explore strategic partnerships with external stakeholders on initiatives important to FAO.

**Recommendation 6.2.** The ACSFI Secretariat should engage with relevant FAO bodies, programmes and initiatives to facilitate joint action to fulfil the vision and achieve the strategic goals of the Committee.

**Recommendation 6.3.** The ACSFI should follow guidance on selection and ranking criteria from the FAO Private Sector Strategy and related initiatives of the Forestry Division in order to outline partnership goals and expected outcomes.

**Recommendation 6.4.** The ACSFI should clarify and enhance its role and objectives with respect to achieving the SDGs with the private sector on a larger scale.
Acronyms used in the report

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACSFI</td>
<td>Advisory Committee on Sustainable Forest-based Industries</td>
</tr>
<tr>
<td>COFO</td>
<td>FAO Committee on Forestry</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organization</td>
</tr>
<tr>
<td>FCN</td>
<td>Forest Communicators Network</td>
</tr>
<tr>
<td>FLEGT</td>
<td>European Union Forest Law Enforcement, Governance and Trade</td>
</tr>
<tr>
<td>FTN</td>
<td>Forestry Technical Network</td>
</tr>
<tr>
<td>GEF</td>
<td>Global Environment Facility</td>
</tr>
<tr>
<td>GFG2</td>
<td>United Nations Global Forest Goal 2</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organization</td>
</tr>
<tr>
<td>IPC</td>
<td>International Commission on Poplars and Other Fast-Growing Trees Sustaining People and the Environment</td>
</tr>
<tr>
<td>IPF</td>
<td>Intergovernmental Panel on Forests</td>
</tr>
<tr>
<td>ICFPA</td>
<td>International Council of Forest Products Associations</td>
</tr>
<tr>
<td>ITTO</td>
<td>International Tropical Timber Organization</td>
</tr>
<tr>
<td>REDD</td>
<td>Reduced Emissions from Deforestation and Forest Degradation</td>
</tr>
<tr>
<td>SDGs</td>
<td>Sustainable Development Goals</td>
</tr>
<tr>
<td>SFM</td>
<td>Sustainable Forest Management</td>
</tr>
<tr>
<td>SW4SW</td>
<td>Sustainable Wood for a Sustainable World</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
</tr>
<tr>
<td>UNECE</td>
<td>United Nations Economic Commission for Europe</td>
</tr>
</tbody>
</table>

List of figures and tables

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 1</td>
<td>Satisfaction with ACSFI procedures</td>
<td>14</td>
</tr>
<tr>
<td>Figure 2</td>
<td>ACSFI membership distribution, July 2020</td>
<td>15</td>
</tr>
<tr>
<td>Figure 3</td>
<td>Membership representativeness of global forest-related interests</td>
<td>16</td>
</tr>
<tr>
<td>Figure 4</td>
<td>SWOT diagram of the ACSFI</td>
<td>29</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 1</td>
<td>Countries represented in each region as of mid-2020</td>
<td>15</td>
</tr>
</tbody>
</table>
1. Introduction

1.1. Purpose
This review is intended to serve as the basis for FAO’s decision-making on the future direction of the FAO Advisory Committee on Forest-based Industries (ACSFI; “the Committee”). The Committee is a unique body comprised of private-sector members whose contributions collectively support the achievement of the forest sector-related goals of the United Nations. This document, and the ACSFI Strategic Framework 2020-2030 which follows, sets the general direction for the period 2020-2030, with a focus on medium-term goals.

1.2 Scope
While the Strategic Review of the ACSFI looks back at the Committee’s recent history, it focuses primarily on assessing the situation in 2019-2020, following new impetus from the Forestry Division. It assesses opportunities and gaps, then recommends and provides the rationale for key areas for action. Planning for the short, medium and long term may be found in the ACSFI Strategic Framework 2020-2030.

1.3 Consultation and structure
This report was produced by a core project team through a process of internal and external consultation. Information was gathered through surveys, interviews and reviews of supporting data and information. The ACSFI Secretariat, in collaboration with Dovetail Partners, designed an online survey to provide insights into the scope, strengths, opportunities and challenges associated with the ACSFI. The survey was distributed to all ACSFI members and selected representatives from FAO. Follow-up interviews provided further detail on the ACSFI in assessing its mission and vision, member representativeness, plus the results of past initiatives, governance and process. A SWOT analysis followed, considering the question “What will best position the ACSFI for success and value to FAO in the coming years?”

The report structure is outlined below. The findings and recommendations for each section identify major areas to be addressed.

> The governance system of the ACSFI
  - Summary of the ACSFI governance, membership and processes and assessment of their adequacy.
  - Review of the role of the Committee in relation to the FAO Secretariat.

> Impacts of the ACSFI
  - Assessment of the impact of the Committee’s work from ACSFI, FAO and stakeholders’ perspectives.
  - Identification of opportunities for greater impact and reach.

> ACSFI programme and priorities
  - Discussion of the process and programme of setting priorities for the work of the Committee.

> ACSFI partnerships
  - Examination of issues and opportunities to achieve common goals through internal and external partnerships.

> SWOT analysis of the ACSFI
  - Assessment of internal and external factors affecting the ACSFI and their potential influence on its success and relevance in the coming decade.
  - Identification of major directions for change, to be carried forward in the ACSFI Strategic Framework 2020-2030.

> Next steps
2. The governance system of the ACSFI

2.1. Current status

The governance system of the ACSFI was evaluated to determine whether the current Statutes, Rules of Procedure, structure, membership and processes will enable FAO to ensure the value and relevance of the Committee in the decade to come. Past and present Committee members and FAO staff provided input regarding the strengths and constraints of the Committee and its functioning.

As of mid-2020, the Committee comprised 22 expert members from major forest industry associations around the world, from both temperate and tropical regions. The Committee normally meets annually in conjunction with the International Council of Forest Products Associations (ICFPA) meeting, and reports to the FAO Committee on Forestry (COFO). Its Steering Committee of up to seven members facilitates the work of the full Committee and meets more frequently to plan and conduct affairs. However, with the support of a new Secretariat established in 2019, intersessional meetings held in 2020 included two webinars responding to an urgent issue: the effect of the COVID-19 pandemic on the forest sector.

The ACSFI Statutes elaborate the Committee’s objectives and terms of reference (see Annex 8.1). The Committee's Rules of Procedure concern membership, officers, Steering Committee, meetings and their documentation, and decision making (see Annex 8.2). The statutes and rules of procedure provided a framework for conducting the survey, interviews and the development of this strategic review. The refreshed ACSFI Secretariat changed in 2019, offering an opportunity to review the Statutes and Rules of Procedure. Over time, some parts of both documents may become obsolete, and require changes. While both need to be regularly reviewed by the Secretariat and the Steering Committee, the current assessment did not identify any major changes to be addressed in the short term. In future, if it is not a requirement of FAO to have both, they should be combined.

2.2. Mission of the ACSFI

The Committee has a broad mandate to:

- Advise the Director-General on FAO’s programme in the field of sustainable production and consumption of forest industry products, and related policy work and regulatory matters;
- Advise on required support to FAO Member countries and the incorporation of private sector perspectives into FAO’s Programme of Work and Budget;
- Identify key emerging issues from across forest product value chains and review studies and statistical data compiled by the Organization on forests, products and forest industries;
- Propose new activities for implementation by FAO, including international meetings, events and initiatives jointly organized with the Committee and other partners;
- Maximize the potential of multiple forest sector benefits from innovations and efficiency improvements;
- Improve communication, knowledge and information exchange and training on good practices between members, the private sector and FAO, including South-South and triangular cooperation;² and
- Provide guidance on fundraising opportunities in the field of sustainable production and consumption of forest products.

