



# Earth Negotiations Bulletin

*A Reporting Service for Environment and Development Negotiations*

Vol. 13 No. 34 Published by the International Institute for Sustainable Development (IISD) Monday, 24 February 1997

## SUMMARY OF THE FOURTH SESSION OF THE INTERGOVERNMENTAL PANEL ON FORESTS: 11-21 FEBRUARY 1997

The fourth and final session of the UN Commission on Sustainable Development's (CSD) Intergovernmental Panel on Forests (IPF-4) met in New York from 11 - 21 February 1997 to IPF-4 negotiate action proposals and conclusions under 12 programme elements dealing with the management, conservation and sustainable development of all types of forests: I.1. National forest and land-use plans; I.2. Underlying causes of deforestation; I.3. Traditional forest-related knowledge; I.4. Ecosystems affected by desertification and pollution; I.5. Needs of countries with low forest cover; II. Financial assistance and technology transfer; III.1(a). Forest assessment; III.1(b). Valuation of forest benefits; III.2. Criteria and indicators; IV. Trade and the environment; V.1. International organizations and multilateral institutions; and V.2. Legal mechanisms.

The IPF was also supposed to formulate recommendations to the CSD on future legal mechanisms, international organizations and multilateral institutions. Delegates called for continued intergovernmental forest policy dialogue but could not agree on major issues such as financial assistance and trade-related matters, or whether to begin negotiations on a global forest convention. On these and other elements, the IPF forwarded a range of options to the CSD. Recommendations on specific characteristics and functions of a continued intergovernmental forum or negotiating process were attached as a non-negotiated annex to the IPF's report.

### A BRIEF HISTORY OF THE IPF

The Commission on Sustainable Development's open-ended *ad hoc* Intergovernmental Panel on Forests (IPF) was established to pursue consensus and coordinated proposals for action to support the management, conservation and sustainable development of all types of forests. The Economic and Social Council, in its decision 1995/226, endorsed the recommendation of the third session of the Commission on Sustainable Development to establish the IPF. In pursuing its mandate, the IPF focused on 12 programme elements clustered into five interrelated categories. Its objective was to submit final conclusions and policy recommendations to the CSD at its fifth session in April 1997.

**IPF-1:** The first session of the IPF took place in New York from 11-15 September 1995. At this meeting, delegates adopted the IPF programme of work and attempted to set the dates and venues of

future meetings. Several issues that have typically divided North and South again proved difficult. Members of the G-77/China were resistant to any proposal that could foreseeably lead to a loss of national control over forests and forest products. There was also concern about the subject of criteria and indicators and whether proposed intersessional workshops should constitute an official part of the IPF process. Developed countries questioned the need to extend the duration of Panel meetings and expressed serious concerns about the Panel's work.

**IPF-2:** The IPF held its second session from 11-22 March 1996 in Geneva. Delegates conducted their first substantive discussions on six programme elements and completed initial consideration of the remaining six. During the final two days of the meeting, delegates considered the Co-Chairs' summaries. They labeled these transitional in nature to signify that the summaries did not represent negotiated text. Delegates agreed to begin negotiations at IPF-3 on items that had received substantive consideration at the second session, although another substantive discussion was scheduled on

### IN THIS ISSUE

A Brief History of the IPF .....	1
Report of IPF-4 .....	2
I. Implementation of UNCED Forest-Related Decisions.....	3
II. International Cooperation in Financial Assistance and Technology Transfer .....	5
III. Scientific Research, Forest Assessment and the Development of Criteria and Indicators .....	6
IV. Trade and Environment .....	7
V. International Organizations and Multilateral Institutions and Instruments .....	8
Closing Plenary .....	10
A Brief Analysis of IPF-4.....	10
Things to Look For .....	11

This issue of the *Earth Negotiations Bulletin* © <enb@iisd.org> is written and edited by Deborah Davenport <ddavenp@emory.edu>, Nabih Megateli <nmegateli@igc.apc.org>, Kira Schmidt <kiras@iisd.org> and Steve Wise <swise@igc.apc.org>. The Editor is Pamela Chasek, Ph.D. <pam@iisd.org> and the Managing Editor is Langston James Kimo Goree VI <kimo@iisd.org>. The sustaining donor of the *Bulletin* is the International Institute for Sustainable Development <reception@iisdpost.iisd.ca>. Specific funding for this volume is provided by the Canadian Forest Service. General support for the *Bulletin* for 1997 is provided by the Overseas Development Administration (ODA) of the United Kingdom, the Ministry of Foreign Affairs of Denmark and the Swiss Federal Office of the Environment. The authors can be contacted at their electronic mail addresses or at tel: +1-212-644-0204; fax: +1-212-644-0206. IISD can be contacted at 161 Portage Avenue East, 6th Floor, Winnipeg, Manitoba R3B 0Y4, Canada; tel: +1-204-958-7700; fax: +1-204-958-7710. The opinions expressed in *Earth Negotiations Bulletin* are those of the authors and do not necessarily reflect the views of IISD and other funders. Excerpts from the *Earth Negotiations Bulletin* may be used in other publications with appropriate citation. Electronic versions of the *Bulletin* are sent to e-mail distribution lists (ASCII and PDF format) and through the *Linkages* WWW-server at <http://www.iisd.ca/linkages/>. For further information on ways to access, support or contact the *Earth Negotiations Bulletin* send e-mail to <enb@iisd.org>.

the programme element on financial assistance and technology transfer. Delegates left Geneva satisfied that they had expressed national positions on a range of forest issues, but some were frustrated that their full positions were not adequately reflected in the report of IPF-2.

**IPF-3:** The IPF held its third session from 9-20 September 1996 in Geneva. Delegates undertook substantive discussions on all of the programme elements except for V.2 (legal mechanisms), where discussion only just got underway. The objective of IPF-3 was to produce a document containing elements to be considered for inclusion in the Panel's final report to the CSD. Delegates did not engage in negotiations or drafting of the elements at IPF-3, but made comments and proposed amendments to be negotiated at IPF-4. Some delegates regarded IPF-3 as a success in that it provided an opportunity for a meaningful exchange of views on the issues. Others expressed disappointment at the Panel's inability to reach the negotiating stage on any of the programme elements.

### REPORT OF IPF-4

IPF-4 opened on Tuesday, 11 February 1997, with statements from Co-Chairs Sir Martin Holdgate (UK) and Manuel Rodriguez (Colombia). Co-Chair Holdgate emphasized the time constraints the Panel faced in completing its work. Co-Chair Rodriguez urged concrete recommendations to address the problems facing the world's forests. He called for progress in international cooperation and trade and urged delegates to fulfill the Rio commitments on technology transfer and the provision of new and additional resources.

Nitin Desai, Under-Secretary-General for Policy Coordination and Sustainable Development, highlighted the Panel's progress on national forest programmes (NFPs), criteria and indicators (C&I), assessment, certification and eco-labelling, and institutional arrangements.

Co-Chair Holdgate introduced the document on Adoption of the agenda and other organizational matters (E/CN.17/IPF/1997/1), noting that the report of IPF-4 was supposed to be an agreed and negotiated text. The US, INDIA and PAPUA NEW GUINEA endorsed the Co-Chairs' proposal to use Elements of a draft report (E/CN.17/IPF/1997/3) as the basis for negotiation. The Plenary then adopted the agenda and programme of work.

Two speakers reported on the Intersessional Meeting of Indigenous and Other Forest-Dependent Peoples on the Management, Conservation and Sustainable Development of All Types of Forests, held in Leticia, Colombia, from 9-13 December 1996. COLOMBIA stated that the workshop focused on promotion of participation and legal frameworks for protection of indigenous lands and knowledge. The INTERNATIONAL ALLIANCE OF INDIGENOUS PEOPLES OF THE TROPICAL FORESTS (ALLIANCE OF INDIGENOUS PEOPLES) outlined proposals from the workshop on transparent and indigenous-designed mechanisms for financial assistance and technology transfer and a permanent UN forum for indigenous peoples.

JAPAN reported on the International Workshop on the Integrated Application of Sustainable Forest Management Practices held in Kochi, Japan, from 22-25 November 1996. The workshop focused on translating an international understanding of sustainable forest management (SFM) into practice and enriching the IPF process with field-level knowledge. The workshop report calls for a new multidisciplinary, stakeholder-driven and fully implementable culture for land-use planning, forest research and extension.

