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IPF-2 HIGHLIGHTS MONDAY, 18 MARCH 1996

Delegates completed consideration of programme element I.1, national forest and land-use plans, as well as programme element I.3, traditional forest-related knowledge, to begin week two of the second session of the Intergovernmental Panel on Forests. In the afternoon, they began discussion of programme element IV, trade and environment in relation to forest products and services.

NATIONAL FOREST AND LAND-USE PLANS

The G-77/CHINA stated that the historical context of planning in developing countries must be considered. He emphasized the need for capacity building, technology transfer and international cooperation. AUSTRALIA said national forest plans should entail ecologically sustainable management principles and participatory processes that recognize the conflicts between stakeholders. The REPUBLIC OF KOREA called for increased public participation and noted that planning processes may differ depending on ownership of land and socioeconomic conditions.

FRANCE called for an expanded discussion of planning processes, increased public participation and cooperation among all sectors. FINLAND stated that national plans should apply economic and social incentives and be created through a decentralized process. He noted the usefulness of forest inventories. IRAN recognized the need to plan differently for different types of forests.

COLOMBIA urged the IPF to consider planning methods other than those related to forestry and creative planning and funding mechanisms such as partnerships with developing countries. JAPAN called for international coordination to curb the proliferation of planning frameworks and prioritization of the planning processes of developing countries as a means of garnering assistance. ECUADOR urged that strategies be implemented and the coordination of funding mechanisms be improved, particularly with regard to forestry partnership agreements.

The NETHERLANDS called for clarification of forest versus forestry planning, and how biodiversity relates to both. Ecosystem and multi-sectoral approaches to planning are essential. BRAZIL stated that centralized planning has been inadequate, and called for intersectoral communication and consideration of the international market context in national planning. PAPUA NEW GUINEA called for a glossary of terms, and stated that top-down leadership provided by national governments may be necessary. INDIA underscored decentralized planning, and emphasized the participation of local communities, especially women.

GABON highlighted the sovereignty of states in managing resources, and underscored the use of local experts. ARGENTINA described national policy reform for forest plantations and native forests, supported by a national forest

inventory. He emphasized the importance of indicators. SWITZERLAND stated that national forestry programmes must serve as guidelines; incorporate central policies; and be participatory and binding.

MEXICO stated that sectoral planning is essential, especially relating to land-use, soil degradation, socioeconomics, and finance and technology transfer. FRIENDS OF THE EARTH suggested that: sustainable traditional land-use schemes should be recognized; land be set aside for its conservation value; those who remove forest cover should be liable for damages; and indigenous land rights should be recognized.

TRADITIONAL FOREST-RELATED KNOWLEDGE

Anthony Gross introduced the Secretary General's Report (E/CN.17/IPF/1996/9) prepared by the CBD Secretariat. It encourages cooperation and communication between the COP of the CBD and IPF in considering protection of traditional knowledge of indigenous and local communities, and highlights conservation, sustainable use, and benefits-sharing.

The G-77/CHINA said CBD discussions should not dictate the work of IPF, which should address the broader context of SFM. He referred to the Forest Principles and proposed text on the relations between indigenous and local communities and forests' biodiversity and on compensating traditional knowledge and practices. MALAYSIA said the text should describe traditional knowledge in relation to SFM, not only to biodiversity, and should note CBD's competence regarding forest biodiversity rather than forests.

GHANA said IPF should identify ways to integrate traditional knowledge into forest management practices and include incentives and compensation. COLOMBIA said IPF needs methodologies to implement the rights of traditional peoples and procedures for technology transfer and resources for cooperation. BRAZIL said IPF should foster analysis through studies and promote the exchange of national experiences. He called for: technology transfer; joint ventures in biotechnology; conservation of endangered ecosystems; and enhancing the sharing of benefits of commercial use of traditional knowledge.

ZIMBABWE said methodologies in use should be highlighted to draw on existing indigenous knowledge. TANZANIA said the document should develop strategies to protect rights and benefits sharing and consider biodiversity buffer zones. WWF recommended establishing intersessional consultations and a workshop on instruments for indigenous peoples' rights in national legislation and their expression in an international instrument.

The US said traditional knowledge may be more widely applied in forests of similar ecosystems. IPF's focus should be on use of traditional knowledge. IUCN emphasized indigenous management systems, local land-use practices, indigenous land ownership and traditional institutions. INDIA noted the potential for prospecting its natural wealth but stressed that indigenous knowledge should be recognized through benefit sharing regimes.

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CANADA highlighted a national consultative exercise that will produce an input to IPF-3. IPF should focus on the use of indigenous knowledge, and leave its protection to other fora. UGANDA said the report dwells on CBD and IPF but does not reflect the Forest Principles. He proposed a review of the report's context and approaches and recommended that IPF solicit intersessional initiatives on this topic.

NEW ZEALAND said IPF should not extend beyond forest related issues. She highlighted the importance of developing methods for analysis of traditional knowledge and identifying constituents, stakeholders, users and beneficiaries. The PHILIPPINES called for further discussion on guidelines for countries to develop their own *sui generis* systems and recalled a Forest Principles provision on indigenous people. She emphasized biodiversity conservation, sustainable use of resources and equitable sharing of benefits. GERMANY said local communities are often restricted from applying their knowledge in its entirety and called for support in adapting their knowledge accordingly. KENYA said the international community should support documentation of the traditional knowledge of local communities.

