

## UNFF8 HIGHLIGHTS: WEDNESDAY, 29 APRIL 2009

UNFF8 delegates met throughout the day in two groups: Working Group I (WGI) continued negotiation of a draft resolution on forests in a changing environment; and a contact group continued negotiating the Co-Chairs' draft text on financing for SFM. The contact group reconvened in the evening.

### WORKING GROUP I

The EU, BRAZIL, CHILE and INDONESIA proposed deleting text on giving priority to reforestation, afforestation, forest landscape restoration and biodiversity conservation.

On inviting member states to develop policies to support SFM in responding to climate change, deforestation and forest degradation, the EU, SWITZERLAND, NORWAY, the DOMINICAN REPUBLIC and PERU preferred maintaining a reference to forest and land tenure, which was opposed by INDONESIA, BRAZIL, CHINA, VENEZUELA, CAMBODIA, URUGUAY and the AFRICAN GROUP. Co-Chair Mero proposed using language on forest land tenure from UNFF's MYPOW.

On enhancing cooperation towards promoting FLEG, the AFRICAN GROUP requested deletion of "promoting." AUSTRALIA withdrew its proposal to add reference to forest certification and chain of custody schemes. MALAYSIA, BRAZIL, the AFRICAN GROUP, INDONESIA, the US and VENEZUELA opposed references to developing a common understanding of legally harvested timber, whereas the EU suggested referring to "common elements of legislation which define legally harvested timber." PAPUA NEW GUINEA suggested "elements of defining legally harvested timber," and the DOMINICAN REPUBLIC "sustainably" harvested timber.

Many developing country delegates requested deleting an EU proposal to encourage member states to elaborate forest-based climate change adaptation concurrently with mitigation activities.

MALAYSIA, the AFRICAN GROUP, INDONESIA and CHINA requested deleting an EU proposal to encourage public procurement policies and consumption of wood products from legal and sustainable sources. AUSTRALIA, supported by PAPUA NEW GUINEA and the DOMINICAN REPUBLIC, favoured keeping it without reference to public procurement, and the US suggested using language from the Forest Instrument.

On a section addressing other organizations and agreements regarding forests in a changing environment, CHINA, supported by BRAZIL and VENEZUELA, expressed concern about an imbalance towards climate change, and suggested deleting paragraphs addressing: UNFF involvement in UN-REDD; a

message to UNFCCC, and an invitation to CPF to address impacts of a changing environment. On UN-REDD involvement, the EU, JAPAN and others favored a Swiss proposal to address this issue under the section on CPF.

On the message to UNFCCC: BRAZIL, the DOMINICAN REPUBLIC, COLOMBIA and the AFRICAN GROUP cautioned against interfering with UNFCCC's mandate; the EU suggested that the resolution itself serve as message to UNFCCC, UNCCD and CBD, and NEW ZEALAND, the US and AUSTRALIA suggested addressing the message to domestic entities rather than UNFCCC to help raise awareness of the role of forests in climate change mitigation.

In the afternoon, the EU and the AFRICAN GROUP circulated their proposed texts for the UNFF8 message.

Delegates agreed to: delete the paragraph on consideration of trends in the forest sector in the context of the Forum's assessment of progress; simplify the paragraph on inviting CPF members to assist member states in implementing policies addressing forests in a changing environment; and keep only the invitation to CPF members to consider raising awareness of the CPF Strategic Framework for Forests and Climate Change.

Delegates decided to split a paragraph on stakeholder involvement into: one inviting regional and subregional organizations and Major Groups to provide inputs to UNFF9; and one encouraging member states to explore ways to increase stakeholder participation. The EU suggested also requesting the Secretariat to explore such ways.

After lengthy discussion on the use of the Global Forest Expert Panels, delegates could not reach a decision on whether to keep the reference to seek the Panels' advice "upon request." On inviting CPF members to review their funding procedures to facilitate access to funding by developing countries, the EU, INDONESIA, JAPAN, NEW ZEALAND and CHILE said this should be considered by WGII, while BRAZIL, PAPUA NEW GUINEA and the AFRICAN GROUP preferred discussing it in WGI.

BRAZIL, MALAYSIA, INDONESIA and VENEZUELA asked to delete reference to encouraging member states to develop or strengthen national finance strategies for SFM, while the EU asked for bracketing, pending WGII outcomes. Delegates discussed whether to delete or reword text inviting UN-REDD to collaborate with other CPF members to promote SFM.

### CONTACT GROUP ON SFM FINANCING

**PREAMBLE:** Regarding reference to "NLBI," the US urged using the term "Forest Instrument" for clarity. The G-77/CHINA opposed.

On reaffirming commitment to previous agreements, SWITZERLAND, with the EU, noted that WGI had agreed

upon similar text and urged incorporating this. Noting that WGI was operating in a different context, the G-77/CHINA called for retaining reference to established development agreements.

The G-77/CHINA called for separate paragraphs noting, respectively, the inadequacy of funding and the difficulties accessing current funding. The US, JAPAN and the EU preferred replacing “lack of current funding” with “recognizing the need to mobilize new and additional funding.” SWITZERLAND proposed deleting reference to funding predictability.

The G-77/CHINA, opposed by SWITZERLAND, the US and the EU, requested deleting Norway’s proposal on making SFM attractive to private capital.