¹ The predecessor of the ACSFI, the Advisory Committee on Pulp and Paper met informally with other forest sector organizations before the ICFPA was officially formed in 2002. Broadening the name to “Sustainable Forest-based Industries” facilitated the addition of members beyond the pulp and paper industry and expanded the scope through the entire forest sector. Forest industries are dependent on sustainable forest management (SFM) which aligns with a main driver of the Forestry Division.

² From “FAO’s Advisory Committee on Sustainable Forest-based Industries (ACSFI) – At a glance”.

---

1. International Council of Forest Products Associations
2. FAO’s Advisory Committee on Sustainable Forest-based Industries (ACSFI) – At a glance
2.3. Governance and procedures

The survey of ACSFI members and FAO staff indicated general satisfaction with the procedures of the ACSFI, as found in its Rules of Procedure and Statutes, and that they effectively facilitate the work of the Committee (Figure 1). The procedures and governance systems were modified in 2019 and survey responses indicated general support for the updated systems. Respondents rated the level of satisfaction with these five procedures:

1. Leadership structure and election of chair (74 percent satisfied)
2. Decision making by consensus (71 percent)
3. Composition of the Steering Committee (66 percent)
4. Development and communication of meeting documents (63 percent)
5. Composition of membership (40 percent).

Figure 1: Satisfaction with ACSFI procedures.

![Bar chart showing satisfaction with ACSFI procedures](image)


2.4. Membership

It is notable that “composition of membership” was rated lowest in the survey, with only 40 percent satisfaction by members and much lower by FAO staff (14 percent). Although there is Committee representation from Africa, Asia, and South America (Table 1), the membership currently comprises more members from temperate than tropical forest regions (Figure 2).
Figure 2: ACSFI membership distribution, July 2020.

<table>
<thead>
<tr>
<th>Region</th>
<th>Countries and organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>Ghana, South Africa</td>
</tr>
<tr>
<td>Asia</td>
<td>China, India, Indonesia, Japan</td>
</tr>
<tr>
<td>Europe with Russia</td>
<td>Finland, France, Germany, Russian Federation, Sweden, Turkey, United Kingdom</td>
</tr>
<tr>
<td>North America</td>
<td>Canada, United States</td>
</tr>
<tr>
<td>Oceania</td>
<td>Australia, New Zealand</td>
</tr>
<tr>
<td>South America</td>
<td>Argentina, Brazil</td>
</tr>
</tbody>
</table>
| International           | Confederation of European Paper Industries, International Family Forest Alliance,
|                         | International Tropical Timber Technical Association                                        |

Notes: Number of members indicated within each region. “International” indicates organizations not linked to a region.

Representation of the entire forest product value chain is limited, while certain sectors such as pulp and paper are strongly represented. Only 35 percent of respondents indicated that the membership represents global forest-related interests moderately well to very well (Figure 3).
Greater diversification of membership would enable the Committee to more effectively advise the FAO Director-General via the COFO on global forest sector issues. In addition, with most UN countries represented on the COFO, the Committee reaches a broad audience. Increasing diversity would enable the Committee to better reflect interests more relevant to a broader range of countries.

The ACSFI governance system has served the Committee well in its work to date. However, changes are required for the Committee to continue to deliver value in the current global context and to become more forward-looking in its membership, role and contribution to the mission of FAO.

Recommendation 1.1. FAO should broaden the membership of the ACSFI to its maximum, to include additional relevant parts of the forest sector, technical expertise, and more representative geographical coverage. Rules for the regular inclusion of observers should be elaborated.

The ACSFI needs to strengthen and diversify its membership by growing from 22 members (as of July 2020) towards the maximum of 30 members allowed by its statutes. With the option of having observers participate, the ACSFI can include better coverage of the entire forest sector while limiting official membership to 30. The ACSFI could thus expand its official members by eight, and could expand still further with non-member observers to complement the membership.

Forest product value chain diversification should aim to include representatives from throughout the value chain, either as members (preferred) or as observers, for example:
Sawmilling (e.g. European Organisation of the Sawmill Industry);

Certification standard-setting organizations (e.g. Forest Stewardship Council and Programme for the Endorsement of Forest Certification);

Non-wood forest products and forest services (e.g. Non-Timber Forest Products – Exchange Programme Asia);

Wood energy (e.g. Sustainable Biomass Partnership);

Wood construction (e.g. WoodWorks, Bi-National Softwood Lumber Council); and

Packaging (e.g. The Paper and Packaging Board, International Corrugated Case Association)

NB: the above organizations are cited as examples only.

Geographic diversification is needed to reduce the disproportionate representation from Europe. This recommended action is in line with the statutes, which encourages membership from all regions. There are major internationally-oriented forest sectors in other continents which merit consideration for inclusion on the Committee. The criteria for the suggestions below are based on the countries’ export strengths of primary-processed forest products (from FAO statistics) compared to other countries in the same region.

> **South America.** As of mid-2020 the ACSFI has members from Argentina and Brazil. Chile exports half of the value of Brazil, but more wood and paper products than any other South American country. Second to Chile, a member from Uruguay could be considered.

> **Africa.** Currently in 2020 the ACSFI has members from two countries, Ghana and South Africa. Based on FAO export statistics, new members could be from Cameroon, Nigeria, Gabon or the Congo (in declining order of export value).

> **Asia.** Members in 2020 come from China, India, Indonesia and Japan. Of the remaining Asian nations, two major exporters, Malaysia and Viet Nam, should both be considered for membership. Malaysia currently participates as an observer.

> **Oceania.** In 2020 Oceania has members from Australia and New Zealand. These two countries’ exports dwarf those of other countries in the region. However, if another member from Oceania was desired, the Solomon Islands would take precedence over Papua New Guinea based on export values.

### 2.5. Member selection

The current process of selection of new members, as described in the Rules of Procedure, is an exclusive process which merely replaces exiting members. As such, it perpetuates the current membership structure and does not encourage the expansion, diversity or representativeness of the Committee. Furthermore, it lacks transparency. At present both FAO and the members nominate potential new members for consideration. Their nomination is approved by the Committee and confirmed by the FAO Director-General. Other UN agencies, such as the World Health Organization⁶, have successfully conducted more open, global processes to broaden the potential pool of membership to high-level expert advisory groups. Candidates are then vetted and final selection is based on criteria set by the Organization, according to its requirements and policies. For FAO, a similar type of selection would be feasible if done in conjunction with changes to the current orientation to the pulp and paper industries.

Members can be complemented by observers to the ACSFI. These observers include experts and representatives of relevant stakeholders that may be invited to participate in ACSFI’s work “in view of their particular qualifications and/or any other considerations relevant to the work of the ACSFI.”⁴ Observers have been invited in the past on an ad-hoc basis and currently include the World Business Council for Sustainable Development, the UNFF Secretariat and the Malaysian Timber Council. The ACSFI should strategically identify and involve observers in their work to complement membership with relevant technical expertise as well as political and institutional background to contribute to the goals and outcomes of the Committee. Possible observers include the Global Environment Facility, ITTO and its Trade Advisory Group and a relevant UN body related to human rights.⁵ It will be necessary to consider how observers would be invited and participate in the ACSFI compared to full members. Considerations could include:

- Invitations to information ACSFI related dissemination events e.g. webinars etc;
- Participation at ACSFI Annual Meeting; and
- Receiving ACSFI newsletter, reports and alerts to relevant news pieces etc

### 2.6. Transparency and accountability

UN agencies have made a commitment to making information about their programmes and operations available to the public. For example, UNDP considers public access to information a key component of effective participation of all stakeholders in the development process, recognizing that there is a positive correlation between a high level of transparency through information sharing, and public participation and support. Major UN intergovernmental conferences and other international fora and processes have renewed the commitment to transparency and accountability, including the UN Development Cooperation Forum, the High Level Forum on Aid Effectiveness and the Global Partnership for Aid Effectiveness.

In this respect the FAO Forestry Division website has made a good start. It contains an ACSFI webpage with information about its statutes, rules and membership. However, it lacks in-depth information on the Committee’s programme and themes, major past and current initiatives, expected results and accomplishments, and plan of work. Beyond general accountability, this detail is needed for the purposes of transparency regarding the Committee in its role with FAO.