UGANDA reported on the Intergovernmental Workshop of Experts on Sustainable Forestry and Land Use: The Process of Consensus-Building, held in Stockholm from 14-18 October 1996. The workshop focused on consensus-building during the preparation of national forest and land-use plans and called for: a common vision and working definition of consensus; harmonization of sectoral with larger interests; training in consensus-building; secure property rights; proper forest valuation; and decision-making.

The EU, also on behalf of BULGARIA, CYPRUS, ESTONIA, HUNGARY, LITHUANIA, POLAND, ROMANIA, SLOVENIA and SLOVAKIA, stressed the need for a holistic approach that includes economic and development issues not adequately addressed by other conventions. A global forest convention would provide the appropriate framework and would ensure the implementation of the Forest Principles. He hoped for a unanimous recommendation to establish an Intergovernmental Negotiating Committee (INC) for a global forest convention.

The G-77/CHINA emphasized the need for new, innovative and additional financial and technical assistance as part of a comprehensive approach to forests. Anti-poverty programmes that ensure benefits to local communities and forest-dwellers are essential. Environmentally-sound technology should be made available on affordable terms and without intellectual property rights (IPR) restrictions. Interim arrangements should be considered for the implementation of IPF-recommended programmes during a long-term dialogue.

The REPUBLIC OF KOREA said forest partnership agreements (FPAs) and forest plantations hold promise for addressing natural forest depletion and called for mutually supportive trade and environment policies. ARGENTINA reported on the results of the third Conference of the Parties (COP) to the Convention on Biological Diversity (CBD). He noted the COP's decision (contained in E/CN.17/IPF/1997/8) to develop a focused work programme on forest biodiversity to complement work by the IPF and other fora, and the work programme's focus on research cooperation and techniques for the conservation and sustainable use of forest biodiversity. The CENTRE FOR INTERNATIONAL FORESTRY RESEARCH (CIFOR) proposed that the IPF improve forest research by establishing: a clearinghouse to guide research; research networks and consortia; mechanisms to assist capacity-building; and a mechanism to mobilize resources.

The CANADIAN PULP AND PAPER ASSOCIATION advocated the initiation of negotiations on a legally-binding forest convention, which could, *inter alia*: develop a common definition of SFM; encourage forest conservation; enhance coordination of international institutions; and encourage trade in forest products to facilitate development. SURVIVAL INTERNATIONAL expressed concern that governments' commitment to allow and encourage participation of major groups has begun to evaporate and may continue to erode. GREEN EARTH noted that discussions about a forest convention are premature and could formalize lowest-common-denominator forest management standards. IUCN called for a systematic effort to formulate enabling policies based on forest management experiences of indigenous and local communities, and for the integration of these efforts into any proposed institutional follow-up to the IPF.

On Tuesday and Wednesday, 11-12 February, the Panel met in Plenary to give general statements and exchange views on programme elements V.1. International organizations and multilateral institutions; and V.2. Legal mechanisms. Two working groups were formed on Thursday, 13 February to negotiate sections of the draft report. Working Group I, chaired by Sir Martin Holdgate focused on programme elements I. Implementation of UNCED forest-related decisions and III. Scientific research, forest assessment, and criteria and indicators. Working Group II, chaired by Manuel Rodriguez focused on programme elements II. Financial assistance and technology transfer and IV. Trade and environment. Contact groups chaired by Canada and Australia discussed primarily finance and trade issues and nomenclature, respectively, throughout IPF-4. The Plenary reconvened on Wednesday, 19 February, to exchange views and then negotiate draft texts on programme element V. The final text is divided into 12 programme elements and each section contains conclusions and proposals for action.

## **I. IMPLEMENTATION OF UNCED FOREST-RELATED DECISIONS AT THE NATIONAL AND INTERNATIONAL LEVELS, INCLUDING AN EXAMINATION OF SECTORAL AND CROSS-SECTORAL LINKAGES**

Working Group I negotiated all conclusions and proposals for action on implementation of forest-related decisions of UNCED at the national and international levels, including examination of sectoral and cross-sectoral linkages during the first week of IPF-4 and concluded a few remaining issues in the final Plenary on Friday, 21 February. Topics considered under this programme element include: progress through national forest and land-use programmes; underlying causes of deforestation and forest degradation; traditional forest-related knowledge; fragile ecosystems affected by desertification and drought and the impact of air-borne pollution on forests; and the needs and requirements of developing and other countries with low forest cover. Key issues of debate included: wording related to national forest programmes, sustainable forest management and interested parties to involve; the role of plantations and national goals or requirements for forest cover; and whether to be consistent with the CBD in language on benefit sharing or include new language specifying payments to holders of traditional forest-related knowledge.

**PROGRESS THROUGH NATIONAL FOREST AND LAND-USE PROGRAMMES:** Delegates and two contact groups conducted negotiations on action proposals on national forest programmes (NFPs) on Thursday, 13 February, and related conclusions on Friday, 14 February. The Panel recognized NFPs as important policy frameworks for the achievement of SFM and emphasized the need for appropriate participatory mechanisms to involve all interested parties and for decentralization and, where applicable, the empowerment of regional and local government structures. The Panel also recognized the need for NFPs to be based on sound economic valuation of forest resources, be iterative, respectful of national sovereignty and allow for consistency between national policies and international commitments.

All action proposals on ODA and donor assistance were referred to Working Group II discussions on financial assistance. Delegates adopted language proposed by a contact group chaired by Canada on the key elements and the definition of NFPs by incorporating, *inter alia*: US language on the wide range of approaches to SFM; consistency with sub-national policies; partnership mechanisms; secure land tenure arrangements for indigenous people and local communities; valuation; and ecosystem approaches that include biodiversity. JAPAN stressed the importance of including evaluation in all text referring to the implementation and monitoring of NFPs.

Another contact group chaired by Australia considered: inconsistencies and differences in describing groups to be included in language on participation; the use of "countries" instead of "governments;" and US proposals to replace "NFPs" with "national forest programmes," to delete all references to "other appropriate or relevant policy frameworks," and to employ "sustainable forest management (SFM)" instead of "the management, conservation and sustainable development of all types of forests." PERU, VENEZUELA and CANADA stated that the meaning of SFM is not yet clear. The ALLIANCE OF INDIGENOUS PEOPLES, with the support of the EU, NORWAY and COLOMBIA, suggested replacing "indigenous people, communities, or populations" with "indigenous peoples" and proposed adding "other forest-dependent peoples." BRAZIL and the G-77/CHINA replaced "indigenous peoples" with "indigenous people." The EU suggested adding references to "small forest owners" and "forest workers" while the US advocated the use of "forest dwellers" and "forest-related indigenous people" and the deletion of "forest workers."

Working Group I adopted contact group decisions to use: "countries" instead of "governments;" "sustainable forest management" and "national forest programmes" rather than their

acronyms; "indigenous people and forest-dependent communities," adding "forest owners and forest dwellers" where appropriate; "sustainable forest management" or "the management, conservation and sustainable development of all types of forests," depending on the context, the former referring to national-level action and the latter to international action.

Proposals for action in this section: encourage countries to implement, monitor and evaluate NFPs; call for improved cooperation in support of SFM around the world using NFPs as a basis for international cooperation; encourage countries to integrate suitable criteria and indicators (C&I) for SFM into NFPs; stress the need for adequate provision of ODA and, as possible, new and additional funding from the GEF and other appropriate innovative sources; urge countries to develop, test and implement participatory mechanisms and multidisciplinary research at all stages of the NFP planning cycle; encourage countries to elaborate planning systems including private and community forest management; encourage countries to establish national coordination mechanisms among all interested parties based on consensus-building principles; urged countries to include capacity-building as an objective of NFPs; and encourage countries to develop the concept and practice of partnership including forest partnership agreements (FPAs) in the implementation of NFPs.

**UNDERLYING CAUSES OF DEFORESTATION AND FOREST DEGRADATION:** Delegates negotiated action proposals on underlying causes of deforestation on Thursday, 13 February, and conclusions on Friday, 14 February, Thursday, 19 February, and in the closing Plenary. Delegates debated the action proposal on the need for case studies. Some objected to the US and EU proposal to delete the action proposal and agreed to AUSTRALIA's amendments for countries to prepare, as appropriate, in-depth studies and to use a diagnostic framework.

