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SECOND SESSION OF THE INTERGOVERNMENTAL FORUM ON FORESTS 24 AUGUST - 4 SEPTEMBER 1998

The second session of the Intergovernmental Forum on Forests (IFF-2) took place from 24 August-4 September in Geneva. During the two-week session, delegates conducted substantive discussion on promoting and facilitating implementation of the proposals for action of the Intergovernmental Panel on Forests (IPF), forest-related work of international and regional organizations and existing instruments, and matters left pending on trade and environment and transfer of environmentally sound technologies (ESTs). IFF-2 also conducted background discussion on monitoring progress in implementation of the IPF's proposals for action, matters left pending on the need for financial resources, issues arising from the IPF programme elements needing further clarification, and international arrangements and mechanisms to promote the management, conservation and sustainable development of all types of forests. Delegates adopted reports of the Co-Chairs, which contain draft conclusions and proposals for action, on those programme elements substantively discussed. Delegates also adopted non-negotiated Co-Chairs' Summaries of Discussion on the programme elements on which they conducted background discussion. The reports and summaries of discussion on all programme elements remain open for discussion through IFF-4.

The objective of IFF-2 was to prepare draft conclusions and proposals for action on promoting and facilitating implementation and addressing certain matters left pending from the IPF. However, the heavily bracketed texts on trade and environment and transfer of ESTs that emerged from IFF-2 seem to suggest that matters remain just as pending in these areas as they were after IPF-4. This, coupled with the attempt to deal with the "landmine" topic of future international instruments or arrangements for forests, left many with a sense of lack of progress and *déjà vu* as well-worn positions were restated yet again. However, delegates did feel they achieved some success in meeting their objective with agreement on conclusions and proposals for action on promoting and facilitating implementation, and noted that because the IFF has two more sessions to negotiate its report to the CSD, there is still time to move beyond where the IPF left off.

A BRIEF HISTORY OF THE IFF

INTERGOVERNMENTAL PANEL ON FORESTS: The UN Commission on Sustainable Development's (CSD) open-ended *ad hoc* Intergovernmental Panel on Forests (IPF) was established in 1995 to

pursue consensus and coordinated proposals for action to support the management, conservation and sustainable development of all types of forests. The IPF focused on 12 programme elements under five chapter headings: implementation of United Nations Conference on Environment and Development (UNCED) forest-related decisions; international cooperation in financial assistance and technology transfer; research, assessment and development of criteria and indicators (C&I) for sustainable forest management (SFM); trade and environment; and international organizations and multilateral institutions and instruments. Its objective was to submit final conclusions and policy recommendations to the CSD at its fifth session in April 1997.

The Panel met four times from 1995-1997 and adopted a final report at its fourth session in February 1997, which it submitted to CSD-5. The report contains approximately 140 proposals for action under its 12 programme elements, including a call for continued inter-governmental forest policy dialogue. However, IPF delegates could not agree on a few 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 in its report. CSD-5 adopted the IPF's report and forwarded a set of recommendations to the UN General Assembly Special Session to conduct an overall review and appraisal of progress in implementing the UNCED agreements since the 1992 Earth Summit (UNGASS).

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UN GENERAL ASSEMBLY SPECIAL SESSION: The UN General Assembly, at its nineteenth special session in June 1997, decided to continue the intergovernmental policy dialogue on forests through the establishment of an *ad hoc* open-ended Intergovernmental Forum on Forests (IFF) under the aegis of the CSD. In addition, the General Assembly decided that "the Forum should also identify the possible elements of and work toward consensus on international arrangements and mechanisms, for example, a legally binding instrument." Economic and Social Council resolution 1997/65 established the IFF, which will report to the CSD at its eighth session in 2000.

INTERGOVERNMENTAL FORUM ON FORESTS: The IFF held its organizational session (IFF-1) from 1-3 October 1997 in New York. Delegates agreed on the IFF's programme of work, the schedule and allocation of programme elements for discussion at future sessions, the number, date and venue of future sessions, participation, and the organization of intersessional meetings or consultations. The Forum stressed the need for a focused and balanced approach to its work and emphasized the need to build on the positive results achieved in the IPF. It stressed that the focus should be on implementation of the proposals for action and those issues on which international consensus is yet to be achieved.

REPORT OF IFF-2

Co-Chair Bagher Asadi (Iran) officially opened the second session of the IFF on Monday, 24 August 1998. He called for political will to build consensus and make substantial progress in implementing the IPF's proposals for action.

