



# Earth Negotiations Bulletin

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## IPF-2 HIGHLIGHTS THURSDAY, 21 MARCH 1996

Delegates completed discussion of the Co-chair's drafts on several elements for the report of the session on the penultimate day of the second session of the Intergovernmental Panel on Forests. They proposed changes and additions to drafts on programme elements I.4, fragile ecosystems; I.5, countries with low forest cover (LFC); II, financial cooperation and technology transfer; III.1(a), assessment of the multiple benefits of all types of forests; and III.1(b), valuation of the multiple benefits of forests.

### FRAGILE ECOSYSTEMS

JAPAN said the conclusions should not refer to desertification and drought in boreal forests, nor should they address actions already covered by the CCD. The Critical Loads approach is important, but should only be adopted where appropriate. AUSTRALIA suggested amending references to actions "in agreement with" existing international agreements to actions "consistent with." The US noted that: the work of other conventions should compliment the work of the IPF; research could take place through participation in the Committee on Science and Technology of CCD; references to combating desertification and drought should also mention mitigation; and degradation, rather than desertification, effects northern boreal forests. CANADA supported changing "stakeholders" to "interested parties" and referred to the Forest Principles. MEXICO called for consistency with the CCD and noted that an integrated approach should also include consumption and production.

BRAZIL said the list of underlying causes of desertification should include external debt and trade imbalance and called for more flexible language regarding sustainable development strategies. He suggested that: developed as well as developing countries should monitor experience; the conclusions should refer to Agenda 21 and the Forest Principles; and the "preventative approach" should be clarified. SWEDEN proposed a sentence stating that air-borne pollution causing acidification is an external factor that cannot be influenced by the forest sector.

FAO said the reference regarding sustainable development strategies should be deleted as it conflicts with a similar reference made in programme element I.1. The adoption of too many plans can lead to ambiguities. ECUADOR stated that the report should be amended to reflect that desertification can occur in all soil-poor areas, including humid and semi-humid zones.

### COUNTRIES WITH LOW FOREST COVER

WWF urged that IPF take a cautious approach to plantations, enhancing plantation biodiversity, increasing NGO participation, and creating a data base. The G-77/CHINA called for a

definition for LFC that is applicable to all countries; coordination of actions with those under the Small Island Developing States Program of Action; and the integration of genetic resource conservation in national forest and land-use plans. The EU encouraged the development of land-use plans in all countries, especially LFCs.

NORWAY said that national forest and land-use plans should address conservation and sustainable development and that the reference to optimum degree of forest cover should be clarified. AUSTRALIA stated that methodologies for forest inventories should be better defined and that many actions proposed for LFCs are relevant to all countries. UKRAINE said that restricted forest areas in LFCs should provide food security and acknowledged their link to public health.

NEW ZEALAND supported by AUSTRALIA, CHILE, CHINA, SOUTH AFRICA, UGANDA and the EU stated that plantations should: enhance biodiversity by taking pressure off natural forests; provide forest goods and services; and be managed using indigenous species. GABON noted common but differentiated responsibilities, stating that developed countries should assist developing LFCs in securing their forests and forest goods and services. IRAN highlighted mangrove and subtropical forests and the environmental and socioeconomic problems of LFCs.

### FINANCIAL ASSISTANCE AND TECHNOLOGY TRANSFER

FUNDACION NATURA on behalf of an NGO working group highlighted: non-timber products and services; net investment calculations including a full evaluation of products and services; a code of conduct for all donors, including transparency and participation; assessing the value of plantations including such drawbacks as encouraging replacement of natural forests; involving civil society in decisions on private sector investment and repatriation of profits; replacing "forest yields" with sustainable management; and controlling illegal logging.

The EU, supported by the US, JAPAN, CANADA and NORWAY, noted that the CSD is focusing on finance and technology transfer, especially within the intersessional meetings, and cautioned the working group not to duplicate this effort through IPF. The EU also stated, with the support of UGANDA, ZIMBABWE and SWITZERLAND, that ODA will continue to play an important role in sustainable development, emphasizing as well the increasing role of domestic resources, including those generated from forest revenue and private sector investment, including trade, investment and technology. A better valuation of forest products and services is essential. He also stated that it is not clear that ODA for SFM is declining, as the proportion of funds set aside for SFM is often not specified in reporting.

JAPAN asked for clarification of "commitments" accepted at UNCED. The US supported by the PHILIPPINES stated it was

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useful to differentiate among different innovative mechanisms, proposing “the panel recognized the potential of joint ventures and debt-for-nature swaps. The panel felt that further analysis is required regarding carbon offsets, tradable permits, and debt-for-policy-reform swaps.” She requested language on “the potential to mobilize additional resources internally,” and replaced “policy recommendations” on technology transfer with “options for action.” UKRAINE added references supporting finance and technology transfer for countries with “transitional economies.” MEXICO added “recipient countries should have more weight in the receipt and assignment of funds,” as well as “private sector funding should not replace commitments to ODA.”