After debate on the role of forest plantations in SFM, delegates adopted NEW ZEALAND's language on plantations as an element of SFM and as a complement to natural forests, replacing text presenting plantations as a tool for taking pressure off natural forests. The US questioned why national strategies to address underlying causes should include defining policy goals for national forest cover, but the action proposal urging countries to do so was retained. Language supporting the CBD's work on underlying causes of biodiversity loss was added by SWEDEN, CANADA and NORWAY, following a suggestion by GREENPEACE INTERNATIONAL. In the conclusion that lists causes of deforestation, IRAN, supported by COLOMBIA, proposed deleting "oil exploitation" while GABON retained this reference with the Co-Chair's formulation: "oil exploitation in forested countries, not conducted in accordance with appropriate national legislation."

The final document contains action proposals on: in-depth studies of the underlying causes of deforestation and forest degradation at the national and international levels and a global workshop on international causes; comprehensive analysis of the historical perspective of the cases of deforestation in the world; use of a diagnostic framework in order to identify underlying causes of deforestation, to develop and test the usefulness of the framework as an analytical tool in assessing options for forest utilization and to apply, refine and disseminate results; information collection on transboundary pollution; assessment and sustainability of wood supply and demand; the role of forest plantations; national strategies to address underlying causes of deforestation and, if appropriate, to define policy goals for national forest cover; mechanisms to improve policy formulation and coordination; policies for securing land tenure and participation; the need for timely and accurate information; integrated policy approaches; UNDP and donor assistance; and support for the CBD work programme for forest biological diversity.

**TRADITIONAL FOREST-RELATED KNOWLEDGE:** Working Group I conducted initial negotiations on traditional forest-related knowledge (TFRK) on Friday, 14 February. There was considerable debate on how to refer to the holders of TFRK

and whom to specify in participation mechanisms and benefit-sharing in the use of TFRK. The US recommended replacing "indigenous people, forest dwellers, forest owners and local communities" with "indigenous and local communities embodying traditional lifestyles" in actions on: identification of TFRK; participation; enhancement of capacity; and digital and social mapping. The EU urged retaining the reference to forest owners. A nomenclature contact subgroup initially proposed "forest-related indigenous people and other forest-dependent people embodying traditional lifestyles." The ALLIANCE OF INDIGENOUS PEOPLES disagreed with classifying and categorizing "Indigenous Peoples." After continued informal discussions, delegates agreed to say "indigenous people and other forest-dependent people who possess traditional forest-related knowledge."

On ways to inventory TFRK, COLOMBIA, GABON and DENMARK proposed language formulated by the ALLIANCE OF INDIGENOUS PEOPLES on free and prior informed consent of TFRK holders, that TFRK holders participate in identification of TFRK benefit-sharing, but UGANDA, the US and VENEZUELA objected. A contact group was formed to resolve this issue and language from VENEZUELA, the US and the G-77/CHINA qualifies final action proposals on the participation of TFRK holders and benefit-sharing with references to the context of each country's national legal system. On action proposals to rehabilitate TFRK, delegates incorporated language proposed by the ALLIANCE OF INDIGENOUS PEOPLES on the cultural survival of indigenous people. The G-77/CHINA added language calling on countries to promote practical approaches to credit, recognize and reward TFRK holders in an action proposal for technical guidelines on TFRK application.

CANADA added an action proposal to consider decisions made in the third COP of the CBD, particularly on Article 8(j). A contact group added reference to the importance of collaboration between relevant international bodies, especially the CBD, and TFRK holders in an action proposal on forest biodiversity.

At BRAZIL's suggestion, delegates requested a compilation of legislation on TFRK and benefit-sharing from the UN Secretary-General, in collaboration with the CBD Secretariat. CANADA added an action proposal inviting the World Intellectual Property Organization (WIPO), together with UNCTAD, to advance international understanding of the relationship between IPR and TFRK. CANADA and the G-77/CHINA added language on means of combating illegal international trafficking in forest biological resources.

On policy and legal frameworks, the US added "and/or other protection regimes" after IPR while the EU changed "international and national" to "appropriate" levels. SWITZERLAND added an action proposal encouraging studies of national IPR and TFRK regimes.

On the conclusion on locating valuable new products, COLOMBIA inserted "prior" before informed consent. The EU, US and NORWAY objected to G-77/CHINA language on "payment of royalty on IPR" and NORWAY, supported by AUSTRALIA and CANADA, noted that IPR is not a defined concept and the Panel should instead be consistent with CBD language on "the fair and equitable sharing of benefits arising from the use of TFRK." The G-77/CHINA's alternative proposal to substitute "and appropriate payment to indigenous people and relevant local communities based on their IPR" was also rejected. Delegates adopted the Co-Chair's formulation that reflects divergent views and uses CBD language on benefit-sharing, "which many countries consider should incorporate appropriate payment."

Delegates had a similar debate on a new proposal for action to develop mechanisms for benefit-sharing that was referred from Working Group II based on the understanding that it would be better incorporated in Working Group I's work on IPR and TFRK. The debate again focused on remaining consistent with the CBD and whether to specify economic compensation or payment in benefit-sharing with TFRK holders. CANADA, supported by

NORWAY, the US, NEW ZEALAND and the EU, rejected the G-77/CHINA's proposal to add language "to ensure mechanisms to provide payments" and "economic" benefits because this language is not consistent nor as broad as CBD language on securing benefit-sharing. The US insertion of benefit-sharing "including payments where appropriate" was adopted.

The final document contains action proposals on: incorporation of CBD COP decisions; international understanding, identification and maintenance of TFRK; frameworks to support IPR application; measures to rehabilitate and protect TFRK; participation and enhancement of the capacity of TFRK holders to participate; the bringing together of practical experience with benefit-sharing; recognition of traditional resource use systems; linkages between traditional and national SFM systems; ways to inventory, retrieve and protect TFRK; TFRK research; incorporation of TFRK in forest management training; networks for promoting TFRK sharing on mutually agreed terms; digital and social mapping; a WIPO study and country pilot studies on the relationship between IPR and TFRK; a compilation of international instruments and national legislation on TFRK; and mechanisms to ensure fair and equitable benefit-sharing.

**FRAGILE ECOSYSTEMS AFFECTED BY DESERTIFICATION AND DROUGHT:** Delegates negotiated conclusions and action proposals on fragile ecosystems affected by desertification and drought on Friday, 14 February. On national and international action, the US added reference to dryland programmes and JAPAN added reference to an integrated SFM approach. ECUADOR extended action urging the establishment of protected areas to all areas affected by drought. TURKEY added reference to extension systems to text urging support for education, training and research. In a paragraph on strengthening partnerships, SWITZERLAND substituted "sustainable management and regeneration of natural vegetation" for action on desertification and drought. To an action proposal inviting the Convention to Combat Desertification (CCD) to research dryland trees, the G-77/CHINA added water management and delegates substituted plants for trees.

The final document calls for: national and international action to address complex dryland forest issues; analysis of past experiences; monitoring of trends in forests affected by desertification and drought; establishment of protected areas; support for education, training and participatory research; and invitation of the CCD to support research on arid plants, non-timber forest products and rehabilitation.

**IMPACT OF AIR-BORNE POLLUTION ON FORESTS:** Working Group I agreed to proposals for action and conclusions on the impact of air pollution on forests on Friday, 14 February. On adopting a preventative approach, the G-77/CHINA added language on strengthening international cooperation. "Binding agreements" was deleted and "as appropriate" added in an action proposal urging countries to consider entering into international agreements. The final document calls for: adoption of a preventative approach; cooperation for building scientific knowledge; regional programmes to monitor air pollution impacts; C&I for air-borne pollutants; and consideration of entry into international agreements.

**NEEDS AND REQUIREMENTS OF DEVELOPING AND OTHER COUNTRIES WITH LOW FOREST COVER:** Delegates agreed to action proposals and conclusions on the needs and requirements of countries with low forest cover on Friday, 14 February. On an action proposal calling on FAO to develop precise definitions of low forest cover, the US added language to also ensure the development of "workable definitions" of low forest cover. On an action proposal for developing countries and countries with economies in transition to embark in national capacity-building, delegates broadened language to include capacity-building at subnational and local levels. Delegates rejected a US move to delete a reference to requirements for national forest estates in an action proposal calling for low forest cover countries to seek long-term security of forest goods and services. On forest

plantations, the EU added text on native species and avoiding the replacement of natural ecosystems. The G-77/CHINA added an action proposal calling on developing countries to lead reforestation and conservation efforts by involving interested parties. After delegates debated action on "greening the world," they adopted US language on expanding forest cover.

The final document calls for: the FAO to develop a workable and precise definition of low forest cover; NFPs and requirements for a permanent forest estate; forest plantations; regeneration of degraded forests; consideration of social, economic, environmental and cost and benefit issues; protected area networks; capacity-building at multiple levels; and development of research and information systems.