Kenneth Ruffing, on behalf of Nitin Desai, Under-Secretary-General for Economic and Social Affairs, stressed that further consensus-building on forest issues requires mutual trust and cooperation. He noted that, despite countries' differing priorities, there is now a common commitment to SFM as a principle to guide policy. He highlighted the need to reflect forests' diverse economic, ecological and social functions in SFM principles and criteria and indicators (C&I) for assessing sustainability. He said the success of the IFF process requires translating the IPF's proposals into action, recognizing and incorporating the diversity of forest concerns and ensuring timely and adequate financial contributions to the IFF Trust Fund.

Co-Chair Ilkka Ristamäki (Finland) introduced the members of the Bureau, elected at IFF-1: Co-Chairs Bagher Asadi (Iran) and Ilkka Ristamäki (Finland) and Vice-Chairs Charles Essonghe (Gabon) and Yevgeny Kuzmichev (Russia). Delegates elected Bibiana Vargas (Colombia) to replace Amalia Torres (Peru) as the acting Vice-Chair representing the Latin American and Caribbean Group.

Jag Maini, Director of the IFF Secretariat, provided an update on the status of the IFF Trust Fund and introduced the proposed programme of work. He said the programme elements to be discussed in a substantive manner would use Reports of the Secretary-General and background documents to facilitate discussions, and the background discussions would be facilitated by Notes from the Secretariat and information notes.

The Plenary adopted the provisional agenda (E/CN.17/IFF/1998/1) and approved the programme of work, and the floor was opened for general statements.

INDONESIA, on behalf of the G-77/CHINA, underscored the strategic importance of forests, especially for agriculture, carbon sinks, genetic biodiversity and eco-tourism. He said low forest cover countries (LFCCs) often depend on other countries for forest goods and recommended that this be considered when discussing, *inter alia*, trade and environment. He said the Asian financial crisis had affected the region's progress towards SFM and called for IFF efforts to alleviate

the situation. He called on the World Trade Organization (WTO) to stop the proliferation of trade barriers and stressed the importance of market transparency and market access for timber products.

AUSTRIA, on behalf of the European Union (EU), called for action at the national, regional and global levels and a cross-sectoral, holistic approach to implementation of the IPF action proposals. He called on the IFF to produce a comprehensive list of proposals for action, a common understanding on means of implementation and a consensus on possible elements of and initiation of negotiations on international arrangements and mechanisms, such as a legally binding agreement. SWITZERLAND and GABON expressed hopes for consensus on an international instrument on forests by the end of the IFF process. NORWAY said initiation of negotiations on a legally binding instrument should be based on broad consensus and any new arrangements should be developed in accordance with existing agreements. COSTA RICA highlighted regional cooperation between Central American countries on, *inter alia*, environmental matters and sustainable development, and active public participation. The US stressed the importance of the terms of reference from IFF-1 to guide IFF discussions. She urged consideration of all elements, in particular international arrangements and mechanisms, noting the conflicting views on the issue. VENEZUELA urged the establishment of a fund to provide new and additional resources and the transfer of ESTs.

The Secretariat of the CONVENTION ON BIOLOGICAL DIVERSITY (CBD) expressed hope that the CBD programme of work on forest biodiversity could contribute to work underway in other fora, including the IFF. The DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA called for cooperation between the IFF and the Framework Convention on Climate Change (FCCC) and the CBD. CUBA underscored the importance of understanding the IFF's relationship to the CBD and issues such as intellectual property rights. INDIA stressed the need to maintain forests as a source of biodiversity and called on the IFF to address problems specific to developing countries. NEPAL highlighted the need for capacity development and political will. COLOMBIA highlighted the importance of attending to the development needs of forest dwellers and recognizing countries' differing goals when formulating recommendations. IRAN stressed the needs of developing countries, in particular LFCCs, and called on the international community to focus efforts on low forest cover, giving particular attention to economic, cultural and social aspects. NEW ZEALAND called for closer examination of the mutually supportive roles of trade and environment and stressed the need to tackle subsidies.

Following the opening Plenary, delegates divided into two working groups. The working groups met throughout the session, with the exception of Plenaries on Friday afternoon, 28 August, to report on the status of their deliberations and Monday, 31 August, to discuss international arrangements and mechanisms. Contact groups on transfer of ESTs and trade and environment were formed and met several times during the last three days of IFF-2. Delegates conducted numerous rounds of discussion on successive drafts of the Co-Chairs' Reports on the programme elements for substantive discussion (promoting and facilitating implementation, forest-related work of international and regional organizations and existing instruments and matters left pending on trade and environment and transfer of ESTs). They negotiated and adopted Co-Chairs' reports containing conclusions and proposals for action on these items. The Co-Chairs' reports on EST transfer and trade and environment are heavily bracketed. On the elements for background discussion (monitoring progress in implementation, matters left pending on the need for financial resources and issues needing further clarification), delegates adopted non-negotiated Co-Chairs' Summaries of Discussion, which contain considerations for and guidance to the Secretariat in preparation for IFF-3.



