



# Earth Negotiations Bulletin

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## HIGHLIGHTS FROM IPF-3 TUESDAY, 17 SEPTEMBER 1996

Working Groups I and II met in morning and afternoon sessions on the seventh day of the third session of the Intergovernmental Panel on Forests. Working Group I considered draft texts on programme elements I.3 (traditional forest-related knowledge), III.1 (a) (assessment), III.1(b) (valuation) and III.2 (criteria and indicators). Working Group II considered draft texts on programme elements II (international financial assistance and technology transfer) and IV (trade and environment).

### WORKING GROUP I

Working Group I considered draft text on programme element I.3 on traditional forest-related knowledge (TFRK). The G-77/CHINA said indigenous peoples' intellectual property rights and rights to patents should be addressed. The US noted that the CBD should complement rather than direct the IPF's work on TFRK. The introduction of new technologies and economic opportunities can accelerate forest loss and undermine forest communities and TFRK. The EU recognized the importance of TFRK in the development of NFPs. She said forest owners should also contribute to the attainment of SFM.

Environmental NGOs promoted the sharing of TFRK among indigenous peoples, concerned groups and institutions, and urged governments to collaborate with these groups in compiling TFRK at national and local levels. NORWAY said existing instruments should be developed and implemented to be mutually supportive while avoiding duplication of work. CANADA encouraged support for capacity building of indigenous peoples and local communities and their participation as full partners in SFM. JAPAN invited governments to identify practical knowledge, innovations and practices relevant to the conservation and management of forest biodiversity. A NAPGUANA representative noted that indigenous peoples could contribute more effectively if reports were available in languages other than English. TFRK should be seen as an integral part of indigenous peoples' lives and not just a marketable commodity.

The CHAIR introduced draft negotiating text on programme element III.1.(a) (assessment). The EU highlighted: international forest assessments and criteria and indicators (C&I); regular data updates; accessibility of assessment programs; comparability of data collection; and, liaisons with the CBD to ensure that gaps in knowledge are addressed quickly. The US distinguished the FAO's Global Forest Resource Assessment 2000 (FRA 2000) from forest resources assessments in general, and implementation plans from strategic plans. He deleted Forest Principles language on "sustainable use, conservation and equitable sharing of

benefits" and on the urgent need for additional resources. In a paragraph on contributions of forests, NEW ZEALAND called for reference to "economies" rather than GNP and to deforestation and forest degradation.

Environmental NGOs objected to the document's emphasis on timber-oriented values and called for: consultations with all stakeholders to identify all benefits; use of an ecosystem approach; and broader participation in FRA 2000. JAPAN called for language on improving the quality of forest assessments and, supported by the G-77/CHINA, for standardization of definitions and categories of forests. CANADA requested FAO to include a broad range of values, including non-timber values, in FRA 2000. The G-77/CHINA called for: use of national forest assessments, where appropriate, in the development of NFPs and FRA 2000 assessment of non-wood forest products.

On programme element III.1(b) (valuation of forest benefits), the EU noted the need to address the values of forest owners. She said that while a variety of valuation methodologies have been developed, governments should encourage development of additional methodologies addressing their own legal and political circumstances. The US said the report exceeds the mandate of the CSD. Further discussion on the issue is needed within the context of the CBD and FCCC. References to religious values of forests should be omitted. The G-77/CHINA said methodologies to assess the social, cultural and economic impacts of forest degradation are needed. He called for matrices matching available forest valuation methodologies with required data sets for all forest goods and services. NORWAY requested that the costs associated with changes in forest quality be analyzed. CANADA noted input from the COP of CBD concerning valuation methodologies and welcomed additional input from the CBD, particularly technical advice on collaboration.

On programme element III.2 (C&I), the EU highlighted: the importance of C&I implementation at all levels; descriptive criteria; land use plans; mutual recognition, consistency and convergence of C&I; and, with the US, forest owner and land tenure issues. JAPAN requested recognition of levels equivalent to management-level units and, with the US, voiced concerns over what criteria should help to assess. The US highlighted variations in links between national and forest management unit level C&I and concerns over: benefit apportionment; forest management unit C&I; and, C&I as a basis for trade restrictions. FINLAND, with the EU, suggested language from its recent C&I seminar on, *inter alia*, actions for poverty alleviation, institution strengthening, human resources development and public participation; consensus on terms; and research on C&I for measuring biodiversity, non-wood forest products, non-market benefits and human and cross-sectoral impacts on forests. Environmental NGOs stressed language on sub-national level

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C&I for large countries and CBD assistance on C&I for forest quality and biodiversity. CANADA said CBD work should complement existing C&I frameworks.

## WORKING GROUP II

Working Group II continued discussion of programme element II (international financial assistance and technology transfer). The G-77/CHINA proposed replacing all references in the text to "SFM" with "management, conservation and sustainable development of forests" from the Forest Principles. She also proposed noting additional references from the Forest Principles and deleting "investment" from a reference to the investment gap between needed and available resources. The EU proposed noting disinvestment in the forest sector and the role of NFPs in prioritizing financial investment. NORWAY proposed that the Panel "note" rather than "confirm" the investment gap. The US said references to the Forest Principles should only be included as needed and proposed recognizing the need to increase the absorptive capacity of markets.