In particular, it is important because the Committee advises the FAO Director-General and can influence programmes and activities undertaken by FAO. In practice this means that through the Committee, certain parts of the forest industry have an advocacy advantage despite the fact that Committee members are expected to serve in their individual expert capacity. The statues and rules allow for this apparent contradiction. A discussion of the ethical implications for FAO lies beyond the scope of this paper; the main concern here is the direct influence of a sub-section of a powerful global industry to the exclusion of other parts of the forest sector which are emerging as a force and a voice in global matters of concern to FAO’s agenda. Continued exclusion of these groups is a strategic disadvantage for FAO and needs to be rectified. The rules governing FAO’s relationships with non-state actors should be a point of reference for any changes made.

**Recommendation 1.2.** FAO should institute a regular review of the ACSFI Statutes and related Rules of Procedures, and revise as needed to assure transparency and responsiveness to new requirements and demands. For transparency, relevant documents should be posted online with dates, responsible entities and contact information listed.

---

⁴ See ACSFI’s Rules of Procedures, paragraph 4.3.
3. Impacts of the ACSFI

3.1. Current status

The work of the ACSFI has had positive impacts on FAO, especially the Forestry Division, as well as on member organizations. The majority (70 percent) of survey respondents were aware of the reports commissioned by the ACSFI.

The uptake of communications about the Committee’s outputs is not currently being monitored. Stakeholders, including ACSFI members, observers and others, benefit from receiving information about ACSFI activities and priorities to inform their own actions and networks. Members have indicated that the work of the Committee can help influence policies and activities in their individual countries or regions. There is also interest in having access to data and analyses prepared by FAO staff. Reliable and clear communications raise awareness of the work of the ACSFI, encourage participation, and increase the impact of ACSFI activities.

3.2. Achieving greater impact

While ACSFI initiatives have had a positive impact on FAO and on member constituencies over the years there is significant potential for broader reach and stronger impact in terms of topics selected, target audiences, collaboration and partnership, and the pursuit of strategic initiatives.

It is the responsibility of the Secretariat to ensure that the results of work commissioned by the Committee are communicated widely to interested stakeholders. Often the Committee’s work has (and should have) application beyond FAO and beyond member constituencies. Support is available for the ACSFI to disseminate its work via the FAO communications/public relations group. Within the Forestry Division the Global Coordinator of the Regional Forest Communications Networks and Outreach and Capacity Building has previously aided the ACSFI in communication of its initiatives. The UNECE/FAO Forest Communicators Network (FCN) is also well placed for ACSFI communications. The communication specialists at FAO and in the FCN are able to measure the effectiveness of communications and could be enlisted to assist. The specialists stress the need to engage during the planning of initiatives for best results.

Recommendation 2.1. The ACSFI should further define its areas of expected impact, such as related to the targets of the SDGs and the UN Global Forest Goal 2, and informed by FAO’s overall priorities and wide stakeholder input while ensuring effective outreach.

The ACSFI has a wide scope for its activities; however, the Committee must be selective in order to ensure that activities fall within its mandate. The Committee activities help to address SDGs 15\(^6\), 14\(^7\), 12\(^8\) and 13\(^9\) and Global Forest Goal 2\(^{10}\). To be effective, activities must be evaluated and determined to have value for FAO, to whom ACSFI gives advice. Furthermore, the resource requirements must be weighed against the potential impact of initiatives as resources are limited. ACSFI members believe the Committee is achieving its mandate, although FAO staff indicate there are possibilities to better address the mandate.

---

\(^6\) SDG 15. Life on land
\(^7\) SDG 14 Life Below Water
\(^8\) SDG 12. Responsible consumption and production
\(^9\) SDG 13. Climate action
\(^10\) GFG 2. Enhance forest-based economic, social and environmental benefits, including by improving the livelihoods of forest dependent people.
Recommendation 2.2. FAO should establish benchmarks and ensure regular monitoring of the contributions of the ACSFI in order to assess progress and impact.

The survey results prioritized the focus of activities within the Committee’s mandate as follows:

1. **Identify key issues relevant for the forest-based industries**
2. **Facilitate information exchange between FAO and the forest-based industries**
3. **Provide advice to the Director-General of FAO**
4. **Provide guidance on how to maximize forest sector benefits.**

These four priorities are interlinked. Both ACSFI members and FAO staff ranked the identification of key issues as the top priority. The ACSFI has always focused on topical issues and continues to do so, as evidenced by its rapid reaction to the COVID-19 pandemic’s effects on the forest sector in 2020. In response to this crisis, the ACSFI conducted webinars in May and June 2020 which addressed priorities 1 and 2, i.e. identifying key issues, potential actions and exchanging information. Priority 3 – provide advice to the Director-General – is done through the ACSFI report to the COFO (25th COFO session scheduled in October 2020). The Committee’s two webinars on the COVID-19 impacts on the forest sector may be a basis for future ACSFI work on the forest sector’s response to the pandemic. This example of how the ACSFI has responded to COVID-19 is typical of how the Committee can take action in a timely manner regarding a global, topical issue. It initiated action with partners, for example the Global Environment Facility (GEF) and International Tropical Timber Organization (ITTO), in a manner that follows the four priorities in line with its mandate.

Recommendation 2.3. Introductions and interactions between ACSFI members and FAO staff are needed to generate further awareness of opportunities to work together where common interests exist.

To ensure ongoing awareness of the impacts of the ACSFI, new ACSFI members and new FAO Forestry Division staff should be introduced to the Committee’s outputs and initiatives through an enhanced orientation process. Past ACSFI meetings at FAO Headquarters have provided occasions for the introduction of members and staff and such opportunities should be pursued. Where mutual interests exist, ACSFI members and FAO Forestry Division staff should be brought together.
4. ACSFI programme and priorities

4.1. Current status

The FAO website provides a snapshot of the ACSFI and provides the minutes and presentations made at the most recent meetings and webinars. While it states that the Committee links its work to the FAO Forestry Division biennial programme, there appears to be no long-term goal providing an overarching framework under which to propose initiatives and develop guidance and advice. The Committee's webpage does not contain a list of past and current initiatives, which include:

- Potential implications for the forest industry of corporate zero deforestation commitments;
- Argentina wood-based housing and construction – state of the industry and surrounding policies;
- Bio-based food packaging in sustainable development;
- Global review of the influences of bioeconomy strategies on forest industries;
- Effective use of wood waste as source of energy;
- Wood first policies;
- Carbon storage in harvested wood products;
- Industry commitments towards forest landscape restoration;
- Innovative forest products value chains; and
- Perspectives of using automation and artificial intelligence in the forestry sector.

The Committee's themes and programme are expected to align with the FAO's Forestry Division two-year work plan. However, the ACSFI does not currently have a strategic plan aligned with FAO's programme of work. Development of a strategic framework would help guide the impact and accomplishments of the ACSFI.

4.2. Priorities

Finding 3.
The diverse initiatives proposed by the Committee lack an overall long-term strategic focus and method of prioritization.

Recommendation 3.1. The ACSFI should mainly focus on priority topics to be addressed in the medium term (4 years), normally including a scoping study and outputs that address the needs of key stakeholders, taking into account the strategic priorities of FAO.

While the Committee's past reports are generally known to staff, FAO does not measure whether and how these products are reaching other potential audiences and addressing their needs. Current and future initiatives with appropriate planning could have greater relevance for stakeholders in the forest sector, as well as interested parties outside the sector. For example in 2020 a study is underway on the substitution of wood-based products based on non-renewables (fossil fuel-based products, metals, concrete, etc.). The results of the study will be of interest to FAO and important for member constituencies in terms of
promoting wood and paper products. But beyond the sector, if properly communicated, the
results of the study could be used by governments in establishing or modifying policies
to promote sustainable development. In addition, implementing the results of a study on
substitution could advance the achievement of the SDGs and GFG2.