I. PROMOTING AND FACILITATING THE IMPLEMENTATION OF THE PROPOSALS FOR ACTION OF THE IPF AND REVIEWING, MONITORING AND REPORTING ON PROGRESS IN THE MANAGEMENT, CONSERVATION AND SUSTAINABLE DEVELOPMENT OF ALL TYPES OF FORESTS

PROMOTING AND FACILITATING IMPLEMENTATION:

Working Group 1 (WG1), chaired by IFF Co-Chair Bagher Asadi, conducted a preliminary round of substantive discussion on promoting and facilitating implementation of the IPF action proposals on Monday afternoon and Tuesday, 24-25 August. Based on this discussion, the Co-Chairs produced a draft report. WG1 began negotiation of this text on Tuesday, 1 September, and continued negotiations on two revisions of the draft Co-Chairs' report on Wednesday-Friday, 2-4 September. The final outcome is a Co-Chairs' report containing eight conclusions and seven proposals for action.

David Harcharik (Interagency Task Force on Forests) opened the discussion by introducing the Secretary-General's report on this item (E/CN.17/IFF/1998/2). Delegates highlighted national and regional efforts towards implementation and emphasized the role of international organizations and the need for effective involvement of interested parties. CANADA suggested defining interested parties as: indigenous people, forest dwellers, forest owners, local communities, NGOs, the private sector, trade unions and the academic community. NORWAY requested and the US opposed the use of the term indigenous "peoples." The final text emphasizes involvement of "relevant" interested parties and improving institutional arrangements and appropriate means of communication.

On provision of adequate means for implementation, several developing countries emphasized the importance of financial and technical assistance. MOROCCO, IRAN and others called specifically for assistance to LFCCs. The G-77/CHINA replaced text on the need for "adequate means of implementation" with "implementation of strategies" in terms of investment and mobilization of domestic "and international" resources. The final text underscores the need for implementation of strategies, mobilization of domestic and international resources, and, in the case of developing countries, special attention to least developed and LFCCs.

Delegates generally supported text on the role of national forest programmes (NFPs) as an appropriate framework for addressing forest sector issues. AUSTRALIA preferred referring to NFPs as a "useful" framework and the G-77/CHINA preferred "viable" framework. Several developed countries supported including reference to the Six-Country Initiative, which aimed to improve implementation of the IPF action proposals at the national level based on six country case studies. They also supported a reference to the results of the International Expert Consultation, held in Baden-Baden, Germany in July 1998, which discussed the case studies and sought to build consensus on recommendations for implementation. Delegates highlighted the Initiative's contributions to the assessment and implementation of IPF proposals at the national level and noted that it demonstrated the importance of country-specific situations, national forest policy and long-term commitment at all levels. The final text describes the NFP as a "viable" framework and takes note of the Six-Country Initiative.

Other conclusions included in the Co-Chairs' report emphasize:

- the need for sustained efforts in implementation;
- consideration of the special needs of LFCCs and Interagency Task Force on Forests (ITFF) coordination of work to support LFCCs;
- the effectiveness of the ITFF as a means for informal inter-agency coordination on forests and the need for its further strengthening;
- the contributions of regional and international initiatives; and
- continuing efforts to monitor the effects of airborne pollutants on forests.

On an action proposal calling for further development of financial and technical assistance, the G-77/CHINA replaced "further development of adequate and substantial financial and technical assistance" with "provision by the international donor community of financial resources, including new and additional sources of finance, and technical assistance and transfer of ESTs." The EU bracketed text on the provision of new and additional resources, including through innovative mechanisms and/or measures, and suggested adding "as well as domestic resources." The final text includes a bracketed call for provision of new and additional resources, including through innovative mechanisms and/or measures, and calls for better use of existing mechanisms and measures to support NFPs in developing countries and countries with economies in transition, with special attention to LFCCs. On collaboration with international organizations and forest-related work of conventions, the G-77/CHINA and the US initially deleted a proposal "on analysis of potential synergies" between NFPs and other instruments in order to avoid repetition. The EU, with NORWAY and others, amended it to read: "promotes, where appropriate," an integrated approach to the implementation of the IPF proposals and forest-related work of the Convention on Biological Diversity (CBD), the Convention to Combat Desertification (CCD) and the Framework Convention on Climate Change (FCCC). The final report reflects this amendment.