## **II. INTERNATIONAL COOPERATION IN FINANCIAL ASSISTANCE AND TECHNOLOGY TRANSFER**

Negotiations on proposals for action on financial assistance and technology transfer began in Working Group II on Thursday, 13 February and continued on Friday, 14 February. After a first exchange of views, the debate continued in contact group meetings over the weekend and throughout the following week. Final agreement on text was reached on Thursday, 20 February on most proposals for action, with the last few resolved in the final Plenary session. An exchange of views on conclusions took place in Working Group II on Wednesday, 19 February. Since there was insufficient time for full negotiation on conclusions, the Chair explained that comments would be incorporated into a non-negotiated text reflecting delegations' views.

Topics considered under this programme element include: strengthening financial assistance; enhancing private sector investment; enhancing national capacity and coordination; enhancing international cooperation; technology transfer and capacity-building; and information systems.

**FINANCIAL ASSISTANCE:** The question of whether to use language from the Forest Principles surfaced several times. The G-77/CHINA called for a chapeau to the section that would recall the Forest Principles. As a result, the agreed final version of this section begins with an action proposal for new and additional financial resources to be provided to enable management, conservation and development of developing country forest resources, and refers to the Rio Declaration and relevant chapters of Agenda 21.

GABON's proposal for new language calling on developed countries to find solutions to developing country debt led to a new action proposal that notes progress in debt relief and urges the international community to continue to implement measures aimed at durable solutions to debt and debt-servicing problems of developing countries.

BRAZIL's proposal to recommend the establishment of an international fund was deferred to the final Plenary. Delegate opposition focused on a lack of consensus on the need for a fund (US); the late timing of the proposal, which would make deferral in the context of convention negotiations more appropriate (CANADA); and the need for further study before its consideration (the EU). The agreed action proposal lists three options: reflecting countries' differing positions: to invite international discussion; to urge the establishment of the fund; or to pursue other actions to enhance funding.

Proposals for action in this section: call for new and additional financial resources; urge recipient countries to prioritize forest activities and donors to increase ODA to forests; request the international community to work with developing countries to identify needs for SFM and required and available resources; call for support for improved forest programmes and for related activities in international institutions including concessional lending; invite exploration of innovative ways to use existing financial mechanisms and generate new and additional forest-specific public and private financial resources; recognize the

importance of increasing resources available and the continuation of various measures aimed at solutions to debt problems; and note discussion of an action proposal for an international fund to support forest activities in developing countries.

**PRIVATE SECTOR INVESTMENT:** During the debate, the US deleted references to full-cost pricing and to tax breaks as incentives for overseas investment. Language was changed to focus on the lead role of the private sector in formulating voluntary codes of conduct. A new action proposal on reinvestment of revenues was modified by the US to "invest financial resources" generated from forest activities in SFM. Language limiting countries' actions "within their respective legal frameworks" was added to action proposals on investment, reinvestment and voluntary codes of conduct.

The final document urges countries to encourage: private sector efforts to "formulate, in consultation with interested parties, and implement voluntary codes of conduct" towards SFM; investment in SFM of private sector financial resources generated from forest activities; and reinvestment of revenues from forest goods and services into their source forests. It invites developing countries to promote policies and regulations for attracting investment for SFM and urges developed-country incentives to encourage private sector overseas investment in SFM.

**ENHANCING NATIONAL CAPACITY AND NATIONAL COORDINATION:** US objections to nomenclature on NFPs resulted in contact group consultations and inclusion of US amendments specifying that "recipient" countries should establish NFPs based on priority needs and that donors should "support" rather than "finance" national initiatives aimed at creating "national forest programmes and policy frameworks" in developing countries.

The G-77/CHINA proposed a sub-paragraph on donor support for capacity-building within the context of the Forest Principles, which was debated but not agreed.

The final document's proposals for action call for: recipient countries to establish country-driven NFPs and donor support for them; development and employment of market-based and other economic instruments; enhancement of community financing and local investments; and recipient country identification of national authorities for in-country coordination.

**ENHANCING INTERNATIONAL COOPERATION:** A draft action proposal on provision of information was deleted while one on coordination among UN organizations was moved to programme element V. Delegates did not accept a proposal by GABON on the adequacy of resources mobilized in an action proposal on adequacy of forest programmes.

The final document proposes actions for: enhanced coordination among donors and international instruments; exploration of indicators for monitoring and evaluating the adequacy and effectiveness of forest programmes and projects supported by international cooperation; and exploration of the feasibility of innovative financial initiatives to support NFPs.

**TECHNOLOGY TRANSFER AND CAPACITY-BUILDING:** The G-77/CHINA added a new action proposal on promoting, facilitating and financing access to and transfer of environmentally sound technologies within the context of Agenda 21 and the Forest Principles. A proposal by the US to recognize countries' ongoing efforts by urging them "to continue" these activities was withdrawn. The G-77/CHINA called for assessment of national technological "capabilities." Based on a suggestion by the ALLIANCE OF INDIGENOUS PEOPLES, the EU added a new action proposal on supporting indigenous people and other forest-related communities by funding SFM projects, capacity-building and information dissemination and by supporting their direct participation in forest policy dialogue and planning. The G-77/CHINA added a new action proposal on inventories of most appropriate technologies and most effective methods of technology transfer.

The final document contains action proposals on: promotion of technology transfer in accordance with language from the Forest Principles and Agenda 21; assessment and identification of national technological requirements and capabilities consistent with NFP priorities; strengthened North-South, South-South, and North-South-South cooperation in forest-related technology transfer; policies and incentives that encourage development and use of environmentally sound technologies; greater emphasis on capacity-building in NFPs, international cooperation programmes and dissemination and adaptation of technologies; support for indigenous people, local communities, other inhabitants of forests, small-scale forest owners and forest-dependent communities; and inventories of appropriate forest-related technologies and methods for their transfer to developing countries.

**IMPROVING INFORMATION SYSTEMS:** The EU objected to "new and additional financial resources" in the list of activities supported by improved information systems, but the language was retained. A new action proposal invited a list of international agencies and organizations to facilitate the provision of information, to which the EU added the CBD Secretariat.

The final document: calls for international action to develop improved information systems that support a range of activities; urges establishment of mechanisms for interpretation and dissemination of information, including through electronic means; and invites international organizations to facilitate the provision of a better information flow including through the establishment of specialized databases.

### **III. SCIENTIFIC RESEARCH, FOREST ASSESSMENT AND THE DEVELOPMENT OF CRITERIA AND INDICATORS FOR SUSTAINABLE FOREST MANAGEMENT**

Working Group I negotiated text on assessment, research, valuation and criteria and indicators (C&I) on Tuesday, 18 February, continuing consideration of C&I on Wednesday, 19 February. Delegates agreed to these sections with relatively little debate in the Working Group. The final Plenary adopted both conclusions and proposals for action without discussion.

**ASSESSMENT OF THE MULTIPLE BENEFITS OF ALL TYPES OF FORESTS:** The final document encourages countries to integrate national C&I into assessments, including qualitative indicators where appropriate, and to improve forest resource assessment and analysis capacity. It requests the FAO to: prepare an implementation plan for FRA (Forest Resource Assessment) 2000; implement FRA 2000 in collaboration with international organizations, countries and others; and define key assessment terms. Countries are urged to begin a consultation process with all interested parties at national, subnational and local levels to identify the full range of societal benefits from forests, considering the ecosystem approach.

**FOREST RESEARCH:** The final document requests the CIFOR, in collaboration with relevant organizations and an experts group, to develop possible mechanisms to: guide identification of global and eco-regional interdisciplinary research problems; promote consortia or networks to lead and organize research and ensure availability of results; build global research capacity; and mobilize resources. The document: calls on the CBD, the Framework Convention on Climate Change and CCD to promote research and analysis; urges the UN system, international financial institutions and countries to examine the need to expand existing research capacity and, where appropriate, to establish new research, development and extension centres; and encourages countries and regional and international research organizations to extend and prioritize on-site research and application of its results.

**VALUATION METHODOLOGIES:** In Working Group I's debate of this section, delegates accepted a US proposal to delete language encouraging mechanisms to deal with the distribution of economic rent as a means of improving SFM.