FINDING 4.

ACSFI stakeholders expressed a heterogeneous interest in priority topics to be
covered by the Committee, reflecting the diversity of stakeholders and their needs.

Recommendation 4.1. The ACSFI should continue to provide a platform for
information sharing and dialogue as an opportunity to identify needs, align work
and select key topics with input from diverse stakeholders.

Not all key topics can or should be addressed by ACSFI. Through information-sharing
platforms, members gain awareness of activities in other regions and may self-select
opportunities to align work. The website, newsletter, webinars and meetings provide
important platforms for information sharing and dialogue in support of heterogeneous
interests and networking.

Recommendation 4.2. The ACSFI Secretariat should define criteria guiding the
selection of priority themes to be addressed in the short and medium term.

It is necessary to establish criteria and an associated process to select priority topics from
among the many that the ACSFI could address. The selection criteria could include the
expressed interest of FAO Senior Management and ACSFI members, the relevance to
achieving the medium-term goal of the ACSFI, the relevance to achieving the UN SDGs,
opportunities for strategic partnership building, and opportunities for catalysing impact on
the ground.

Additional criteria could include:

- Issues of global concern and importance to the sector, emerging or otherwise;
- Issue on FAO agenda, or to be considered on FAO’s agenda;
- Topics requiring review or synthesis for preparing guidance, supported by information and
evidence; and
- UN-related topics that may open opportunities for partnerships.

The process for selecting priority topics could include an internal nomination and ranking
process by the Secretariat, with input from the Steering Committee and resulting in a
recommendation to the full ACSFI.

FINDING 5.

The work of the ACSFI is currently not guided by a strategic plan linked to FAO’s
priorities and programme of work, missing the opportunity for alignment and
maximizing value from the contribution of the Committee.

Recommendation 5.1. The ACSFI should be guided by a Strategic Framework
2020-2030, defining its short-, medium- and long-term objectives and priorities.

A Strategic Framework for the next decade is an important starting point for aligning the
work of the ACSFI and increasing its value.
5. ACSFI partnerships

5.1. Current status

As of mid-2020, the ACSFI has no formal partnerships, either within FAO or externally. Initial discussions by the Secretariat with potential partners indicate scope for synergy on areas of common interest. Through partnering with internal or external public and private partners, the Forestry Division can further their outreach and better achieve their mandate, regarding the SDGs and GFG2.

The ACSFI is well positioned to engage with the private sector, as its members and their constituencies are in the private sector. Observers also offer partnership opportunities and should be an integral part of the ACSFI. The FAO Forestry Division interacts with a variety of private sector entities, including producer groups, industry associations, large companies, small, medium and scale enterprises. The FAO provides an unbiased forum for the exchange of information and viewpoints, which can be beneficial for external stakeholders and may provide a basis for partnerships. The FAO also offers information, data, statistics and analysis that can be leveraged in partnerships. The research priorities and policy work of the ACSFI can also offer a basis for strategic external partnerships.

The FAO's Partnerships, Advocacy, and Capacity Development Division is willing to assist the ACSFI in partnership strategies. Based on an interview conducted for this report, their offer of assistance for internal and external partnerships could be valuable for the Secretariat.

5.2. Developing external and internal partnerships to achieve the ACSFI mandate

Finding 6.

The ACSFI provides unique opportunities for building and strengthening strategic external partnerships with stakeholders and internal cooperation within FAO.

Recommendation 6.1. The ACSFI should increase its outreach activities to explore strategic partnerships with external stakeholders on initiatives important to FAO.

Partners could come from member organizations and from their countries or regions, or from other “external” partnerships, such as international organizations, non-governmental organizations, national organizations and business associations. Through partnerships it is possible to expand capacities, increase impact and achieve more effective progress toward shared goals. However, without the capacity to identify, engage, conduct due diligence and collaborate on activities, the transactional costs of establishing and maintaining partnerships can be high. The ACSFI offers potential partners from its global membership and thanks to its engagement across various interest areas. In essence, the members of the ACSFI operate as dedicated private sector partners to the FAO via their participation in the work of the Committee. As described in other sections, the growth of the membership, observers and the development of ACSFI communications provide outreach opportunities for strategic partnerships (see Recommendations 1.1, 2.1, and 2.4).

Certain initiatives of the ACSFI can be carried out as usual by the Secretariat and consultants. However, the Committee can achieve a broader impact through joint initiatives with partners. The FAO defines the term partnership as, “cooperation and collaboration between FAO units and external parties in joint or coordinated action for a common purpose. It involves a relationship where all parties make a contribution to the output and the achievement of the objectives rather than a solely financial relationship”. The formalization of partnerships, including the possible engagement of partners as observers to the ACSFI, may require clarification on a case-by-case basis.

Recommendation 6.2. The ACSFI Secretariat should engage with relevant FAO bodies, programmes and initiatives to facilitate joint action to achieve the vision and strategic goals of the Committee.

To date the ACSFI has not taken full advantage of partnering with other FAO bodies, i.e. “internal” partners. Partnering with other FAO statutory bodies and departments could broaden ACSFI visibility and effectiveness in achieving its mandate and in catalysing initiatives and communicating their results.

Within FAO a number of partnership opportunities exist:

- International Commission on Poplars and Other Fast-Growing Trees Sustaining People and the Environment (IPC);
- Silva Mediterranea;
- FAO Regional Forestry Commissions;
- Forest Law Enforcement, Governance and Trade (FLEGT);
- Reducing Emissions from Deforestation and Forest Degradation (REDD+);
- Forest and Landscape Restoration Mechanism; and
- Forests and Farm Facility.

FAO Forestry previously undertook a joint study which resulted in a FAO report titled “Assessment of industrial roundwood production from planted forests”. The results of this study were valuable for the IPC and the ACSFI. There is interest in updating the information of the joint study, especially since the Global Forest Resource Assessment 2020 is available. In cooperation between IPC, ACSFI and the relevant teams in the Forestry Division, it could be possible to augment the scope of the planned study to not only include production and productivity of industrial roundwood, but also include additional information on productivity and extent of forestry species by genus in plantations and planted forest. This would contribute to ACSFI initiatives on bioeconomy and substitution, as well as on forest ecosystem restoration. This initiative is proposed for the ACSFI Strategic Framework 2020-2030.

Another example of collaboration which is being launched concerns forest ecosystem restoration. FAO, together with the UNEP leads the Decade on Ecosystem Restoration. Via the Secretariat in the Forestry Division’s Forest and Landscape Restoration Mechanism the initial steps have been taken for the ACSFI to contribute to the Decade on Ecosystem Restoration. The topic will be emphasized at the 2021 meeting of the ACSFI. This initiative is proposed for the ACSFI Strategic Framework 2020-2030.

Given ACSFI member locations, some members could be well-placed to participate in the six FAO Regional Forestry Commissions when deemed mutually beneficial. Each Commission meets regularly and has its own sub-groups; i.e. working parties and teams of specialists. For example, the European Forestry Commission established the Forest Communicators Network which has expanded from a small team of specialists to a global network of over 500 people from the forest sector. Collaboration would require finding mutually rewarding activities. The FCN would be most interested in communicating the results of the Committee’s ongoing substitution study. Greater dissemination of the results of ACSFI initiatives, and subsequently their wider implementation, could contribute to further achievement of the SDGs and GFG2. This initiative is included in the ACSFI Strategic Framework for 2020-2030.

---

12 Communication from Planted Forest Officer FAO, May 2020. The report may use a desk exercise and survey of the major producers of industrial roundwood to collect the data (32 countries in the 2014 paper).
The ACSFI could contribute to the Committee of World Food Security (CFS) and its Private Sector Mechanism, especially for issues at stake for the Committee. The CSF meets annually and by participating, the ACSFI would raise its visibility and link with other sectors, showing the value in understanding the interactions and effects of one sector on another. The CSF issued policy guidelines on "Sustainable forestry for food security and nutrition." Both the CSF and the ACSFI share the common goal of achieving the SDGs. If the ACSFI could promote implementation of the policy guidelines where beneficial to member constituencies or other bodies, it could represent a win-win situation with the CSF. This initiative is included in the ACSFI Strategic Framework 2020-2030.

