

## UNFF EXPERT GROUP HIGHLIGHTS: THURSDAY, 14 DECEMBER 2006

On Thursday, 14 December, the United Nations Forum on Forests (UNFF) open-ended *ad hoc* expert group on the consideration of the content of the non-legally binding instrument (NLBI) on forests convened at UN Headquarters in New York. In the morning and afternoon plenary sessions, delegates considered the draft composite text of the NLBI. Participants focused on means of implementation, technical assistance, monitoring, assessment and reporting, and the structure of the instrument.

### PLENARY

**MEANS OF IMPLEMENTATION: Finance:** IRAN, supported by CHINA, PAKISTAN, CUBA and BRAZIL, proposed modifying a paragraph on securing political will to strengthen means of implementation into a chapeau applicable to the entire section.

The US, supported by JAPAN, SWITZERLAND and AUSTRALIA, proposed alternative text linking means of implementation with assisting countries to meet the Global Objectives. NORWAY proposed that this be linked to the pursuit of national targets. The AFRICAN GROUP, supported by INDIA, CHINA and others, requested that funding be “new and additional.” CUBA, the AFRICAN GROUP, IRAN and the EU supported retaining a subparagraph on reversing the decline in official development assistance (ODA) for SFM.

CHINA, the AFRICAN GROUP, INDIA and PAKISTAN supported a subparagraph on mobilizing and providing significant new and additional resources for SFM. The EU, supported by EGYPT, added language on supporting national forest programmes, and integrating forest issues in national development programmes and, where appropriate, poverty reduction strategies. MALAYSIA supported “enhanced” voluntary contributions. IRAN said reference to contributions to “existing” forest-related funds was too limiting, and opposed an exhaustive list of forest-related funds.

Regarding alternative funding options, CHINA, PAKISTAN, CUBA, MALAYSIA, the AFRICAN GROUP, VENEZUELA, MEXICO and IRAN supported the option on establishing a new global forest fund/ financing mechanism/ forest development fund. CANADA, the EU and SWITZERLAND preferred the option on assessing and reviewing current funding mechanisms. The US preferred discussing this issue under the MYPOW.

MALAYSIA stressed the need for “dedicated” financial resources for “implementing SFM,” BRAZIL added “sufficient” financial resources, CUBA added reference to developing countries, and URUGUAY suggested applicability to “all types of forests.” Supporting creation of a new fund, IRAN said use of existing funds may adversely impact financing in other areas, such as combating desertification, but that improving, strengthening, and giving new mandates to existing funds could

also be considered. Noting this is one of the most critical issues of the NLBI, Chair Hoogeveen urged delegates to consult informally before UNFF-7.

On inviting CPF members to support countries in accessing additional funding, the EU noted the need to link forest activities with achieving the MDGs. IRAN and INDIA proposed deleting the paragraph. The AFRICAN GROUP, supported by CHINA and PAKISTAN, proposed adding reference to mobilizing funding.

On inviting the GEF to consider support for SFM, the US explained this would be considered by the GEF Council in the next few months and proposed deleting the paragraph. INDIA, the AFRICAN GROUP, the EU and PAKISTAN preferred to retain the paragraph with minor modifications. On inviting international financial institutions to consider ways to generate access to resources, the US, opposed by IRAN, PAKISTAN, CHINA, INDIA and the AFRICAN GROUP, said it was not appropriate to invite bodies to undertake actions and proposed its deletion.

On creating an enabling environment for investment in SFM, the US said this was a national measure. MALAYSIA disagreed, stating this was both a national and international measure.

On initiating and strengthening public-private partnerships to promote implementation of national forest measures, the US, supported by PAKISTAN, IRAN and URUGUAY, proposed including this under National Measures. INDIA, supported by the AFRICAN GROUP, but opposed by SWITZERLAND, proposed deleting reference to promoting implementation of criteria and indicators for SFM.