The final document encourages countries to use available methodologies to provide improved valuation of all forest goods and services and allow more informed decision-making on alternative forest programmes and land-use plans. It notes that present methodologies do not address the wide range of forests' benefits, and that economic valuation cannot substitute for the political decision process, which includes environmental, socioeconomic, ethical, cultural and religious concerns. The decision requests international organizations to prepare a comprehensive document on available methodologies and required data sets, especially to evaluate goods and services not traded in the marketplace. It invites the promotion of research to further develop methodologies, particularly related to deforestation and forest degradation, erosion and C&I.

**CRITERIA AND INDICATORS:** Delegates debated the proper relationship between C&I at national and other levels in several action proposals. They also considered the appropriateness of seeking common C&I to use on the global level. A lengthy discussion of a bracketed action proposal on "global reference criteria" as a "common denominator" drew calls for deletion from the G-77/CHINA, the US, NEW ZEALAND, BRAZIL and COLOMBIA. CANADA, AUSTRALIA and the EU wanted to retain or amend the text. The final document recommends that the FAO and participants in regional and international initiatives draw on commonalities between C&I developed by the initiatives, and that FAO and others use C&I to improve consistency in reporting on forest assessment and SFM. Delegates agreed to a conclusion calling for consistency in the methodology applied to global forest assessment, but indicated that the Panel had divergent views on the merits of a core set of C&I at the global level.

The EU proposed seeking an international consensus on various aspects of C&I. The US preferred to seek a common understanding and similarities between different sets of C&I, but not "mutual recognition and convergence." The final decision urges efforts to achieve a common international understanding on: concepts and definitions to formulate C&I; indicators for forests in similar ecological zones; the mutual recognition among sets of C&I as tools for assessing trends in forest management and national conditions; and transparent methods for measurement of indicators.

In debate on the use of C&I, the US, NEW ZEALAND, GABON and the REPUBLIC OF KOREA said that it was inappropriate to say that C&I could be considered to facilitate certifying forest management, noting that certification and C&I are distinct and that certification is not well understood. AUSTRALIA and the EU proposed that C&I could be used in "voluntary certification." The final document urges countries to promote, as appropriate, use of internationally, regionally, sub-regionally and nationally agreed C&I as a framework for promoting best forest practices and in facilitating SFM with the full participation of interested parties, and, where appropriate, to clarify links between national and subnational or forest management unit/operational levels, promoting compatibility of C&I at all levels.

The final document also encourages countries to prepare, through a participatory approach, national-level C&I and, cognizant of specific country conditions and based on internationally and regionally agreed initiatives, to implement them. It encourages countries not yet participating in international and regional C&I initiatives to become involved. Donor countries and multilateral and international organizations are urged to provide adequate technical and financial assistance to developing countries and economies in transition for this involvement. The IPF also requested that the CBD COP take note of the various C&I initiatives to ensure that CBD work on biodiversity indicators is consistent and complementary.

#### IV. TRADE AND ENVIRONMENT IN RELATION TO FOREST PRODUCTS AND SERVICES

Working Group II conducted initial negotiations on proposals for action on Friday, 14 February and Tuesday, 18 February. Delegates continued negotiating contentious issues in a contact group throughout the second week and in the closing Plenary. They exchanged views on conclusions on Thursday, 20 February. The final document contains action proposals on: market access; relative competitiveness; lesser used species; certification and labelling (C&L); full-cost internalization; and market transparency.

**MARKET ACCESS:** The final document proposes: studying trade-related measures' impacts; undertaking measures to improve market access; implementing voluntary private sector codes of conduct; considering options on a possible agreement on trade in forest products; and removing unilateral measures.

On improving market access, delegates accepted a US proposal to replace "WTO members" with "countries." A G-77/CHINA proposal to add language that environmental measures should not lead to disguised non-tariff trade barriers was not accepted. The final text recommends: reducing tariff and non-tariff barriers; promoting mutually supportive trade and environment policies; and avoiding conflict between forest-product trade measures and international obligations.

The G-77/CHINA, supported by MALAYSIA and BRAZIL, supported language on exploring a possible agreement on trade in forest products and extending the concept of ITTA's Objective 2000 to all types of forests. The US, supported by the EU, NEW ZEALAND, the REPUBLIC OF KOREA and CANADA, proposed alternative language inviting countries and international organizations to take note of the 1994 International Tropical Timber Agreement (ITTA) and the commitment made by ITTO members to review the scope of this agreement in 1997. CANADA stated that consumer member countries of the ITTO have already stated a corresponding commitment to SFM. BRAZIL said a forest products agreement would level the playing field between countries with tropical forests and those with boreal and temperate forests. MEXICO and MALAYSIA stressed that any future mechanism must explore the possibility of giving balanced treatment to forest products from all types of forests. Delegates could not reach consensus on this item because some countries argued that an additional agreement on trade in forest products is unnecessary given the ITTA, the 1997 review and the parallel consumer statement, while others wanted a new agreement to cover more than tropical timber. The final document explains that, without reaching consensus, delegates discussed the following options: noting the ITTA 1994; exploring extension of the concept of Objective 2000 for all types of forests; exploring a possible agreement on trade in forest products; examining further initiatives on trade liberalization within the WTO; exploring within an INC possibilities to promote SFM and trade in forest products in an international, comprehensive, legally-binding instrument on all types of forests.

Delegates conducted extensive debate on removing unilateral bans and boycotts. The EU, supported by JAPAN, proposed removing trade-restrictive measures when inconsistent with international agreements. The G-77/CHINA, supported by MALAYSIA, insisted on retaining a reference to bans and boycotts imposed by local governments. The US noted that trade measures may be an effective and appropriate means of addressing environmental concerns. The final text notes that the Panel considered the relationship between international trade obligations and national measures, including actions imposed by subnational jurisdictions, but was unable to reach consensus. It lists proposed options on: removing all unilateral measures to the extent that they are inconsistent with international agreements; removing all unilateral bans and boycotts inconsistent with international trade rules; and observing that these matters should be considered in fora with competence in trade issues.

**RELATIVE COMPETITIVENESS:** One proposal for action recommends economic studies of potential competition between wood and non-wood substitutes. JAPAN deleted references to competition between different forest products and products from different regions of origin. An additional proposal calls for support for developing countries to increase productivity and efficiency in downstream processing. The US replaced "promote" with "support, where appropriate," community-based processing and marketing of forest products.

**LESSER USED SPECIES:** Delegates adopted proposals for action on: intensifying efforts to promote lesser used species; implementing policies for utilization of economically viable lesser used species; and transferring technology and supporting efforts to develop and adapt technologies to increase utilization of the species.

**CERTIFICATION AND LABELLING:** Delegates agreed on proposals to: consider the potentially mutually supportive relationship between SFM, trade and voluntary certification and labelling (C&L); assist developing country efforts; apply concepts such as open access, non-discrimination and cost-effectiveness; conduct further study; consider the CIFOR C&I project; bring current trends into perspective; and exchange information.

On the relationship between SFM, trade and C&L, the G-77/CHINA 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. The language was not accepted. SWITZERLAND, supported by CANADA, 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 replaced the reference to the Technical Barriers to Trade (TBT) Agreement with "international obligations" because many C&L schemes are private and thus not covered under WTO rules.

On assistance to developing countries, the US recommended replacing support for measures "relating to voluntary C&L" with "enhancing assessment capabilities regarding trade of sustainably produced forest goods and services." INDONESIA proposed measures relating to enhancing developing countries' capacity regarding trade that may be undertaken through C&L. Delegates agreed to "enhance capacity of developing countries in relation to voluntary C&L."

Delegates debated application of the concepts of "equivalent standards and mutual recognition" at length. The G-77/CHINA said that "mutual recognition" is very important to developing countries. The US transferred the reference to the action proposal on aspects requiring further study. AUSTRALIA added the concept of transparency. The US emphasized applying credibility to certification by separating it from a clause on open access and non-discrimination. Other concepts that delegates agreed should be applied to certification include: non-deceptiveness; cost-effectiveness; participation; and SFM.

On further studies, the need to take account of C&I frameworks was reformulated, based on a US proposal, to study the "relationship between various C&I frameworks and certification." The US, supported by AUSTRALIA and JAPAN, proposed deleting a reference to the potential role of governments in developing, implementing, promoting and mutually recognizing C&L schemes, but the EU and SWITZERLAND objected. CANADA opposed a US proposal to delete further study on accreditation. Delegates agreed to add accreditation processes to a clause on monitoring practical experience with certification. The IPF accepted new clauses from the G-77/CHINA on the needs of countries with low forest cover and on the impact of certification schemes on relative competitiveness. In a clause on bringing current trends into perspective, delegates agreed to replace "equivalency and mutual recognition of standards" with the

EU-proposed “comparability of standards and avoidance of duplication of efforts.”