The forest sector and the work of the ACSFI could be better recognized within other FAO initiatives as having a role to play in addressing challenges and opportunities, including climate change mitigation, food security and food systems, sustainable agriculture, and rural poverty. Greater awareness within FAO of the work of the ACSFI could facilitate joint action or work alignment. FAO staff from other initiatives could be invited as observers (see Recommendation 2.4).

Recommendation 6.3. The ACSFI should follow guidance on selection and ranking criteria from the FAO Private Sector Strategy and related initiatives of the Forestry Division in order to outline partnership goals and expected outcomes.

FAO efforts are underway to promote partnering with the private sector to achieve mutual goals, including the SDGs. These efforts include development of a framework for a new strategy for private sector partnerships.

The selection and ranking criteria for partnership goals and outcomes should be derived from the finalized FAO Private Sector Strategy. Primary criteria could include:

- Directly serves the ACSFI mandate;
- Engages a relevant constituency, sector, or stakeholder;
- Provides expanded capacity, increased impacts, and/or more efficient and effective progress toward shared goals;
- Contributes relevant knowledge, technical expertise, financial resources, policy leverage and/or communication/outreach capacities; and
- Can be supported within the capacities and resources of FAO.

Additional criteria could include:

- The expressed interests of FAO Senior Management and ACSFI members;
- Relevance to achieving the medium-term goals of the ACSFI;
- Relevance to contributing to the achievement of the UN SDGs;
- Capacity to address an issue of global concern and importance to the sector, emerging or otherwise; and
- Capacity to address an issue on the FAO agenda, or to be considered on the FAO agenda.

A thorough risk management process should be used to review all potential partnerships. Potential risks include: conflict of interest, undue influence, and unfair advantages to specific private sector entities. The full process would include identification of potential partnership candidates (by FAO staff or committee members), preliminary screening (FAO staff), review and recommendation (FAO Secretariat and Steering Committee), and endorsement by the Committee.

By establishing this guidance and an efficient procedure for engaging in partnerships, the role of the ACSFI in increasing FAO engagement in external private sector initiatives could be enhanced.
5.5. Private sector partnerships to achieve the SDGs

Recommendation 6.4. The ACSFI should clarify and enhance its role and objectives with respect to achieving the SDGs with the private sector on a larger scale.

The ACSFI via its private sector members may have a unique role to play in addressing SDG 12 and a near-term opportunity could be related to the integration of sustainability information in corporate sustainability reporting. The leadership and members of ACSFI could provide models and/or recommendations related to greater achievement of this target.

The ACSFI has a wide scope for its activities; however, the Committee has a priority to address SDGs 15, 12 and 13 and Global Forest Goal 2. The SDGs represent an ongoing, iterative process of supporting sustainable development. Their integration into public and private organizations is the desired process for their implementation. The SDGs provide guidelines and targets to be adopted in accordance with the priorities and environmental challenges that operate at different scales – from local to regional to global. Achieving the SDGs requires the partnership of governments, private sector, civil society and citizens. They recognize that forests can mitigate the risks of natural disasters (e.g. flooding and landslides) and influence climate and more localized weather patterns through their impact on water cycling and air filtration. Forest management also contributes to sustainable development by providing economic opportunities. These benefits include diverse employment, business and entrepreneurial growth, and product development from the many types of materials that forests provide.

In recent years, many actions have been taken to elevate international recognition and commitment to supporting the full suite of products, services, and benefits that forests provide. The Durban Declaration 2050 Vision for Forests and Forestry was made in 2015 in connection with the World Forestry Congress and called for new partnerships among forest, agriculture, finance, energy, water and other sectors, as well as engagement with indigenous people and local communities.

Many of the world’s largest companies reference the SDGs in their corporate reporting and recent research emphasizes the importance of strengthening national-level progress on the SDGs with the use of corporate reporting. Specifically, there are opportunities for increased impact via SDG target 12.6: “Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.” The pulp and paper industry has been an early adopter of corporate sustainability reporting and has been applying the SDGs to their reporting since their establishment. Leading forest certification programmes have also examined the SDGs to identify alignment and opportunities to support their achievement.

The ACSFI should identify and proactively seek strategic partnerships with global platforms and initiatives relevant for the goals and outcomes of the ACSFI. These partners(hips) can be inside or outside the forest sector and may target initiatives such as: Bonn Challenge, Business for Nature, Consumer Goods Forum, Food and Land Use Coalition, Global Commons Alliance, Partnerships for Forests, Tropical Forest Alliance, UN Global Compact, Cocoa & Forests Initiative, Global Coffee Platform and Roundtable on Sustainable Palm Oil.

14 A few examples of forest product companies that report SDG progress in their annual reporting include UPM-Kymmene, Sappi and Mondi.
6. SWOT analysis of the ACSFI

6.1. Approach

This SWOT assesses the internal strengths and weaknesses of the ACSFI, in the context of the external opportunities and threats of the environment in which the Committee functions (Figure 4). The analysis addresses the question “What will better position the ACSFI for success and value to FAO in the coming years?”

This Review uses the SWOT to complement the findings and recommendations stemming from the survey and interviews which, taken together, will underpin the Strategic Framework. It is intended to help understand where the ACSFI is most effective, i.e. with strengths that enable it to pursue certain opportunities and identify areas of weakness that leave the ACSFI vulnerable to emerging threats. In doing so, the aim is to better position the Committee for success and value to FAO going forward.

In keeping with the SWOT method, the first four sections below outline the strengths and weaknesses, opportunities and threats concerning the contribution and relevance of the Committee. The final section highlights the implications for action that will be carried forward to the Strategic Framework.

Figure 4: SWOT diagram of the ACSFI.

---

**INTERNAL **

**STRENGTHS**
- Global industry expert network
- Broad scope for influence (with FAO and industry)
- Providing guidance to FAO
- Extensive dissemination of information
- Timely, topical initiatives
- FAO Secretariat support & resources
- Direct access to FAO data & expertise

**WEAKNESSES**
- Continuity between meetings
- Proposed initiatives and advice may not be carried forward
- Representativeness of membership
- Perspectives and interests of full sector/value chain not reflected

**EXTERNAL **

**OPPORTUNITIES**
- Global & UN initiatives relevant for work
- Digital technologies offer new means of meeting, working and information exchange
- Global agreement on SDGs & GFGs
- Growth in multisector partnerships

**THREATS**
- COVID-19 pandemic effects
- Increasing global public expectations for transparency, diversity and information
- Great diversity of sector value chain
- Proliferation of relevant UN and other initiatives creating pressure to overcommit
- Forest products market viability

---

6.2. Strengths

The ACSFI brings together a global industry expert network for regular, i.e. until now annual meetings, with FAO. There is an overlap of membership between the ACSFI and the ICFPA which makes meeting together practical. Usually the ICFPA meets first, enabling relevant topics to be brought to the ACSFI meeting. ICFPA members who are not ACSFI members may participate in the Committee's meetings as observers.

The relationship of the Committee to FAO as a statutory body, combined with the fact that its member constituencies are so large, provide significant scope for influencing the work of FAO and the industry. The ACSFI brings an industry perspective as well as considerable expertise to FAO through its advice to the FAO Director-General. Its meetings enable strategic discussions on emerging issues of importance to the organization and industry. For example at the March 2020 meeting, the country lockdowns in response to the COVID-19 pandemic were already showing an economic impact on the forest sector, which dominated the Committee's discussions. The meetings led to the prioritization of areas for action for FAO and ACSFI members.