UGANDA highlighted domestic financial resources, stating that ODA is construed as a “birthright” in the Co-chair’s report, rather than a mutually-beneficial arrangement. Supported by ZIMBABWE, he added language that stated “domestic sources of finance need to be identified and exploited, and a more conducive environment for profitable forestry business be created in recipient countries in order to complement ODA and enhance sustainability in financing SFM.” ZIMBABWE highlighted coordination as one mechanism to improve the efficiency of all financial resources, and stressed the need to remove conditionalities on ODA. Supported by several delegations, he noted that the report should avoid using conclusive wording at this stage. FAO pointed out that it has no mandate to collect data on forestry investment, as requested in the text.

The G77/CHINA focused on the provision of new and additional financial resources and the transfer of technology on concessional and preferential terms, in accordance with the Forest Principles and Agenda 21. He stated that the focus of all programme elements should be on action, and should not prescribe national policies. He stated that full incremental costs require increased international cooperation, taking into account the common but differentiated responsibility of nations. He added several references to ODA, emphasizing the need for countries to raise their levels of ODA to meet UNCED commitments. He suggested a new paragraph stating that “the panel expressed concern that multilateral sources and financial institutions have traditionally imposed conditionalities on developing countries which have not been compatible with SFM.” He stated that: private sector funding must be sought within a code of conduct, and not at the expense of ODA; the available GEF resources are “totally inadequate” and only available to support the objectives of legally-binding conventions; financial resources are a prerequisite for technology transfer; and IPF-3 should quantify resources available for SFM, including an assessment of whether developed countries have met their ODA commitments.

GABON suggested drawing up C&I which would inform on trends in mobilization of resources to implement sustainable development. CANADA suggested developing national codes of conduct for the private sector, utilizing a multi-stakeholder approach and focused on transferring public sector technology. He noted undue emphasis on ODA support for capacity building, emphasizing instead domestic resources and innovative financial measures.

BRAZIL stated that some, rather than all cases of deforestation, such as losses of forest cover and forest decline could lead to disinvestment. Alternative uses of forests could be construed as investments. Regarding technology transfer, he added language referring to: triangular cooperation; technologies in both the public and private domains; and priority technologies including biotechnology, logging technologies and equipment, development of environmentally sound technologies and products for the control of plagues and disease.

#### **ASSESSMENT OF THE MULTIPLE BENEFITS OF ALL TYPES OF FORESTS**

Delegates then discussed the Co-chair’s draft on programme element III.1(a). FUNDACION PERUANA PARA LA CONSERVACION DE LA NATURALEZA, for an NGO

working group, said the document should move toward concrete actions. She stressed a holistic assessment approach and said overemphasis on costs could impede creative thinking. Remote sensing and geographic information system technology should be made available inexpensively and on mutually agreed terms. The EU said assigning roles to organizations should be left to programme element V.1 on international institutions. The G-77/CHINA said this and other report sections should note all relevant agencies rather than assigning duties to FAO or other specific bodies. “Stakeholders” should be changed to “interested parties” in all report sections. The reference to C&I should be national, and comparability should be among nations. NGOs should contribute to, rather than play a leadership role in, an international coordinating effort.

The US said the reference to the FAO Global Forest Resource Assessment is appropriate. The paragraph on potential “benefits” should be changed to “conditions” and “decisions” related to forests changed to “considerations.” “National level” should be added to the paragraph on C&I and to the subparagraph on indicators.

MALAYSIA said the references to FAO could recommend that it work in partnership with other organizations. The PHILIPPINES said references to biodiversity conservation should also note sustainable use and equitable sharing of benefits. CANADA said integrating indicators in SFM should be cost-effective, scientifically sound and internationally consistent, while recognizing countries’ differences in forest characteristics, economies, societies and cultures.

#### **VALUATION OF THE MULTIPLE BENEFITS OF FORESTS**

The GLOBAL FOREST POLICY PROJECT said the Panel should encourage development and implementation of valuation methodologies. There is no evidence that methodologies are too complex, expensive or beyond the understanding of stakeholders. IPF should identify responsible parties, means and timetables for development of methodologies before IPF-4. Supported by the US, he said the report should not qualify participation of indigenous people in research “where appropriate.” NGOs should be listed as participants. The G-77/CHINA noted that valuation exercises should not be at the expense of more pressing needs, including data system development and mechanisms to make SFM a politically feasible objective. The EU said multidisciplinary should be a valuation criterion. A paragraph on forest valuation in national accounts should call for promoting research on policy issues, including national accounts. The US said research on global dimensions of climate change and biodiversity should replace a reference to trade in forest goods and services. INDONESIA said that forest valuation methods should entail scientific evaluation and address non-quantifiable forest services.

#### **VENUE FOR IPF-3**

The Secretariat reported on possible dates and venues for IPF-3. She said that New York was a possibility at no added cost; Geneva was available but there may be financial implications; Nairobi extended an invitation, but added costs would be significant due to the need to provide translators; and Rome was available at no added cost.

COLOMBIA suggested that a contact group be formed to resolve the issue. The US noted that the proposed dates conflict with the 9th session of the CCD; in order to avoid overlap it may be better to avoid New York and opt for Geneva or Rome.

### **THINGS TO LOOK FOR TODAY**

**CO-CHAIR’S DRAFT CONCLUSIONS:** Delegates must complete consideration of the remaining draft report sections: programme elements I.1, national forest and land-use plans, III.2, criteria and indicators for SFM, IV, trade and environment, and V.1, international organizations and multilateral institutions and instruments, including appropriate legal mechanisms.