Delegates conducted extensive debate on the conclusions on C&L. A call for further study of the “feasibility of country certification” was replaced with “feasibility and credibility of certification at different levels” in a conclusion on putting international attention to C&L into perspective. Delegates deleted language stating that the Panel did not endorse the concept of country certification from a conclusion on the role of governments. The EU, the US and NEW ZEALAND deleted bracketed text emphasizing that certification should apply at the forest management unit level. These countries also advocated deleting language stating that certification should observe sovereignty and be transparent, but the G-77/CHINA objected. The sovereignty language appears in the final conclusion. Delegates debated the role of governments at length, with the G-77/CHINA stressing that developing countries strongly support the role of government in certification schemes. Based on proposals by the EU and the US, the final conclusion states that governments have a role in “encouraging” rather than “ensuring” transparency, full participation, non-discrimination and open access to certification schemes.

**FULL-COST INTERNALIZATION:** Delegates agreed on proposals to: explore full-cost internalization; undertake analyses of implications for development costs and SFM; and encourage sharing of information and experiences on implementation. 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.”

**MARKET TRANSPARENCY:** Delegates agreed to action proposals to expand work on market transparency, including possible development of a global database, and to provide an assessment on illegal trade in forest products.

On the assessment of illegal trade, the US recommended that it be undertaken by an independent group of experts and added that it should incorporate information from all relevant sources and major groups. The G-77/CHINA proposed that countries provide an assessment and other relevant information. BRAZIL noted that existing studies and discussions seem to target specific countries as illegal traders. He stressed that it is illegal harvesting rather than illegal trade that must be countered, and thus it is enforcement of domestic legislation rather than formulation of new international regulations that should address this problem. Countries can therefore share information describing their own enforcement. The EU proposed that the assessment by countries be provided “to the UN Secretary-General,” to which the G-77/CHINA replied “nice try.” INDIA said this would be a serious infringement on national sovereignty and reminded delegates that there are two sides to illegal trade, one where timber is harvested and the other where it is consumed. Delegates accepted the G-77/CHINA formulation and an EU-proposed insertion on “considering measures to counter such illegal trade.”

## **V. INTERNATIONAL ORGANIZATIONS AND MULTILATERAL INSTITUTIONS AND INSTRUMENTS, INCLUDING APPROPRIATE LEGAL MECHANISMS**

Delegates debated two sub-elements within this programme element during the course of IPF-4. Co-Chair Rodriguez introduced discussion on programme element V, International Organizations and multilateral institutions and instruments, including appropriate legal mechanisms, in the afternoon Plenary on Tuesday, 12 February. Joke Waller-Hunter, Director of the Division for Sustainable Development, introduced the Secretary-General’s report on programme element V.1, International organizations, multilateral institutions and instruments (E/CN.17/IPF/1997/4). This report provides information on the work undertaken by members of the Inter-Agency Task Force on Forests (ITFF) under

each programme element and ITFF recommendations on coordination of international organizations’ activities.

Waller-Hunter also introduced the Secretary-General’s report on programme element V.2, Contribution to consensus-building towards the further implementation of the Forest Principles (E/CN.17/IPF/1997/5). This report gives information on different modalities for an intergovernmental policy forum following the IPF and on proposals for legal mechanisms.

Countries gave statements on these documents in Plenary sessions on Tuesday and Wednesday, 13-14 February. On Wednesday and Thursday, 19-20 February, delegates commented on a draft text based on the initial statements. A revised draft was presented to the Plenary on Friday, 21 February and agreement was reached on final amendments. This final draft combined V.1 and V.2 into a single set of conclusions and action proposals.

On V.1, International organizations and multilateral institutions and instruments, the EU highlighted the importance of improving institutional structures, coordinating approaches and filling gaps in a range of areas. UGANDA, GABON, PERU, CUBA, CONGO, the EU, the US, MALAYSIA, AUSTRALIA, NEW ZEALAND and COLOMBIA expressed support for the continuation of the ITFF. The US favored expansion of the ITFF and coordination of the governing bodies of international institutions and instruments on forests. COLOMBIA stated that coordination with other conventions is fundamental. PERU said the ITFF should provide specific proposals and work on capacity-building. SWITZERLAND said the ITFF should: seek concerted action on NFPs; identify pilot initiatives through partnerships; study policy frameworks to integrate IPR with TFRK; and explore means to strengthen research. The EU said the ITFF should be an informal and flexible body, while the US emphasized transparency and participatory processes.

PERU stressed the need to identify gaps and overlaps in international organizations and, with CONGO, INDONESIA, PERU and GREENPEACE INTERNATIONAL, emphasized the need for improved coordination of existing agreements related to forests before initiating negotiations on a convention. BRAZIL noted that gaps in institutions and instruments do not imply a need for a convention or an INC now, but instead a need for improved coordination and communication. The FAO recommended close examination of the roles of existing forest-related organizations before deciding to form a new one.

In commenting on the draft text based on earlier statements, the EU amended an action proposal on the ITFF with language calling on “appropriate international institutions and organizations involved to continue their work under the chairmanship of FAO as task manager for chapter 11 of Agenda 21.” The G-77/CHINA added a focus on the IPF’s action proposals and said that the ITFF should seek further coordination and explore means of collaboration and action. JAPAN, with CANADA, highlighted potential membership of CIFOR in the ITFF to coordinate scientific research. AUSTRALIA added that the ITFF “should support ongoing intergovernmental dialogue.” After further debate, delegates accepted an EU proposal to delete a set of subparagraphs listing actions for the ITFF and the US and EU’s language on the ITFF working with international organizations “in accordance with their respective mandates and comparative advantages.” The final document calls for appropriate international institutions and organizations to continue their work in an informal, high-level ITFF under the chairmanship of FAO. The continued ITFF should undertake coordination and explore collaboration and action in support of any continued intergovernmental dialogue.

On V.2, appropriate legal mechanisms, several delegations highlighted the need for a continued international policy forum on forests. Many countries recommended that this body be under the auspices of the CSD. SENEGAL suggested that it be put under the auspices of FAO. COLOMBIA said it should be permanent, have a Secretariat similar to that of the IPF and be financed by voluntary contributions.

AUSTRALIA called for an *ad hoc* high-level intergovernmental forum that should report by 1998 on a legally-binding instrument and by 2000 on other work. GABON and SENEGAL said its timetable should not extend beyond 2000. BRAZIL specified that the forum should analyze all possible alternatives, including the possibility of a convention, and should not be limited by a specific time frame. CHINA said the terms of reference should include issues pertaining to a future legal mechanism. VENEZUELA said a forum should build consensus on a legal instrument.

The US said it would be useful to have a forum to monitor and report on progress in implementing IPF recommendations. NORWAY emphasized the need to maintain momentum created by the IPF process by establishing a framework for continued international dialogue on forests with clear objectives and timetables and, with COLOMBIA, continuing to build consensus on issues which require further discussion. The LATIN AMERICAN FOREST NETWORK said equitable participation in the forum should be ensured.

A number of delegations supported action toward a forest convention, including CANADA, the EU, INDONESIA, MALAYSIA, the PHILIPPINES, PAPUA NEW GUINEA, CHINA, COSTA RICA, POLAND, the FOREST ALLIANCE OF BRITISH COLUMBIA and the CANADIAN PULP AND PAPER ASSOCIATION.

CANADA specified that negotiations should be finalized by 2000 and that the main issues for an INC could include: creation of a permanent global governance structure that provides for effective participation of major groups; creation of rights and obligations in achieving SFM; elaboration of modalities for enhanced international cooperation and improved efficiency and coordination of assistance; and establishment of means for national reporting on progress in achieving SFM and for monitoring compliance.

The EU proposed that the IPF recommend the establishment of an INC by no later than 2000 and said a global forest convention could cover, *inter alia*: C&I; inventory and valuation of forests; environmental impact assessment; the special needs of developing countries and the rights of indigenous people, local communities and small forest owners; TFRK; international cooperation on funding and technology transfer and capacity-building; and scientific research.

POLAND said the current momentum toward consensus on the need for a convention should not be lost, and a forest convention would facilitate implementation of related conventions. INDONESIA noted the need for agreement on an appropriate mechanism for achieving SFM before discussing the path towards this goal and expressed support for starting the process of discussion on a convention. The PHILIPPINES underscored the need to balance all forest values in developing a convention.