Dissemination of the results of the Committee’s initiatives facilitates greater knowledge of, and uptake and implementation of the results. The work of the Committee has been considerably advanced in 2020 thanks to effective Secretariat support. Within the Forestry Division there is expertise on public relations and communications, which has already helped the Committee publicize its accomplishments, for example its work on the SW4SW initiative. The Forestry Division’s communication expert is well integrated into the Global Forest Communicators Network of approximately 500 worldwide forest sector communications experts. In addition, the member associations themselves both use the information and provide a chain of communication to their members.

Another service of FAO from which the ACSFI has benefited directly is global data collection and validation. FAO statistical information has been used by the Committee for decades in publishing the annual "Pulp and paper capacities", which dates back to 1968. The Department’s online and printed data, which cover nearly the entire forest sector, from forest resources to wood and paper products, are indispensable for the Committee’s analyses. The Forestry Division staff are experts in their fields, many of which are relevant to the work of the Committee.

6.3. Weaknesses

To date, the lack of continuity between meetings has been a weakness. The periodicity of annual meetings is a disadvantage when industry cycles are faster and urgent issues arise between meetings. However, 2020 has already seen two inter-sessional events, i.e. webinars on the impact of the COVID-19 pandemic on the forest sector. Additional meetings are planned in 2020, including on the ACSFI Strategic Framework 2020-2030 and participation at the Committee on Forestry (COFO).

While the broad membership and scope mentioned above is a strength, this also generates different needs and thus suggestions for initiatives. The mandate is broad and encompasses some areas which have lower priority for some members, and thus have fewer accomplishments, for example training. From the annual meetings there are recommendations for FAO action, not all of which can be entertained, due to limited financial and staff resources. In light of this, some proposed initiatives and advice may not be carried forward while others are prioritized. These weaknesses are inherent in a voluntary body such as the ACSFI and can only be addressed through a clear and agreed prioritization process.

Unfortunately the membership does not fully and equally reflect geographical and value chain coverage. Currently in mid-2020, as shown earlier, a disproportionate number of members come from Europe. Many members come from pulp and paper associations. Without an
enhanced membership, complemented by non-member observers, the perspectives and interests of the full sector’s value chain cannot be reflected.

Remembering that weaknesses are also areas for improvement, all five of these suggestions for improvement were implemented in early 2020, to the credit of the current Secretariat:

> Sufficient advance notice given for meetings;
> Provision of meeting documentation in a timely manner;
> More regular communication, e.g. the newsletter;
> Online access offered to meetings; and
> Improvements to the ACSFI website.

### 6.4. Opportunities

As a global industry body, the ACSFI has diverse interests and great opportunities to impact the forest sector within its mandate and resources. Forest-based industries in high-income countries are already in a transformation to a more circular bioeconomy, defined as “a system of production and consumption of forest products, which minimizes waste, optimizes the resources used with minimal pollution, regenerates natural capital, creates opportunities for jobs and entrepreneurship, and reshapes production and consumption from a life-cycle and recycling perspective”. It is evident that low- and low-middle-income countries could benefit significantly from this trend; it is therefore vital to include their perspective as the Committee addresses this topic.

While the Committee will not address every concern, it will always operate in the context of a global environment with major challenges and upheavals. For example, in the background survey 18 challenges and opportunities for the forest sector were ranked by members and FAO staff. Although members and staff ranked the options slightly differently, the highest ranking according to the number of responses were:

1. Enhancing sustainable forest management (SFM);
2. Climate change adaption and mitigation;
3. Supply and demand for forest products;
4. Strengthening sustainable wood value chains (SW4SW);
5. Substitution for fossil fuel-based products; and
6. Halting deforestation and forest degradation.

The timing of this Strategic Review, and its accompanying Strategic Framework for planning, coincides with the implementation of relevant global UN initiatives. For example,

---

16 *An introduction to the circular economy: Opportunities for natural resources and the forest sector* Dovetail Partners, Inc. 2020.

17 The survey offered 18 choices of challenges and opportunities for ranking: Enhancing SFM, Climate change adaption and mitigation, Ecosystem restoration, Land use availability, Social threats and opportunities, Supply and demand for sustainable forest products, Information and data management, Halting deforestation and forest degradation, Increasing forest area, Protecting biodiversity, Substitution of fossil-based products, Use of wood in construction, Strengthening sustainable wood value chains via SW4SW, Wood fuels, Non-wood goods and services, Urban forests, Research innovation and development for forest-based industries, Biotechnology.
while specific opportunities for the Committee may come from the entire set of forest sector challenges and opportunities, the UN SDGs and GFG2 are central to the work of FAO and can provide a driving force for the work of the ACSFI. The UN Decade on Ecosystem Restoration is another example of a broader programme with timing that nicely fits into the decade for the Strategic Framework (2020-2030). Other opportunities for the Committee which stem from global and UN initiatives are included in the Strategic Framework.

Due to the COVID-19 crisis the ACSFI turned to digital technology as a new means of meeting, sharing information and working together. In the past some members have not attended the annual meeting for various reasons, e.g. too expensive, inability to secure a visa, etc. However, most members were present at the 2020 meeting. Likewise, many members attended the two online webinars held in May and June 2020. The adoption of digital tools will also have an impact on the costs and frequency of meetings and it is expected that even when travel and face-to-face meetings are once again feasible, online meetings and events will continue.

FAO’s promotion of working through partnerships is an opportunity for the ACSFI to increase its effectiveness. Partnerships can be within FAO as well as with external public and private organizations. Because partnerships could benefit the Committee in a number of ways, their nature, scope and official arrangements require further discussion within FAO as to what form they might take, and how partnership agreements should be structured.

It is critical that priorities and actions are informed by evidence and information. Over the past years the Division’s ability to analyse forest products statistics has diminished; restoring ongoing analysis capabilities would be valuable to the ACSFI. The Committee has considered the advantages of carbon markets for forest-based industries, and members continue to raise this opportunity with FAO. The Global Forest Resources Assessment periodically ascertains the climate benefits of SFM and forest products, which continues to be useful to the Committee members and their constituencies for their public relations and industry planning.

6.5. Threats

The entire forest sector faces numerous threats today, from forests to markets. The global challenges are physical, environmental, and social. Member countries have been subjected to climate change in the form of damaging wind storms, drought, fire, insects and disease. Within these global and regional forest sector threats, there are specific threats to the ACSFI, which are noted below.

COVID-19

The primary concern for the sector in 2020 is the COVID-19 pandemic. The virus and the measures taken to halt its spread have had a direct effect on ACSFI member organizations in the short term. A greater threat is the broader and longer-term effect on the forest sector, e.g. employee health, supply chain disruptions, market deterioration and profitability. The pandemic has forced many forest and industry operations around the world to close temporarily. Consumption, production and trade have declined. Construction, one of the major demands for forest products, came to a virtual standstill during the economic shutdown. Employees and customers have been ordered to stay at home, and while some essential work has continued, most has been interrupted. Supply chains have been disrupted and profitability declined for some months in mid-2020. The forest sector was caught off-guard and in the aftermath must consider how better to protect itself from a resurgence of COVID-19 or any other pandemic.

ACSFI member constituencies have been impacted and the Committee can consider means to recover and to avert some of the consequences, should there be a future pandemic. This threat offers the Committee an opportunity to think more holistically about the issue and its impact on the sector in low- and low-middle-income countries, as well as in higher-income
countries. Opportunities for partnership in developing joint guidance for industry, taking
the lead in developing sector-wide response and recovery measures, and other possibilities
can be considered. The ACSFI has already begun responding to the threat of COVID-19
through webinars and information sharing events in 2020. Further events and analysis are
planned by the ACSFI through October 2020. The outcomes and results of these efforts can
be evaluated to inform further steps and actions by the ACSFI. The ACSFI may choose to
influence policy (i.e. based upon the designation of the forest sector as an essential industry),
partner with public health organizations (i.e. advocate for the role of the forest sector in the
One Health approach), establish a “Build Back Better” platform for the sector (i.e. Build Back
Better together and Build Back Better informed), or pursue yet other actions.

