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IPF-4 HIGHLIGHTS THURSDAY, 13 FEBRUARY 1997

Delegates began negotiations on Elements of a draft report (E/CN.17/IPF/1997/3) in two working groups on the third day of IPF-4. Working Group I discussed actions and conclusions under programme elements I.1 (national forest and land-use plans) and I.2 (underlying causes of deforestation). Working Group II initiated discussion on financial assistance under programme element II (financial assistance and technology transfer).

WORKING GROUP I

Co-Chair Holdgate reminded delegates that a quarter of IPF-4 had passed, and no agreements had been reached. Thus the moment of truth had arrived.

NATIONAL FOREST AND LAND-USE PLANS:

Discussion began with proposals for action on national forest and land-use programmes. A US proposal to replace "NFPs" with "national forest programmes" was adopted, as was the deletion of all references to other appropriate or relevant policy frameworks. The US advocated employing "sustainable forest management" (SFM) instead of "the management, conservation and sustainable development of all types of forests." PERU, VENEZUELA and CANADA noted that the meaning of SFM is not yet clear. The Co-Chair proposed a contact group including both Working Groups.

For the subparagraph on national forest programmes, the G-77/CHINA proposed adding a reference to specific national conditions and legislation. JAPAN recommended adding a reference to evaluation. Both amendments were adopted. The US, supported by the G-77/CHINA and CANADA, suggested inserting references to the wide range of approaches for SFM in NFPs. An informal contact group chaired by CANADA amended this subparagraph by inserting, *inter alia*: consistency with sub-national policies; partnership mechanisms; secure land tenure arrangements for indigenous and local communities; valuation; and ecosystem approaches which include biodiversity.

The subparagraph on cooperation in SFM was amended by the G-77/CHINA by adding "as appropriate" to encouraging all countries to use NFPs while the subparagraph on criteria and indicators (C&I) was amended when JAPAN added "evaluation" and the REPUBLIC OF KOREA added "on a step-by-step basis."

The subparagraph on planning systems was amended by a reference to the evaluation of NFPs. The ALLIANCE OF INDIGENOUS-TRIBAL PEOPLES OF THE TROPICAL FORESTS, with the support of the EU and COLOMBIA, suggested replacing "indigenous people, communities, or populations" with "indigenous peoples" and "representation" with "participation."

BRAZIL and the G-77/CHINA amended "indigenous peoples" to "indigenous people." The EU added references to forest owners and private management systems.

A subparagraph on encouraging capacities in all sectors was deleted. Text encouraging governments to establish national coordination mechanisms and strategies to promote NFP implementation was agreed. After suggestions by the G-77/CHINA, the EU, the US and the REPUBLIC OF KOREA, a subparagraph on developing partnerships, which could include partnership agreements, was accepted.

COLOMBIA, DENMARK and several other delegations proposed paragraphs formulated by the ALLIANCE OF INDIGENOUS-TRIBAL PEOPLES OF THE TROPICAL FORESTS encouraging prior informed consent and benefits-sharing in territories of indigenous and other forest peoples. UGANDA, the US and VENEZUELA objected. The paragraphs were referred to a contact group. JAPAN, supported by the US, the G-77/CHINA and CANADA, added a paragraph urging participatory mechanisms to integrate research into planning cycles.

Regarding conclusions, the G-77/CHINA added national constitutional and legal frameworks into text recognizing special groups' traditional rights. The US deleted a reference to forest workers in the same section, which was then agreed.

A contact group was formed to negotiate amendments on the first paragraph under conclusions that defines national forest programmes. Delegates deferred discussion of action proposals and conclusions on financial resources and capacity-building pending consultations with Working Group II.

UNDERLYING CAUSES OF DEFORESTATION: After the US, the EU and others suggested deleting a paragraph on studies of underlying causes of deforestation, delegates agreed to an AUSTRALIAN amendment proposing that, as appropriate, countries prepare in-depth studies, analyze historical causes, and provide information on transboundary pollution. The US added a reference to "long-term trends" regarding sustainability of wood supply and demand. NEW ZEALAND added language on the role of plantation forests. The paragraph was agreed.

The subparagraph on analyzing policies with a positive effect was adopted. The US amended the subparagraph on national strategies by adding "as appropriate" to the reference to goals for national forest cover. The subparagraph on mechanisms to improve policy was retained with the US amendment of "such as" rather than "including" environmental impact assessment. The subparagraph on securing land tenure was amended with equitable "and appropriate" sharing of benefits.

Text recommending timely provision of information on underlying causes was accepted with minor amendments. The US deleted references to research and technology transfer in the

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proposal on financial assistance to developing countries. The G-77/CHINA urged retention of case studies and capacity building, and the paragraph was agreed.

With amendments from the US, NEW ZEALAND and the EU, delegates agreed to a paragraph urging developed countries, the UNDP and other organizations to assist countries in identifying underlying causes, applying and refining a "diagnostic framework." Language supporting the Biodiversity Convention's work programme on underlying causes of biodiversity loss was added by SWEDEN, CANADA and NORWAY following a suggestion by GREENPEACE INTERNATIONAL.

Conclusions on the need to understand underlying causes and effects of production and consumption were agreed. A reference to poverty was added to the conclusion on sustainable development and removed from one on socioeconomic factors, and demographic pressure, mining and petroleum exploration were added.