MALAYSIA reaffirmed interest in a legal framework in the short term if it includes: reference to the Forest Principles and Agenda 21; treatment of issues including the comprehensiveness of ITTA commitments; finance and technology transfer; and a holistic treatment of forest-related issues such as biodiversity. COSTA RICA said a forest convention should address the problems of poverty, debt servicing, declining terms of trade and overexploitation of natural resources. ARGENTINA recommended establishing a working group of legal and technical experts under the ECOSOC, followed by an INC for a convention to combat deforestation and forest degradation.

A number of delegations and NGOs said a legally-binding instrument on forests is premature. The US said a convention might serve as an excuse not to take action to solve problems on the ground or implement existing agreements and initiatives, could lead to a lowest common denominator result, and should not be negotiated at this time. He highlighted that several initiatives to promote national implementation of SFM have been launched that require time to mature before the need for a new convention can be adequately assessed.

NEW ZEALAND said no consensus currently exists in support of a convention, and that it might not be the most cost-effective approach. TURKEY said the need for an instrument should be kept under review until further consensus is reached. NORWAY said there could be advantages to a convention if consensus can be reached, but differing views on a convention cannot hamper progress on substantive issues. ZIMBABWE stated that attempting to debate the relative merits of a convention could detract from a necessary focus on implementing the IPF's proposals for action. UGANDA said the IPF should focus on developing an action programme before discussing a convention.

JAPAN and CUBA stressed that prior to initiating negotiations on a legally-binding instrument, its objectives and scope must be thoroughly discussed and full consensus on the need for a convention must be achieved. AUSTRALIA said it is yet to be convinced of the need for a global legal instrument.

INDIA said adding layers of international regulation will require a detailed, transparent debate that should not be rushed or restricted in duration. He reserved judgment on global regulation of managing sovereign forests. MEXICO, the G-77/CHINA, COLOMBIA, BRAZIL and MALAYSIA said that any future instrument must address all types of forests.

IUCN said the progress of international discussions on forests has been insufficient to provide a solid foundation for elaborating provisions for a convention. The LATIN AMERICAN FOREST NETWORK expressed concern about a lack of political will to provide adequate financial resources to ensure an effective participatory process in formulating such an instrument. CONGO noted that given gaps in existing instruments, a forest convention may be advantageous, but he questioned whether a convention would be a panacea for SFM or would provide adequate financial means.

In the final debate on the recommendation on intergovernmental action to continue the policy dialogue, delegates considered whether a specific decision and date for a process toward a legally-binding instrument were appropriate. The US proposed deleting text that a forum should prepare the basis and build necessary consensus for a decision to negotiate and elaborate possible elements of a legally-binding instrument, reporting in 1999. He suggested alternative language that would consider the need for other arrangements and mechanisms, including legal arrangements, reporting at the appropriate time in the CSD's work programme. NORWAY, supported by CANADA but opposed by MALAYSIA, suggested a formulation that would build the necessary consensus for a decision on and possible elements of a legally-binding convention, maintaining the 1999 reporting date.

The final text proposes three options. The first would continue the intergovernmental policy dialogue on forests within existing fora such as the CSD, FAO and other appropriate international organizations, institutions and instruments. The second would establish an *ad hoc*, open-ended Intergovernmental Forum on Forests under the CSD, charged with, *inter alia*, reviewing, monitoring and reporting on progress in the management, conservation and sustainable development of all types of forests and monitoring IPF implementation. Sub-options under this proposal would either prepare the basis and build consensus for a decision on and elements of a legally-binding instrument by 1999, or consider the need for other arrangements and mechanisms, including legal arrangements, reporting at the appropriate time in the CSD's work programme. The third option would establish, as soon as possible, an INC on a legally-binding instrument on all types of forests with a focused and time-limited mandate.

Delegates adopted the EU's proposal for additional text noting that the options were not necessarily seen to be mutually exclusive. Action proposals also include reference to a supplemental report of written suggestions on the mandate and work programme of a forum or INC and note that either a forum or INC would be supported by a small secretariat.

The final document also recognizes the need for improved coordination and that no single body, organization or instrument can address in a balanced, holistic way all issues on the international agenda related to all types of forests. It states that more needs to be done to clarify mandates, define capacities and address overlaps, gaps and areas needing enhancement. Forest activities should be made more transparent, effective and flexible and should provide for participation of and collaboration with all interested groups. Areas for improvement include: institutional governance; monitoring and coordination mechanisms; participation of major groups; capacity-building and technology transfer; international and bilateral funding coordination; and focused funding for research.

The Panel agreed that it is necessary to deal with all interrelated social, cultural, economic, trade, environment, development, production, financial and technology issues, taking into account different levels of social and economic development and a time frame for action. It recommends a continued intergovernmental policy dialogue on forests, which could include a high-level component to consider relevant issues, recognizing the sovereign right of States over their natural resources as contained in Principles 2 and 7 of the Rio Declaration and 1(a) and 2(a) of the Forest Principles.

Action proposals urge international organizations, in cooperation with countries, to support IPF proposals. Countries are called on to: support international and regional agencies' and organizations' work; through their governing bodies, to clarify relevant international institutions' mandates and eliminate waste and duplication; guide institutions and instruments to accelerate incorporation of UNCED results, progress since then and IPF results; and support activities related to the management, conservation and sustainable development of all types of forests.

### **CLOSING PLENARY**

IPF-4 concluded with a Plenary session in the afternoon and evening of Friday, 21 February. The G-77/CHINA presented a proposed introduction on: the Panel's origins; its mandate and link to the Forest Principles, particularly Principle 1(a) recognizing national sovereignty; its inability to deal with the complexity of issues in four sessions; and elaboration of its important conclusions and proposals for action.

Delegates adopted the introduction with the following amendments: The EU added reference to: the Rio Declaration and Agenda 21; improvement of existing forest-related international cooperation by implementing the Panel's action proposals; and provision for effective participation of and collaboration with all interested parties and major groups, emphasizing the crucial role of women. CANADA replaced "commitments and obligations" with "decisions and commitments" made at UNCED. The US added a subparagraph recognizing progress that has been made since Rio on, *inter alia*, substantive international dialogue on forests; the results of regional, international and country-led initiatives; and a better understanding of SFM.

The Plenary adopted the Panel's report contained in five informal papers, agreeing to make a distinction between the action proposals generally agreed as the result of negotiations and the conclusions reflecting the overall thrusts of the Panel's discussions under various programme elements.

Final statements were made by the EU, the G-77/CHINA, the US and the ALLIANCE OF INDIGENOUS PEOPLES. The EU highlighted the important role of NFPs and urged delegates not to allow the global forest policy momentum to slip away. The G-77/CHINA reflected on the complex agenda and need to resolve issues on technology transfer and new and additional financial resources. The ALLIANCE OF INDIGENOUS PEOPLES noted that the participation of indigenous peoples in the Panel and the Leticia intersessional meeting were precedents in the CSD. He further stressed the importance of environmental and social justice

and the recognition of the comprehensive rights of indigenous peoples to development and to control their territories, knowledge, technologies and cultural heritage. In his closing remarks, Co-Chair Rodriguez noted the major differences of opinion and slow pace of collective understanding on how to resolve global forest problems, trade and financial matters and the domestic root causes of deforestation. He said he was optimistic about the substance and creativity in many of the action proposals that will guide implementation of SFM. Co-Chair Holdgate was encouraged by the Panel's spirit of warm cooperation and fellowship.

### **A BRIEF ANALYSIS OF IPF-4**

The final day's debates over trade, finance and legal instruments captured the intractable essence of the IPF's divided outcomes. A characteristically frank discussion of the proper role of national versus international action on illegal forest products trade led to an exchange that could serve as an epitaph to the entire IPF process. The G-77/China and European Union dismissed each other's suggestions with the same phrase: "nice try."

The IPF process witnessed some shifting in the political winds, in the form of willingness on the part of previously reluctant countries to consider and even support an international forest convention. But after 18 months of research, intersessional meetings, discussion and debate, the roots of resistance that run beneath efforts to extend international forest policy still run strong and deep. Sovereignty, financial and trade-related issues still stand between the international community and any consensus on forests.

The IPF began with an ambitious agenda to forge consensus on previously difficult issues in international forest policy. It ended with negotiated text on its action proposals, the most contentious of which contain multiple options that illustrate the Panel's inability to reach consensus. The intensity of the debate on proposals for action left little time for full negotiation of the conclusions, and thus, despite early overtures by the Co-Chairs, delegates were unable to fulfill their pledge to deliver a fully negotiated and therefore more authoritative final report. Controversial issues, such as whether to pursue a global forest convention or where to find the funds needed to implement sustainable forest management, resulted in either tentative language or options that expose familiar, long-standing divisions.