Expectation of transparency

There is a demand for greater transparency for public agencies, including UN organizations,
and information upon which to base policies and decisions is crucial to the forest sector.
The FAO Global Forest Resource Assessment is a factual basis, with a focus on the forest
side. On the market side, timely annual publications such as the UNECE/FAO Forest
Products Annual Market Review provide a wealth of statistical information and its analysis.
These two sources of information are global with some regional and country breakdowns.
More detailed information is often necessary for decision making. Nevertheless, continued,
timely, periodic collection, validation, analysis and publication of forest sector information
on a global level is necessary. This is not a given, seeing as the UNECE/FAO has not
fully funded production of the above mentioned Annual Review in 2020. ACSFI members
support allocating sufficient resources for FAO’s valuable sources of long-term, reliable data,
information and analyses. A commitment to quality, timely information and transparency is
a key component of “building back better informed”.

Diversity of value chain

As membership of the ACSFI is expanded to include members coming from additional
countries and parts of the value chain not currently represented, they will bring their particular
interests for consideration. Some respondents to the survey and interviewees expressed
singular, individual interests which would not be of general appeal to the entire Committee.
The increasing diversity of the value chain, resulting from an increasing diversity of members,
requires that FAO respond with appropriate changes to ACSFI membership and that it
consider initiatives of significant importance to low- and low-middle-income countries and/
or small markets, for example. Providing a platform for information sharing can also raise
awareness of regional interests without taxing ACSFI resources (see Recommendation 4.1).

Increase in forest related initiatives

FAO was established in 1948 and fulfilled a singular mission in forestry, agriculture and
fisheries for decades. Little by little new needs arose for FAO and along with them new
organizations emerged, sometimes to the chagrin of FAO. An example was the evolution of
the UN Forum on Forests (UNFF). Following the Rio de Janeiro Earth Summit in 1992, the
UN established the Intergovernmental Panel on Forests (IPF). FAO saw no need for this new
body because it already had the COFO, which included global representatives of the forest
sector. Nevertheless, the IPF has evolved into today’s UNFF, which is a potential partner for
the ACSFI.

FAO initiated the Collaborative Partnership on Forests (CPF) which includes the FAO,
UNFF and thirteen other member organizations. Each of these fifteen organizations has its
own responsibilities within the forest sector, some of which are shared and work together.
Each of these organizations, plus other national and international organizations, pursues
initiatives which may have relevance to the ACSFI. The Committee should adopt criteria
for the selection of initiatives, taking into account FAO’s strategic priorities, including its
engagement in the CPF (see Recommendation 4.2).
Threats to forest product markets

Sustainable forest management (SFM) requires sustainable forest product markets (SFPM) and vice-versa. Today sustainability must be accompanied by legality throughout forest product marketing. Consumer confusion about the extent of deforestation, the risks of illegality and now the fear of zoological diseases from forests are real threats to wood and paper markets. These threads should be taken up by the ACSFI, bearing in mind that its members are dependent on profitable wood and paper markets and have a vested interest in sustainability, related to the sourcing, production and consumption of forest products.

6.6. Summary and conclusions of the SWOT analysis

The ACSFI's strengths stem from its committed membership and its equally committed industry network. Individually the members bring their perspectives and expertise to the Committee, and together they build upon their individual assets. They raise important topical issues and provide advice to FAO via the COFO, which magnifies their impact. The Forestry Division's support, statistics and information, and analyses are additional strengths. Virtual meetings held in 2020 proved the usefulness of digital technologies.

Drivers for change in the next decade afford the opportunity to orient and focus the Committee's programme, to contribute to global initiatives and the achievement of long-term development goals. With this new emphasis, the Committee could step up to a leadership role by providing thought leadership, forums for discussion and forward-looking contributions to the Decade on Ecosystem Restoration, the transition to a circular forest bioeconomy including substitution by wood fibre-based products, and partnerships to meet the targets of the SDGs and the GFG2. It will be essential to align their programme of work with the FAO Forestry Division's biennial work plan.

A key priority is membership, which needs to be broader geographically and representative of the sector’s value chain. An enhanced Committee will benefit from greater engagement, legitimacy and standing.

The COVID-19 crisis in mid-2020 remains a significant threat to the forest industries and the sector overall. Deemed an essential industry, paper production continued in most countries during the economic shutdown. The Committee has already provided an important platform for discussion; further evidence-based guidance will still be needed to help the sector manage during a prolonged period should there be a resurgence of cases. Recovery from the pandemic, labelled Build Back Better, may result in a profound change to the sector, the planning for which will require the kind of expertise and network that the Committee offers. The ACSFI should therefore aim to be a key player in this effort.

Going forward, the Committee has significant potential for increasing its influence and reach in the changing global context. An enhanced Committee will benefit from greater engagement, legitimacy and standing. Specific initiatives to capitalize on the ACSFI's strengths and opportunities can be found in the ACSFI Strategic Framework for 2020-2030.
7. Next steps

The Strategic Review of the ACSFI has highlighted key action areas for consideration by the FAO Secretariat and the Committee. Based on the recommendations from this review, the ACSFI Strategic Framework sets out the action lines for 2020-2030 and identifies short-, medium-, and long-term actions. The monitoring of the framework can be based upon defined goals and objectives and an efficient periodic reporting process.
8. Annexes

8.1. Statutes of the ACSFI

ADVISORY COMMITTEE ON SUSTAINABLE FOREST-BASED INDUSTRIES (ACSFI)

Article 1 - Membership

1. The Committee shall consist of not less than 15 and not more than 30 leading experts, familiar with problems of forest industries, designated by the Director-General, serving in their personal capacity and at their own expense, reflecting broadly the interests of producer and consumer countries and representative of all the regions.

2. Representatives of international financial institutions, civil society, including the private sector may be invited by the Committee to attend a session of the Committee and may, with the approval of the Chairperson of the Committee, participate in the discussion of one or more specific items of the agenda of a session. Representatives shall be invited to a session because of their special qualifications and any other considerations relevant to the work of the Committee.

Article 2 - Objectives

1. The Committee shall advise the Director-General on FAO’s programme in the field of sustainable production and consumption of forest industry products, and on consistent support on related policy work and regulatory matters.

2. The Committee shall assist the Organization in identifying key issues across the forest industry value chains related to the economic, environmental, social and cultural aspects of private forest ownership, sustainable forest management, harvesting, processing, investments, trade, consumption, and associated benefits in carbon balance and in other ecosystem services.

3. The Committee shall seek to maximize the potential of multiple forest sector benefits from innovations and more efficient small, medium and large-scale processing of mechanical, chemical and energy products of roundwood, logging residues, recycled forest products and industry waste.

4. The Committee shall aim at improving communication, knowledge and information exchange and training on best practices between Members, private sector experts and the Organization.

Article 3 - Terms of Reference

The terms of reference of the Committee shall be:

a) to advise the Director-General of the Organization on concepts, projects policy work and fundraising in relevant forest sector activities through bilateral or multilateral donor institutions, International Financial Institutions and private sector organizations in accordance with the FAO Strategy on Partnerships with the Private Sector;

b) to advise and provide guidance on how FAO may better serve Member Nations at their request to solve specific problems in forestry, forest products and forest industries;

c) to suggest new activities for the Organization, and review studies and statistical data compiled by the Organization on forests, products and forest industries;

d) to suggest and organize jointly with FAO international meetings and events; and
e) to provide input to assist the Organization in formulating future work programmes and in identifying priority areas of work in order to incorporate the private sector perspectives.

**Article 4 - Steering Committee**

1. The Committee shall elect its own Chairperson and Vice-Chairperson from among its members, who shall remain in office until the election of a new Chairperson and Vice-Chairperson.