WORKING GROUP II

A number of proposals related to financial assistance were addressed, many of which were referred to a contact group.

FINANCIAL ASSISTANCE: The G-77/CHINA proposed that international organizations increase the proportion and availability of ODA. He objected to language limiting recipients to developing countries where private investment has been low. CANADA emphasized the importance of concentrating on these countries' needs. The US advocated replacing "management, conservation and sustainable development of all types of forests" from the Forest Principles with "SFM," but the G-77/CHINA noted that the SFM is only one component of the former. SWITZERLAND said assistance should also be given to countries poor in forest resources and who have developed policies to encourage SFM.

The US proposed adding "or other relevant policy processes" to bilateral and multilateral organizations' use of "national forest programmes" as a framework, as "NFP" is sometimes used restrictively. CANADA and the EU advocated maintaining "NFPs". MEXICO deleted a reference to national-level forest assessments.

On multilateral organizations' forest programmes, the US proposed replacing "forest and forest-related activities" with "SFM activities," but several delegations objected.

After proposals by the EU, SWITZERLAND and the US to delete a paragraph on clarifying the gap in resources to achieve SFM, discussion focused on whether a "gap" can be defined. The US and JAPAN preferred language requesting clarification of available resources for achieving SFM while the EU preferred requesting identification of urgent priority needs for developing countries. JAPAN asked for guidelines to determine the percentage of ODA going to forests. INDIA proposed using Agenda 21 figures to determine the global gap. References to international financial institutions and the donor community were added to text recommending that UN organizations clarify the resource gap.

On innovative ways to use financial mechanisms and generate additional resources, there was general agreement that "forest-specific" resources should include resources from "within and outside the forestry sector." BRAZIL proposed language on "new and additional" financial resources. CANADA rejected "new" but supported the concept of devoting additional resources to forests. MALAYSIA and the PHILIPPINES opposed weakening Forest Principles language. GABON proposed language calling for developed countries to find solutions to developing country debt, to which the US added debtor countries. Delegates agreed to refer to the debt problem, either in this or a new paragraph.

PRIVATE SECTOR INVESTMENT: Delegates removed brackets around "voluntary" codes to guide investments. The US proposed a new formulation to focus on the role of the private sector in implementing voluntary codes of conduct. MEXICO added language on mechanisms to reinvest income from forest products back into the forest sector, but the US proposed "ways" as less prescriptive than "mechanisms." The US, supported by CANADA and INDONESIA but opposed by AUSTRALIA, noted

that adopting policies for full cost pricing is premature. CANADA said it is the private sector, not governments, that should develop voluntary codes.

Regarding incentives in developed countries for private sector investment in SFM, the EU added a reference to countries with private overseas investment in the forest sector. The US deleted a reference to tax breaks as incentives. GABON proposed language calling on developed countries to adapt policies and formulate incentives that encourage the private sector to follow SFM principles and to invest in forest sectors in developing countries.

NATIONAL CAPACITY AND COORDINATION: After several proposed deletions on country-driven NFPs, delegates agreed to refer the definition of NFPs to Working Group I. The US specified that "recipient" countries should reflect their national priorities in their efforts and that donor "countries and" agencies "support," rather than "finance," national initiatives "to establish forest programmes and national policy frameworks."

The US added a reference to employing "other economic instruments" to market-based instruments. INDIA recommended "internalizing" rather than "reducing" social costs and environmental impacts.

After attempts to amend text on community financing, language based on a proposal by SWITZERLAND to "enhance community-based forest management systems, including community financing as a fundamental strategy" was debated. VENEZUELA proposed language stressing that mechanisms should be within the constitutional and legal framework of each country and referred to indigenous groups and land and forest owners. International organizations and institutions and multilateral financial institutions were added to the list of bodies which should enhance community-based efforts.

CANADA removed language on decentralizing planning and implementation of development activities and referred it to Working Group I. Delegates also deleted subparagraphs on: involving all concerned national bodies in planning, implementation and monitoring processes; pooling national resources to improve efficiency; and creating an enabling environment for the use of environmentally sound technologies.

On identifying national authorities to coordinate deployment of finances, the US recommended specifying "recipient" countries.

IN THE CORRIDORS

The question of whether to substitute the term "sustainable forest management" for "management, conservation and sustainable development of all types of forests" arose in both Working Groups and in the corridors, leading delegates and observers to ponder possible ramifications of such a change. Many who advocate the use of SFM believe that the term represents progress in the international forest policy dialogue since the time the Forest Principles were crafted in Rio. Those who wish to retain the Rio language say that it encompasses a broader range of social, economic and environmental values than does SFM. Others are concerned that replacing Forest Principles language could dilute related commitments to financial assistance for developing countries, and the application of IPF outcomes to all types of forests.

THINGS TO LOOK FOR TODAY

WORKING GROUP I: Working Group I will meet in Conference Room 1 to conclude negotiations on programme element I.2 (underlying causes of deforestation) and begin discussion of I.3 (traditional forest-related knowledge), I.4 (ecosystems affected by desertification and pollution) and I.5 (countries with low forest cover). Look for the Contact Group's conclusions on I.1 (national forest and land-use plans).

WORKING GROUP II: Working Group II will meet in Conference Room 2 to conclude discussion of financial assistance and begin negotiating technology transfer and capacity building and information.