On public finance, the G-77/CHINA proposed noting that levels of funding for forests are insufficient and declining, and recognizing that forest-related projects financed through the GEF are guided by international conventions. She highlighted: countries with low forest cover; solutions to debt problems; and market-based, rather than economic, instruments. The EU recommended a proposal for financing NFP initiatives in developing countries. SWITZERLAND proposed more effective use of existing financial mechanisms. The US, supported by IUCN, added a reference to community-based enterprises. IUCN, with INDIA, recommended adding a separate section on community sector investment.

On private sector investment, the EU, supported by AUSTRALIA, proposed including the negative social and environmental aspects of policies and regulations. NEW ZEALAND, supported by the G-77/CHINA, JAPAN and CANADA, suggested removing the brackets around "voluntary" codes of conduct. AUSTRALIA proposed inserting careful evaluation of policies and regulations before implementation. The G-77/CHINA proposed adding: fair and even distribution of private capital flows among developing countries; strengthening national regulations and enforcement; and cooperation with major groups. The US said it is premature to include voluntary codes of conduct, but their potential should be explored. She proposed, with IUCN, deleting the reference to tax breaks. IUCN recommended a proposal on community forest management.

On technology transfer, CANADA recommended a reference to related work on cooperation being conducted in the CBD. The G-77/CHINA proposed condensing three proposals on research, and the UK, supported by the US, proposed creating a separate heading. The NETHERLANDS called for research on human impacts on forest protected areas. On coordination, the G-77/CHINA called for development of indicators for monitoring the "adequacy" and effectiveness of international cooperation. She proposed deleting references to: an external agency to support in-country donor coordination; mandatory coordination among UN organizations; and Internet-based information systems. AUSTRALIA called for a shared vision of SFM toward common objectives. The US proposed that NFPs provide a good basis for priority setting "in many countries," and national level coordination "in recipient countries." CANADA proposed a reference to international instruments related to forests, particularly CBD and FCCC.

Delegates proposed amendments to the draft text on programme element IV (trade and environment). The G-77/CHINA proposed deleting "in special circumstances, trade restriction may be necessary to achieve environmental objectives." The US recommended deleting the need to explore an agreement on trade in forest products. ZIMBABWE advocated further studies on non-wood forest products and on domestic trade in forest products.

On market access, the G-77/CHINA recommended new proposals for: assessment of the effectiveness and trade impacts of subsidies; removal of all unilateral bans and boycotts; and exploration of the possible need for an agreement on trade in forest products and for voluntary codes of conduct. Environmental NGOs proposed references to the possibility that non-tariff barriers may promote SFM and to exceptions to WTO rules contained in the Uruguay Round agreements. The TIMBER TRADE ASSOCIATION suggested including the potential negative effects of trade restrictions in forest products.

On the relative competitiveness of forest products, the G-77/CHINA suggested language on mechanisms for community-based processing and marketing of wood and non-timber forest products. On lesser used species, the US, supported by environmental NGOs, proposed a reference to community-level efforts in technology development. Environmental NGOs proposed promotion of non-timber forest products.

On certification, the G-77/CHINA emphasized that certification schemes should be transparent, nondiscriminatory and rational. The EU proposed adding "labelling" to the section title and language noting that voluntary eco-labelling and certification are not considered non-tariff barriers. SWITZERLAND, supported by NEW ZEALAND, suggested deletion of the term "international harmonization."

Environmental NGOs, supported by AUSTRALIA, recommended deleting the reference to feasibility of country certification. AUSTRALIA proposed a reference to the market implications and credibility of certification schemes and new language regarding performance standards and environmental management systems as important components of SFM. CANADA proposed noting the likelihood that some certification and labelling schemes will use certification as one criterion for sustainable forest products. GERMANY called upon relevant agencies to ensure transparency. JAPAN noted the needs of small forest owners. On the proposals for action, the EU proposed references to technical barriers to trade and the proliferation of schemes. The G-77/CHINA called upon trade agencies to bring certification into perspective and promote international harmonization among schemes. The US noted the need to ensure that new schemes comply with WTO agreements on technical barriers to trade. On full cost internalization, NORWAY said that social and economic costs may not be reflected in the market. Environmental NGOs proposed references to the reallocation of costs and benefits. Industry NGOs proposed deleting language noting that full cost internalization "is essential for" SFM. The US said exchange of information should "facilitate discussion" rather than "speed up" implementation. On transparency, the G-77/CHINA noted community participation and the EU and environmental NGOs called for an assessment of illegal trade in forest products.

## IN THE CORRIDORS

Many participants have speculated on the kind of document that will emerge from IPF-3. Some delegates are expressing optimism that the IPF can complete discussion on texts by the end of IPF-3, even if "completion" means heavily bracketed text. Others see the spectre of a Chair's Summary as a serious possibility, at least for some programme elements.

## THINGS TO LOOK FOR

**Working Group I:** Working Group will meet at 10:00 am in Room XIX and is expected to consider programme element I.2 (underlying causes).

**Working Group II:** Working Group will meet at 10:00 am in Room XX and is expected to consider programme elements I.4 (desertification and air-borne pollution) and I.5 (countries with low forest cover).