2. The Committee shall elect a Steering Committee from among its members, which, in addition to the Chairperson, shall consist of four to six members.

3. Between sessions, the Steering Committee shall assist the Chairperson of the Committee, and facilitate consultation with members in relation to agendas and other matters, and perform other actions as the implementation of the work programme of the Committee may require.

**Article 5 - Sessions**

The Director-General of the Organization in consultation with the Chairperson of the Committee shall convene periodic sessions of the Committee and shall determine their site and date.

**Article 6 - Secretary**

1. The Secretary of the Committee shall be appointed by the Director-General according to the Rules and Regulations of the Organization and shall be administratively responsible to him.

2. The necessary secretariat expenses for the Committee shall be borne by the Organization.

**Article 7 - Working Groups**

1. The Committee may establish working groups on matters of major importance or of specialized nature.

2. Establishment of any working groups shall be subject to the availability of the necessary Resources, including financial and human resources.

**Article 8 - Reporting**

1. The Committee shall submit to the Director-General reports on its activities, recommendations and conclusions including, when appropriate, statements of minority views, at such appropriate intervals as to enable the Director-General to take them into consideration when preparing the Programme of Work and Budget of the Organization and other submissions to the governing bodies of the Organization, including the Committee on Forestry.

2. Recommendations having policy or programme implications for the Organization shall be brought by the Director-General to the attention of the Committee on Forestry.

3. The Director-General may invite the Committee to report on its work and in particular on the views of the private sector at each sessions of the Committee on Forestry (COFO).

**Article 9 - Other matters**

The provisions of the General Rules of the Organization apply mutatis mutandis to all matters that are not specifically dealt with under these Statutes.
8.2. ACSFI Rules of Procedure

RULES OF PROCEDURE OF THE ADVISORY COMMITTEE ON SUSTAINABLE FOREST-BASED INDUSTRIES (ACSFI)

The functioning of the Advisory Committee on Sustainable Forest-based Industries (“the ACSFI” or “the Committee”) is governed by the Statutes of the ACSFI. These Rules of Procedure have been adopted by the ACSFI to facilitate the work of the Committee. In case of any discrepancy between these Rules and the Statutes of the ACSFI, the latter shall prevail. The General Rules of the Organization shall apply mutatis mutandis to all matters which are not specifically dealt with under these Rules of Procedure.

1. Membership

1.1 The ACSFI shall consist of not less than 15 and not more than 30 leading experts, familiar with problems of forest industries.

1.2 The members of the ACSFI serve in their personal capacity and bear their own costs.

1.3 The overall membership should reflect the interests of producer and consumer countries broadly. To the extent possible, the ACSFI should also strive at having a membership representing all FAO regions (Africa, Asia and the Pacific, Europe, Latin America and the Caribbean, Near East, North America and Southwest Pacific), and, particularly, those regions with substantial forest sectors. The ACSFI’s overall membership should also represent the various relevant branches of the forest industries, including the pulp and paper industry, the board industry, forestry including private forest owners, the biofuels industry, sawmilling and house construction.

1.4 To become members of the ACSFI, names of experts are proposed to the Committee by FAO and/or ACSFI members. The Committee shall endorse them at its annual session before submitting a recommendation to the Director-General. On an exceptional basis, if the number of members falls close to the minimum number of 15, or if the regional or branch representation calls for immediate correction, the Steering Committee may propose names of experts to the ACSFI members by electronic means, organize an electronic vote, and subsequently submit a recommendation to the Director-General. The first term of these members shall start immediately following their designation by the Director-General and last until the end of the current two-year period.

1.5 Members are designated by the Director-General on a personal basis for a period of two calendar years, after which their mandate may be renewed for subsequent two-year periods. Members must inform the Chairperson when they leave their executive position in the forest industry sector. There will not be an automatic right of replacement from within the employing organization when the term of the concerned member expires.

2. Chairperson and Vice-Chairperson

2.1 At its annual session, the ACSFI elects a Chairperson and a Vice-Chairperson from its members for a two-year term. The Vice-Chairperson shall normally succeed the Chairperson at the conclusion of the Chairperson’s term.

2.2 The Chairperson or, in his/her absence, the Vice-Chairperson, shall preside the sessions of the ACSFI and the meetings of its Steering Committee, and exercise such other functions as may be required to facilitate their work.

2.3 In case of temporary absence of both the Chairperson and the Vice-Chairperson during a session of the ACSFI or a meeting of the Steering Committee, the ACSFI or the Steering Committee, as the case may be, shall appoint one of its members to act as Chairperson until the Chairperson or Vice-Chairperson is able to serve again.
2.4 If the Chairperson is unable to exercise his/her function for the full two-year term, the Vice-Chairperson shall replace him for the remainder of the term. In such case, the Secretariat shall, after consultation with the new Chairperson, organize the election of a new Vice-Chairperson, either through electronic vote or at the next ACSFI session. The new Vice-Chairperson shall exercise his/her functions for the remainder of the term of the Vice-Chairperson. The new Chairperson and the new Vice-Chairperson may be eligible for re-election for a subsequent two-year term.

2.5 If the Vice-Chairperson is unable to continue for the full two-year term, the Secretariat shall, after consultation with the Chairperson, organize the election of a new Vice-Chairperson, either through electronic vote or at the next ACSFI session. The new Vice-Chairperson shall exercise his/her functions for the remainder of the term and shall be eligible for re-election for a subsequent two-year term.

3 Steering Committee

3.1 The ACSFI shall elect a Steering Committee from among its members, which, in addition to the Chairperson, shall consist of four to six members, including the Vice Chairperson.

3.2 Steering Committee members shall serve for two years. In the interest of balancing the needs for both renewal and continuity, it shall be possible to re-elect a member for one further period of two years.

3.3 The Steering Committee normally meets once annually, with the main purpose of planning and preparing the following ACSFI session and handling any matters arising in between sessions.

4 Sessions

4.1 The ACSFI shall normally hold one session every year.

4.2 Upon agreement of the Chairperson, members attending a session may bring advisors. Advisors do not have the right to vote.

4.3 Experts and representatives of international financial institutions, civil society and the private sector, may be invited by the Chairperson, or upon the Chairperson’s approval, to attend a session of the ACSFI and may also, upon the approval of the Chairperson, participate in the discussion of one or more specific items on the agenda of a session. Representatives shall be invited to participate in view of their particular qualifications and/or any other considerations relevant to the work of the ACSFI.

4.4 Members cannot be replaced by other persons at meetings of the Committee.

4.5 The provisional agenda for each session shall be communicated by the Secretary to all members and posted on FAO’s website.

4.6 The first item of the provisional agenda shall be the adoption of the agenda.

4.7 The majority of ACSFI members should be present during a session. If a session is attended by less than the majority of the members, absent members shall be provided with the necessary information on all decisions taken during the session and be requested to submit their comments and/or vote, if necessary, within one week. The report of the session shall subsequently be finalized, taking the absent members’ comments and votes, if any, into account.

4.8 During each annual session, the ACSFI should strive at proposing the location and preliminary date of the following session, subject to the approval of the Organization and the hosting country. If no location or date can be agreed during the session, or if the location
or date need to be changed, it shall be the task of the Steering Committee to organize the location and date of the next session.

4.9 Notice of the date of each session shall be communicated to members at least two months in advance of the session. In case of urgency, this notice may be reduced to no less than two weeks.

5 Decision-making

5.1 Efforts should be made to reach decisions by consensus. When voting is necessary, voting will be organized in accordance with the provisions of Rule XII of the General Rules of the Organization.

6 Records and Reports

6.1 Written records shall be kept of all sessions of the ACSFI. The draft report of the session shall be circulated to all members having participated at the session in order to give them an opportunity to provide comments. The final version of the written records shall be sent as soon as possible after the closure of the session to all members and be posted on FAO's website.

7 Amendment of Rules

7.1 The ACSFI session may decide to amend its Rules of Procedure.