On developing innovative financial mechanisms for generating revenue for SFM, the US, supported by GUATEMALA, added reference to debt reduction mechanisms. COSTA RICA, supported by GUATEMALA, proposed text on generating carbon emission reduction credits through forest cover maintenance and recovery. SWITZERLAND, supported by MEXICO, added reference to payments for ecosystem services. INDIA, COLOMBIA, CHINA, the AFRICAN GROUP and others opposed all three proposals.

On creating financial measures to support small land owners or users, MAJOR GROUPS, supported by the EU, MEXICO, SWITZERLAND and the AFRICAN GROUP, provided alternative text on financial mechanisms supporting forestry-related rural development for the benefit of forest-dependent local peoples, especially in developing countries. MEXICO preferred local “communities” rather than “peoples.”

INDIA, MALAYSIA, VENEZUELA and CHINA requested deleting a paragraph on the clean development mechanism (CDM). PAKISTAN proposed text on requesting financial institutions to allocate CDM funds for afforestation and reforestation projects. MEXICO, supported by CAMBODIA and GUATEMALA, proposed text on developing CDM strategies for the participation of developing countries in market-based mechanisms, and requested reference to mechanisms to reduce deforestation.

On fostering access to forest resources and markets, MAJOR GROUPS suggested reference to compliance with International Labor Organization core standards. CHINA, MALAYSIA, IRAN and INDIA supported the subparagraph on supporting livelihoods and income diversification, while the US proposed including it under National Measures, and the AFRICAN GROUP under Incentives.

The US proposed moving a subparagraph on improving regional and international coordination to this section on Means of Implementation. BRAZIL proposed a new subparagraph on developing a mechanism of positive incentives to finance developing country efforts to reduce the loss of forests and implement SFM.

**Incentives:** On adopting measures to act as incentives for SFM, JAPAN, supported by IRAN, NEW ZEALAND and AUSTRALIA, requested deleting reference to incentives, suggesting that the NBLI in itself should be an incentive. The MAJOR GROUPS suggested broader analysis of incentives through the MYPOW.

On member states encouraging remunerative returns from sustainably managed forests, AUSTRALIA outlined that government intervention in this matter is impractical and that only the market can determine returns. JAPAN, supported by the US, NEW ZEALAND and AUSTRALIA and opposed by MALAYSIA, proposed deleting the paragraph.

**Capacity building and transfer of environmentally sound technologies (ESTs):** The US proposed merging several paragraphs in this subsection, suggesting alternative text promoting capacity building, technical assistance and access to and transfer of ESTs to enable countries to implement national policies and measures aimed at reversing the loss of forest cover and increasing the area of protected and sustainably managed forests.

CHINA, PAKISTAN and the AFRICAN GROUP proposed maintaining a separate subparagraph on promoting transfer of technology to and capacity building in developing countries. The EU preferred to include a subparagraph on promoting participation and empowerment of forest-related stakeholders under National Measures.

EGYPT, INDIA and MEXICO supported retaining a paragraph on strengthening capacity to address illegal practices and illegal international trade in forest products, BRAZIL and MALAYSIA preferred its inclusion under National Measures, and the US argued for inclusion under both sections. The AFRICAN GROUP requested deleting "illegal" before international trade. Noting sensitivities over referencing illegal international trade, the US suggested referring to illegal logging, or illegal practices, and associated trade.

CHINA opposed including a subparagraph on combating wildlife poaching and related trafficking, while INDIA and NORWAY supported its retention. PAKISTAN added "in accordance with national legislation and policies," while CHILE underscored adherence to international obligations. BRAZIL, supported by EGYPT, VENEZUELA, the AFRICAN GROUP and MALAYSIA, proposed that, if retained, reference to trafficking of forest-related biological resources should also be included. The US pointed to potential difficulties with this proposal.

The US proposed moving to the preamble text on recognizing that access to and transfer of technologies are essential for attaining the purpose of the instrument.