One theme that arose repeatedly throughout the IPF agenda was the pull between national control over natural resources and international oversight or regulation of "global" environmental concerns. This issue was particularly conspicuous in the debate over assessment of illegal trade in forest products. The position of Brazil, the G-77/China and India that the problem was one of national legislation and enforcement and, therefore, not open for discussion at the international level, demonstrated the sway that sovereignty continues to hold in international debate. Sovereignty served as a limit on IPF actions in numerous other issue areas, with delegations from both North and South insisting that recommendations only apply within national legal limits or according to national circumstances.

Another familiar theme is the call for new and additional financial resources and transfer of technology to developing countries. Language recalling the Forest Principles and Agenda 21 on these subjects was the vehicle used by the G-77/China to remind other countries of their position — contained in the Rio agreements — that achievement of the ultimate universal goal of sustainable management of forests depends in developing countries on external assistance. Although this provoked much debate, many of these references were retained in the final text. Language on a new global development fund for forests was also included in the final document, but with fairly clear opposition from donor countries and listed alongside options in which the international community would discuss the proposal or pursue actions to enhance funding in other ways.

A number of delegations seemed to view the IPF as a potential vehicle for attracting finances into the forest sector, but it is unclear whether IPF's recommendations will affect donor support for sustainable forest management. The desire by some donors to push for a global forest convention may hold promise as a means of leverage for recipient countries to demand increases in assistance as they consider whether to support a convention. This may foreshadow shifting alliances in the future.

Support from Malaysia and Indonesia for a global convention is perhaps the most notable recent shift in positions. But the support among some developing countries was matched by strong doubts from others, such as Brazil, who at one point described the move to a convention as a bid by "loggers and traders" to green-wash and promote their activities.

NGO efforts seemed to shift by the end of the IPF process, from encouraging stronger international action to defending against steps that might further harm the world's forests. Although a small number supported calls for a convention, the majority of environmental NGOs opposed it as premature, leading to ineffective policies and formalizing lowest common denominator global standards for SFM, while neglecting seemingly more pressing issues that need to be addressed. Many NGOs also were of the view that the negotiation of a convention would waste valuable time and delay the implementation of any policies that would better manage the world's forests.

The debate and divergence of opinion on action regarding a convention became the focal point of IPF-4. Yet some argued that the emphasis on a convention was excessive. A number of delegations and observers expressed frustration that IPF-4 was hijacked by discussion of the convention question when other substantive issues did not receive adequate attention.

Others considered the value of the IPF process to be an endorsement of general steps to define and pursue sustainable forest management, regardless of a convention. The IPF enhanced understanding of technical aspects of forest planning and research, spurred action in a number of countries to begin addressing forest problems, and raised the profile of emerging certification and C&I initiatives. Social concerns, participation and transparency are integrated into the IPF's action proposals, and the Panel was open to major groups, particularly indigenous peoples. Still, divergent views surround SFM as well. There is no consensus yet on what SFM means in concrete terms nor how to balance commodity and economic values of forests with ecological and sociocultural values.

The IPF left open the question of what the international community's next steps will be related to forests. Its recommendations to the CSD provide a wide range of options that reveal the divisions that delegates were not able to bridge during the past 18 months. Observers wonder what the CSD, a body with presumably less forest expertise than the IPF and with an extensive list of issues on its agenda, will be able to make of this hodgepodge of recommendations.

The next bodies that will consider forest policy, the CSD and the UN General Assembly, have higher political authority to take decisions on these questions. Supporters of a convention hope that the higher-level political consideration that this issue will receive at the CSD will translate into greater interest in a legal instrument. Opponents are hoping that the opposite will occur — that the CSD will view the non-convention options as clear alternatives. It is unclear, however, whether higher political authority will translate into political will to move toward the fundamental goals espoused in this process. The IPF demonstrated it is possible to continue the policy dialogue, but not whether another "nice try" can advance global forest sustainability.

## THINGS TO LOOK FOR

### COMMISSION ON SUSTAINABLE DEVELOPMENT:

The Intersessional meeting for the CSD, which will address preparations for the Special Session of the UN General Assembly,

will convene from 24 February-7 March 1997 in New York. CSD-5 is scheduled for 7-25 April 1997. For more information on the CSD, contact: Andrey Vasilyev, UN Division for Sustainable Development, tel: +1-212-963-5949; fax: +1-212-963-4260; e-mail: vasilyev@un.org. Also visit the UN Department for Policy Coordination and Sustainable Development (DPCSD) Home Page at <http://www.un.org/DPCSD>.

### SPECIAL SESSION OF THE UN GENERAL ASSEMBLY:

The Special Session of the UN General Assembly is scheduled for 23-27 June 1997. The session will review progress in implementing the UNCED agreements since the 1992 Earth Summit. For more information, contact: Andrey Vasilyev, UN Division for Sustainable Development, tel: +1-212-963-5949; fax: +1-212-963-4260; e-mail: vasilyev@un.org. Also visit the UN Department for Policy Coordination and Sustainable Development (DPCSD) Home Page for the Special Session at <http://www.un.org/dpcsd/earthsummit/>.

### INTERNATIONAL MINISTERIAL CONFERENCE ON BIODIVERSITY AND SUSTAINABLE TOURISM:

An international ministerial conference on biodiversity and sustainable tourism will be held from 6-8 March 1997 in Berlin, Germany. For more information, contact: Marc Auer, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, P.O. Box 120629, D-53048, Bonn, Germany, tel: +49-228-305-2615; fax: +49-228-305-2694.

### FORESTS FOR LIFE CONFERENCE:

The World Wildlife Fund is organizing a conference on forests and certification between 8-10 May 1997 in San Francisco, California. For more information, contact: Dominick DellaSala, WWF-US, 1250 24th Street NW, Washington DC 20037-1175, tel: +1-202-822-3465; fax: +1-202-887-5293; e-mail: DellaSala+r%wwfus@mcimail.com.

### FIFTEENTH COMMONWEALTH FORESTRY

**CONFERENCE:** The 15th Commonwealth Forestry Conference is scheduled for 12-17 May 1997 in Victoria Falls, Zimbabwe. For more information, contact: Peter Gondo, Zimbabwe Forestry Commission, P.O. Box HG 139, Highlands, Harare, Zimbabwe; tel: +263-14-49-8430; fax: +263-14-49-7066.

### TWENTY-FIRST SESSION OF THE INTERNATIONAL

**TROPICAL TIMBER COUNCIL:** The 21st Session of the International Tropical Timber Council will convene from 21-30 May 1997 in Santa Cruz, Bolivia. For more information, contact: ITTO Secretariat, International Organization Centre, Pacifico-Yokohama 220, Japan, tel: +81-45-223-1111; e-mail: asarre@iito.or.jp.

### BIODIVERSITY IN MANAGED FORESTS —

**CONCEPTS AND SOLUTIONS CONFERENCE:** A conference on Biodiversity in Managed Forests will take place from 29-31 May in Uppsala, Sweden. For more information, contact: Carl Henrik Palmér, SkogForsk, Glutten S-75183, Uppsala, Sweden, tel: +46 18-18-85-32; fax: +46 18-18-86-00; e-mail: carl-henrik.palmer@skogforsk.se.

### GLOBAL BIODIVERSITY FORUM:

A Global Biodiversity Forum is tentatively scheduled for June 1997 in Harare, Zimbabwe. For more information, contact: Jeffrey McNeely, IUCN World Headquarters, Rue Mauverney 28, CH-1196 Gland, Switzerland, tel: +4122-999-0284; fax: +4122-999-0025; e-mail: jam@hq.iucn.org.

### CONFERENCE ON FUTURE FOREST POLICY:

A conference on Future Forest Policy in Europe will take place between 15-18 June 1997 in Joensuu, Finland. For more information, contact: Brita Pajari, tel: +358-13-252-223; fax: +358-13-124-393; e-mail: pajari@efi.joensuu.fi.

### ELEVENTH WORLD FORESTRY CONGRESS:

The Eleventh World Forestry Congress will be held from 13-22 October 1997 in Antalya, Turkey. For more information, contact: Luis Santiago Botero, FAO Forestry Department, Via delle

Terme di Caracalla, 00100 Rome, Italy, tel: +396-522-55088; fax: +396-522-5215; e-mail: luis.botero@fao.org.