



# Earth Negotiations Bulletin

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## IPF-4 HIGHLIGHTS TUESDAY, 18 FEBRUARY 1997

Negotiations continued in two working groups and contact groups on the fifth day of IPF-4. Working Group I completed review of actions under assessment, forest research, valuation methodologies and criteria and indicators (C&I) and discussed conclusions in several programme elements. Working Group II completed initial discussion of actions under trade and environment.

### CONTACT GROUPS

AUSTRALIA reported from the contact group on nomenclature progress on the use of: "countries" instead of "governments;" "sustainable forest management" and "national forest programmes" rather than their acronyms; and use of "sustainable forest management" or "the management, conservation and sustainable development of all forest types" depending on the context, the former referring to national level action and the latter to international action. CANADA reported that Working Group II's contact group had made some progress on issues under financial assistance, private sector investment, national capacity and coordination and technology transfer, but text on community financing, international cooperation and new and additional resources requires further consultation.

### WORKING GROUP I

**ASSESSMENT:** In the subparagraph on national C&I, the US inserted "national" forest assessment, deleted references to FAO and cultural values and inserted "including qualitative indicators." The EU added a new subparagraph on improving national forest resource assessment (FRA) and analysis of forest statistics. UGANDA added a reference to UNEP in the subparagraph on the FAO and FRA 2000. NORWAY inserted a new subparagraph on the ecosystem approach and beginning a consultative process with indigenous people and local communities. The subparagraph on definitions was amended with an NGO insertion on formulation "in an open and transparent manner" and a US insertion of "global" forest assessment.

**FOREST RESEARCH:** The G-77/CHINA added the Framework Convention on Climate Change to a subparagraph calling on the CBD and CCD to research knowledge gaps and, with the US, added references to the treaties' mandates and competence. The subparagraph was accepted with these amendments.

JAPAN, supported by CANADA and MALAYSIA, added a new subparagraph urging increased applied research.

**VALUATION METHODOLOGIES:** NORWAY added text taking into account environmental, socioeconomic, ethical, cultural and religious aspects as well as economic valuation in a subparagraph on improved valuation of all forest goods and services. The G-77/CHINA substituted "taking into account the particular circumstances of each country" for a similar list of values in the subparagraph on methodology development, and added erosion to a list of research areas. The G-77/CHINA amended the subparagraph on available methods and data to request a comprehensive document and deleted language specifying local through international levels. These subparagraphs and a US proposal to delete a subparagraph on legal and economic circumstances were accepted.

**CRITERIA AND INDICATORS:** Delegates debated the proper relationship between C&I at national and other levels in several subparagraphs. An lengthy discussion of bracketed text on "global reference criteria" as a "common denominator" drew calls for deletion from the G-77/CHINA, the US, NEW ZEALAND, BRAZIL and COLOMBIA and suggestions to retain or amend the text from CANADA, AUSTRALIA, and the EU. The bracketed text was removed and the subparagraph, drawing on commonalities in various initiatives, was accepted.

NEW ZEALAND and the G-77/CHINA added references to specific country conditions and to internationally and regionally agreed initiatives in a subparagraph encouraging national C&I. CANADA added NGO-proposed language on the use of a participatory mechanism to this and to the subparagraph on the use of C&I. In the latter subparagraph, delegates deleted text that C&I could facilitate certifying SFM and rejected AUSTRALIA and the EU's suggestion to use "voluntary certification" after objections from the US, NEW ZEALAND, GABON and REPUBLIC OF KOREA. Delegates also altered language on cross-sectoral approaches, deleted voluntary codes and urged compatibility "at all levels." In the subparagraph encouraging wider participation in C&I initiatives, the G-77/CHINA added "adequate" technical and financial assistance and participation at the "operational" level.

Delegates substituted "common international understanding" for "international agreement" on terms and concepts and "similarities" for "mutual recognition and convergence" in a subparagraph about relating C&I initiatives. The G-77/CHINA replaced C&I "frameworks" with "initiatives" in the subparagraph on CBD Parties.

**CONCLUSIONS:** The draft conclusions on TFRK contained in E/CN.17/IPF/1997/3/WG.I/L.3 were negotiated. VENEZUELA deleted language on governance and culture in the paragraph on defining TFRK and inserted references to national legislation. In the paragraph on communities with sustainable lifestyles,

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“technological change” replaced “new technologies.” To the subparagraph on valuable new products, COLOMBIA inserted “prior” before informed consent but no agreement was reached on whether to include language on: “payment of royalty on IPR;” “indigenous legal systems and customary law;” or replacement of “payment” for “compensation.” The subparagraphs on exchange of information and on the acquisition and dissemination of TFRK were agreed. The G-77/CHINA added a reference to equitable sharing of benefits in the subparagraph on the CBD.

The Working Group reviewed conclusions on countries with low forest cover (E/CN.17/IPF/1997/3/WG.I/L.5) and on assessment, forest research and valuation in an evening session.

## **WORKING GROUP II**

### **RELATIVE COMPETITIVENESS OF FOREST**

**PRODUCTS:** On economic studies of potential competition, JAPAN deleted references to competition between different forest products and products from different regions of origin. On increasing productivity in downstream processing activities, the US replaced “promote” with “support, where appropriate,” community-based processing and marketing of forest products.