On promoting effective protection, use and related benefit sharing of traditional knowledge, BRAZIL requested addition of "according to national legislation," IRAN and VENEZUELA preferred deleting reference to benefit sharing, and the US and INDIA suggested moving the text to National Measures. CHINA, SOUTH AFRICA and PAKISTAN preferred the original formulation and placement. BRAZIL proposed new text on freeware technology in promoting SFM implementation.

SMALL FOREST LAND OWNERS suggested removing "non-legally binding" from the title of the instrument, explaining that this, along with weak language in the text, undermines the agreement.

**TECHNICAL ASSISTANCE:** On promoting the provision of technical assistance to states, IRAN, supported by PAKISTAN, CUBA and the AFRICAN GROUP, noted

that technical assistance should be provided specifically to developing countries and countries with economies in transition. The EU preferred that all states practice technical cooperation. Noting that technical assistance is one modality of ODA, the US said this issue had been adequately addressed elsewhere in the text. MEXICO called for a reference to providing technical assistance based on recipient country priorities.

**MONITORING, ASSESSMENT AND REPORTING:** AUSTRALIA, supported by EGYPT, the EU, SWITZERLAND, MEXICO and PAKISTAN, proposed merging two paragraphs on monitoring progress in implementation of national measures toward achieving the Global Objectives, and utilizing criteria and indicators. IRAN, supported by the EU, the AFRICAN GROUP, SWITZERLAND, MEXICO and PAKISTAN, proposed adding reference to achieving national goals and targets.

On submitting national reports to the UNFF on a voluntary basis and inviting the CPF to report to the UNFF, the EU, supported by MEXICO, IRAN, PAKISTAN and AUSTRALIA, stated these should be separated into two paragraphs. AUSTRALIA noted that the NLBI cannot invite the CPF to report to UNFF.

**STRUCTURE OF THE INSTRUMENT:** In the afternoon, delegates debated the structure of the NLBI. The US urged adopting a structure accessible to people outside the process, consolidated and clearly delineated according to national and international obligations, and removing sections normally associated with legally binding instruments. AUSTRALIA agreed and suggested combining the preamble and principles and adding a section on SFM.

IRAN suggested, *inter alia*, merging sections on international and regional organizations, and technical assistance and means of implementation. The EU recalled that many activities are relevant at both international and national levels, and requested that the section on use of terms be deleted. BRAZIL proposed a new structure including: preamble; principles; purpose; scope and Global Objectives; national and international policies and measures; means of implementation; institutional and working modalities; and adoption.

NEW ZEALAND supported a compact structure, including: the preamble with principles; purpose with Global Objectives; SFM definition and seven thematic elements; national policies and measures; and international measures with means of implementation. CHINA suggested achieving a balance between national and international measures, and moving the section on technical assistance under means of implementation. NORWAY supported consolidating multiple sections, as proposed by the US, Australia and New Zealand. SENEGAL urged examining the relationship of the NLBI with existing forest-related agreements.

MAURITANIA suggested consolidating text under: preamble; strategy for SFM; means of implementation; and institutional framework. MEXICO and CHILE suggested that it may be premature to determine a detailed structure.

### IN THE CORRIDORS

Some experts expressed frustration that the discussion of the instrument's structure had been introduced too late in the proceedings, as changes to this will ultimately affect the composition of individual sections. Many agreed that too much time was taken by interventions lining up on either side of an argument, as opposed to first getting the full range of ideas on the table and leaving negotiations for UNFF-7, where they will inevitably be reintroduced.

Yet the buzzword of the week, "value added," was oft repeated, with developing countries figuring out what additional benefits they will get out of the NLBI, and developed countries ascertaining if the NLBI will go beyond existing voluntary agreements and merit additional funding. This harkens back to the age-old question: which should come first, commitment or means of implementation?

**ENB SUMMARY AND ANALYSIS:** The *Earth Negotiations Bulletin* summary and analysis of the UNFF open-ended *ad hoc* expert group on the consideration of the content of the NLBI on forests will be available on Monday, 18 December 2006 online at: <http://www.iisd.ca/forestry/unff/ahnbi/>