TRADE AND ENVIRONMENT

Mr. J.E.K. Aggrey-Orleans of the International Tropical Timber Organisation (ITTO) introduced the Secretary General's Report (E/CN.17/IPF/1996/11). The report discusses trade and environment including: cooperation to enhance trade in forest products and services; developing methodologies for valuation and cost internalization; and voluntary certification for linkage to SFM.

The G-77/CHINA emphasized the Forest Principles, including such issues as: technology transfer; nondiscriminatory trade; reduction of tariff barriers; integrated conservation and economic policies; and unilateral trade restrictions. Timber certification schemes should be a consequence of SFM. He underlined biodiversity and value-adding technology, particularly biotechnology, in the context of SFM. The EU focused on: consistency between the WTO and trade in forest products for SFM; linkage with valuation and C&I; credible certification schemes which are cost-effective, transparent, fair, and voluntary; trade in NTFPs; domestic sales; and competing land uses. The US, supported by the REPUBLIC OF KOREA, stated that voluntary certification is a potentially useful tool for SFM, but that IPF must explore the issue, addressing: governance; the relation to national laws and policies; credibility of claims; involvement of stakeholders; and the availability of forest products. She also noted: protectionism; import and export restrictions; and valuation of wood substitutes.

ARGENTINA said that IPF should analyze the environmental effects of distorting trade practices, including tariff escalation schemes, and subsidies affecting the price of agricultural products.

IRAN said measures should not put burdens on importing countries or create new barriers to trade. INDONESIA said IPF should assess how voluntary certification can promote SFM and non-discriminatory trade in all types of forest products. Certification, not imposed unilaterally, and ecolabeling should be incentives to SFM. NEW ZEALAND said IPF should quantify impacts of tariff and non-tariff barriers and consider efficient and competitive forest industries. C&I could be a basis for cost internalization but should not be seen as a "snake oil to cure all ailments." Certification may not deliver SFM.

SWITZERLAND said analysis should concentrate on market access for forest products, trade-induced environmental impacts, cost internalization, and certification and labeling. MALAYSIA called for analysis including: impact of trade in all types of forest products on management, conservation and sustainable development of all types of forests; promoting a supportive economic climate; status, patterns and trends in forest products trade; the case for liberalized trade; discrimination against tropical forest products; proliferation of timber certification initiatives; and certification of substitute products. The REPUBLIC OF KOREA said the document overemphasizes tropical timber trade. The negative impact of tariff and non-tariff barriers should be studied.

MEXICO said consideration of market transparency should be expanded to cover all type of forests. On certification, IPF must look at different standards for different ecosystems and send

appropriate signals to the marketplace. The report should make specific recommendations. JAPAN stressed the need to address the differences between importers and exporters. Certification and labeling should be constructed to promote SFM by offering appropriate incentives to producers. IPF should also address full cost internalization, transparent criteria, credibility of certifying organizations, cost-effectiveness and discrimination. COLOMBIA recalled a recent UNCTAD seminar, which noted that regulations often place developing countries at a disadvantage, and proposed a study on preventing adverse impacts on forests products and their production. Voluntary certification could become a barrier to markets, deny developing countries the right to development and hasten deforestation. Local populations unable to place products on the international market may have to convert forests to other uses.

FRANCE cautioned against jeopardizing the quality and depth of analysis on issues such as transparency and stated that concern for environmental degradation should not lead to promoting non-environmentally sound substitutes. GABON pointed out several difficult issues that should be considered at IPF-3 regarding competitiveness, economic efficiency, sustainability, long- and short-term values and capital markets. He cautioned against the idea that sustainable development requires negotiating environmental issues and leaving all else to the market.

GERMANY supported voluntary certification programmes as a means of attaining SFM and increasing market access for products from sustainably managed forests. AUSTRALIA stressed the need to: identify and eliminate market barriers; assess cost internalization in the context of certification and labeling; consider the role of trade in relation to forest services; and utilize the previous work of other international organizations. CANADA said that trade issues were best handled within the WTO and that links between trade and environmental services must be recognized. He called for greater transparency in the process and underscored biodiversity and socioeconomic factors as well as cost internalization.

The NETHERLANDS stressed voluntary certification programmes as a means of promoting SFM. Industrial sectors should take the lead in establishing certification programmes with oversight by governments and NGOs. A proliferation of different labels should be avoided and methods of tracing timber should be employed. THE GLOBAL FOREST POLICY PROJECT encouraged holistic consideration of trade issues and trade mechanisms that ensure SFM. Certification can lead to SFM and cost internalization. BRAZIL stated that: tradable carbon emission permits should be tackled within the context of the FCCC; trade related to boreal and temperate forests, biodiversity and lesser-used species should be addressed; and tariff and non-tariff market barriers to developing countries should be reduced.

IN THE CORRIDORS

A number of delegates said the discussion of traditional knowledge reflects differing interpretations of forest issues in the Convention on Biological Diversity (CBD) and the IPF. They suggested that the CBD is too limiting, stating that, while important, biodiversity encompasses only a subset of issues under consideration by the IPF. For example, some noted that indigenous issues extend beyond benefits sharing regimes and intellectual property rights to include customary use and forest management. Privately, some stated that IPF should send these messages to the CBD, and that the need to broadly address similar issues could shape IPF's consideration of institutions and instruments.

THINGS TO LOOK FOR TODAY

ISSUES FOR INITIAL CONSIDERATION: Delegates are expected to complete discussion of trade and environment and then consider programme element III.2, criteria and indicators for SFM, and possibly V.1, International organizations and multilateral institutions and instruments, including appropriate legal mechanisms.

CO-CHAIR'S DRAFT CONCLUSIONS: Consideration of Co-chair's conclusions will begin following conclusion of remaining agenda items.