**LESSER USED SPECIES:** On promoting lesser used species (LUS), CANADA, with the US, replaced “products” with “species” and specified “where increased use is consistent with SFM.” The G-77/CHINA called for “international” agencies “and research institutions” to promote LUS. The US added “countries” and specified “domestic” and international markets.

On policies for SFM, the G-77/CHINA replaced “exploitation” with “utilization.” The US added “of economically-viable” LUS. On technologies to increase utilization, the G-77/CHINA added that institutions should “transfer technology and” support efforts to develop “and adapt” technologies. The US inserted “sustainable” utilization.

**CERTIFICATION AND LABELLING:** On the relationship between SFM, trade and certification and labelling (C&L), the G-77/CHINA suggested “further examination of the role of voluntary C&L of forest products with regard to SFM” and proposed new language on governments’ role in ensuring that schemes: are transparent, voluntary and nondiscriminatory; have open access and full participation; observe national sovereignty; and do not conflict with relevant domestic regulations. SWITZERLAND, supported by CANADA but opposed by the G-77/CHINA, noted that the role of governments in C&L schemes is not yet clear, so countries should “support” rather than “ensure” that schemes are not used as a form of disguised protectionism. SWITZERLAND proposed that since many C&L schemes are private and thus not covered under WTO rules, the reference to the Technical Barriers to Trade (TBT) Agreement be replaced with “general international obligations” and the WTO not be specified to undertake the proposed actions.

On applying principles to certification, the G-77/CHINA and the US replaced the reference to WTO members with “all countries,” changed “principles” to “concepts” and deleted “practicability and direct relationship to” SFM. A clause on “equivalent standards and mutual recognition” was deferred to the contact group. AUSTRALIA added the concept of transparency. The US gave “credibility” its own clause.

On further studies on certification, the US proposed language recognizing the market orientation of certification schemes and specified that relevant organizations with a “mandate” should study certification “schemes.” Based on a US proposal, the “need to take account of” was replaced with the “relationship between various” C&I frameworks “and certification.” The US, supported by AUSTRALIA and JAPAN but opposed by the EU and SWITZERLAND, recommended replacing “the potential role of governments in relation to” with “issues relevant to” the development, implementation, promotion and mutual recognition of C&I schemes. This section was referred to the contact group.

To a clause on the special needs of small forest owners, the G-77/CHINA added local communities, and the US added other forest-dependent populations. CANADA opposed a US proposal to delete further study on accreditation. The accreditation issue was submitted to the contact group. The G-77/CHINA proposed new clauses on the impact on relative competitiveness and the need for equitable equivalent labelling arrangements for substitutes and on needs of countries with low forest cover.

The EU, with the US and the G-77/CHINA, replaced text on CIFOR with language inviting countries to consider the relevance to certification schemes of “the CIFOR project on C&I for SFM.” On international harmonization and mutual recognition, CANADA proposed deleting a list of organizations and a clause on facilitating and promoting trade in forest products and recommended promoting “equivalency” and mutual recognition. After considerable debate this was supported by the EU, SWITZERLAND, and the G-77/CHINA. The US recommended deleting the subparagraph. It was deferred to the contact group.

On information exchange, the EU, with the G-77/CHINA, called upon “countries and” agencies to “support” continuous exchange. The US changed “continuous” to “on an ongoing basis.”

**FULL-COST INTERNALIZATION:** The G-77/CHINA proposed “exploring ways and means” rather than “examining mechanisms” for full-cost internalization, and CANADA added “for wood products and non-wood substitutes.” NORWAY added costs to examination of potential benefits of improved efficiency and sustainability.

**MARKET TRANSPARENCY:** The G-77 added forest products “and services” in a subparagraph on expanding the work of relevant institutions. On illegal trade in forest products, the US recommended that an assessment be undertaken by an independent group of experts convened by an appropriate UN agency rather than by an independent body and added “incorporating information from all relevant sources and major groups.” The EU added that the group should “formulate recommendations on how to counter illegal trade.” The G-77/CHINA proposed that “countries” provide an assessment “and other relevant information.” The subparagraph was deferred pending consultations by the G-77/CHINA.

Working Group II’s contact group met in the evening to discuss pending issues on finance and trade and environment.

## **IN THE CORRIDORS**

Informal negotiations continue on specifying which groups to include in text on participation and consultative processes in SFM. While language on subnational mechanisms and prior informed consent has been agreed, many delegations are unsure how to refer to indigenous peoples and local communities given differences in national legal and constitutional frameworks. NGOs, supported by a few delegations, have been suggesting language on customary law, indigenous legal systems, cultural heritage and values. Representatives of indigenous peoples are concerned that delegations do not explicitly recognize that most of the world’s forests are inhabited by indigenous peoples, but delegates say this fact alone may not determine to what degree they should be involved in NFPs and followup to the IPF.

## **THINGS TO LOOK FOR TODAY**

**WORKING GROUP I:** Working Group I will meet in Conference Room 1 to continue negotiating conclusions under programme element III (assessment, research, valuation and C&I).

**WORKING GROUP II:** Working Group II will meet in Conference Room 2 to hear the contact groups’ report on a number of action proposals under finance and trade and environment. It will discuss how to proceed on conclusions under these elements.

**PLENARY:** Delegates will meet in Plenary to consider the draft text on programme element V, multilateral institutions and instruments.