SWITZERLAND and NORWAY preferred text on raising the priority given to forests by “developing countries and the donor community.” The G-77/CHINA opposed any prescriptive language in the text or language stating that developing countries are not able to prioritize their interests. The EU proposed only referring to “all member states,” and delegates agreed.

In reference to SFM contributing to the achievement of the MDGs, the EU, opposed by the G-77/CHINA, preferred not to single out poverty eradication, and SWITZERLAND proposed a separate paragraph on SFM’s contributions to poverty eradication and livelihood improvement.

On underscoring the impact of the financial crisis, the G-77/CHINA, opposed by SWITZERLAND and the EU, proposed emphasizing the impact on developing countries and associated poverty.

The G-77/CHINA proposed text stressing that new and additional funds should be directed at developing countries. The US, the EU and SWITZERLAND preferred retaining the original paragraph on efforts made by members for generating new and additional funding.

On noting countries’ responsibility for SFM, SWITZERLAND, supported by the EU, the US, and AUSTRALIA but opposed by the G-77/CHINA, proposed text on the creation of enabling conditions to encourage investment from the private sector and others.

The G-77/CHINA, opposed by the EU and SWITZERLAND, called for deleting the paragraph on enhancing the quality of aid, including the Paris Declaration on Aid Effectiveness. The G-77/CHINA, opposed by the EU, SWITZERLAND and JAPAN, called for deleting the paragraph on good governance.

The G-77/CHINA and the EU supported text on the UNFF strengthening synergies and coordination in policy development and implementation of financing SFM. AUSTRALIA, with others, questioned the role of UNFF in the “implementation of” financing SFM. The US, with the G-77/CHINA but opposed by SWITZERLAND, preferred replacing “synergies” with “cooperation.”

**OPERATIVE TEXT:** After opposition by the EU, the G-77/CHINA rescinded proposed text on clarifying and simplifying procedures to access funds, stating that this could be moved elsewhere. SWITZERLAND and others proposed emphasizing the financing of SFM implementation in the broader context, alongside the implementation of the four Global Objectives on Forests and the Forest Instrument. JAPAN and SWITZERLAND, opposed by the G-77/CHINA, called for replacing “SFM financial architecture” with “financing SFM.”

NEW ZEALAND, the US and NORWAY supported an EU proposal on agreeing to the importance of developing and implementing national SFM financing strategies.

G-77/CHINA, opposed by the EU, AUSTRALIA, the US and JAPAN, proposed maximizing “adequacy, sufficiency and predictability of financial resources,” rather than maximizing the effectiveness of existing financial resources. SWITZERLAND proposed using previously agreed text on mobilizing significantly increased new and additional resources from all sources.

On inviting CPF members to increase dissemination of information on funding sources, the G-77/CHINA proposed inviting CPF organizations to increase “financial resources.” SWITZERLAND and others objected, noting that many CPF members cannot increase their own funding. Upon the G-77/CHINA’s proposed deletion of text on making CPF member mechanisms and procedures more accessible, SWITZERLAND, with the EU and JAPAN, called for retaining this in a separate paragraph.

The G-77/CHINA opposed reference to REDD out of concern that this would encroach upon the mandate of other institutions. SWITZERLAND objected, noting that without reference to REDD it would be more difficult to stimulate interest from finance ministries.

On calls for new funding from governments, the EU proposed a new paragraph calling upon the GEF to consider programming a substantive budget for SFM in the next replenishment cycle. Chair Tharyat noted that the Forum is able to “invite” but not “call upon” the GEF.

On new funding and commitments from donors, JAPAN proposed alternative text on setting up and maintaining a process that facilitates coordination among relevant stakeholders, noting that internal coordination amongst developing countries was key for the facilitative process. The G-77/CHINA countered that many conditions were already set for developing countries and called for text on setting their own conditions. On alternative text proposed by NORWAY regarding increased investment, the G-77/CHINA noted the need for increased investment at the international level, and include proposals to increase capacity for creating enabling conditions.

The EU called for merging paragraphs on the role of CPF in implementing the Forest Instrument, and on inviting CPF members to support the work of the facilitative process. The G-77/CHINA requested deleting the latter clause, and moving the former to the preamble.

The contact group reconvened in the evening. Developed countries expressed their concerns with the creation of a global forest fund, including: that the proposed fund is too vague to be fundable; and that creating a fund that remains unfunded carries reputational risks for UNFF. The G-77/CHINA referred to several expert reports that have indicated the need for significantly greater funding, and noted that an empty fund will expose the lack of political will. One developing country, noting that funds were needed immediately and that the fund will take a long time to create, expressed support for the facilitative mechanism option. Many developed countries stated that they do not have a negotiating mandate to create a global forest fund. The meeting continued into the night.

## IN THE CORRIDORS

The fourth attempt by WGI to decide on a UNFF8 message to UNFCCC or other processes in general led to the submission of draft messages by two regional groups. As delegates could not agree on convening an evening contact group to consider these proposals, many speculated that a message will not be adopted, with some noting that “nobody really wants to go out on a limb to finalize it,” and others said “some countries successfully ran down the clock.”

The impasse on financing led to the first evening contact group, where delegates continued to restate their polarized views that have marked negotiations thus far, but were able to get down to specifics and ask direct questions of each other, which may contribute to a common understanding. Some noted that cracks are appearing in the façade of regional groups’ positions as some of their members indicated more flexibility to negotiate than their fellow regional friends.