On the proposal for implementation of the IPF proposals in the NFP context, the G-77/CHINA noted problems with regard to NFPs or "similar instruments" and the inclusion of "measurable targets and indicators to ensure effectiveness of implementation," and proposed deleting the action proposal. The US, noting that the language was too prescriptive, preferred broader language and, with AUSTRALIA, stressed that implementation should be considered by countries in their own process. The action proposal in the final text refers to NFPs or national forest policies, and clear objectives and criteria to promote effectiveness of implementation.

Other proposals for action in the final report include:

- creation and/or strengthening of initiatives to encourage, *inter alia*, long-term political commitment, reliable donor support and private sector participation;
- systematic assessment by all countries of the IPF action proposals;
- establishment of a national focal point to guide and coordinate implementation; and
- further assistance to developing countries, particularly for capacity building and creation of participatory mechanisms and innovative financing arrangements.

MONITORING PROGRESS IN IMPLEMENTATION:

Working Group 1 conducted background discussion and agreed on a Co-Chairs' Summary of Discussion on monitoring progress in the implementation of IPF action proposals. Delegates conducted a preliminary discussion on Thursday, 27 August. Based on this discussion, the Co-Chairs produced a draft summary, which WG1 reviewed on Thursday, 3 September.

Jag Maini opened the discussion by introducing the Secretariat's note on this item (E/CN.17/IFF/1998/6.) Several developing countries supported national voluntary reporting, noting that implementation requires national targets and indicators, and called for: transparent and participatory monitoring; use of existing procedures; information from relevant institutions; streamlining and non-duplication; and a Secretariat report regarding LFCCs' needs. The EU highlighted the importance of coordination among national and international data collection bodies, harmonization of reporting methodologies and international support for monitoring. The US supported national monitoring but opposed an international framework. BRAZIL opposed new monitoring and reporting commitments without new and additional financial resources.



In commenting on text in the draft Co-Chairs' summary regarding an expectation that monitoring formats could evolve through the development of C&I at the national as well as the regional level and eventually facilitate "regional and global integration," NEW ZEALAND replaced "integration" with "mutual recognition."

On text referring to the "short- and long-term" aspects of monitoring as implementation of proposals in terms of new legislation, policies, programmes and process and the assessment of discernible trends, respectively, the G-77/CHINA amended the text to "various" aspects, preferring to avoid short- and long- term classifications. The US added "existing" legislation.

The US opposed a paragraph noting that the CSD could monitor progress in implementation in the short-term through voluntary reporting. AUSTRALIA added that "IFF-3 should consider options for reporting on progress in the implementation of the IPF action proposals and the conservation, management and sustainable development of forests," and "in this regard the Forum notes the suggestion from the Valdivia Group for initial voluntary exchange of information." The G-77/CHINA proposed text recognizing that monitoring progress should be based on national systems. The final draft contains Australia's proposal and text encouraging countries to develop their own ways of organizing the monitoring of implementation of the IPF action proposals.

The Co-Chairs' Summary of Discussion also notes that:

- country-collected data should primarily serve national needs and thus monitoring, assessment and reporting activities should be integrated into NFPs;
- existing reporting mechanisms should be maximized;
- international organizations should provide feedback to countries on key issues;
- there is scope for cooperation and coordination among the ITTO, FAO, CBD, FCCC, CCD, UNEP and CSD; and
- monitoring, data collection, assessment and reporting are costly endeavors and require enhanced international cooperation and capacity building in all countries, particularly developing countries.

II. MATTERS LEFT PENDING AND OTHER ISSUES ARISING FROM THE PROGRAMME ELEMENTS OF THE IPF PROCESS

THE NEED FOR FINANCIAL RESOURCES: Working Group 2, chaired by Co-Chair Ilkka Ristamäki (Finland), conducted background discussion on matters left pending on the need for financial resources on Wednesday afternoon and Thursday morning, 26-27 August. Based on this exchange, the Co-Chairs produced a draft Summary of Discussion, to which delegates proposed minor amendments on Thursday, 3 September.

Ralph Schmidt (UNDP) introduced the Secretariat's note on this item (E/CN.17/IFF/1998/7). A number of developing countries underscored the need for new and additional financial resources. The G-77/CHINA said Agenda 21 and the Forest Principles should constitute the basis for discussion on financial resources for SFM. COLOMBIA stressed the urgent need for financial resources if developing countries are to be able to implement the IPF action proposals. Several developing country delegates deplored decreases in ODA. NORWAY urged recipient countries to reprioritize their use of existing ODA. The G-77/CHINA and the US called for institutional and capacity building to determine the absorptive capacity of ODA.

A number of developed countries called for more effective utilization of existing funds and the need for mobilization of domestic resources. The important role of the private sector was highlighted by several speakers. Many developed countries emphasized the need to develop more favorable framework conditions and incentives in developing countries to encourage private investment. The G-77/CHINA

urged support to promote private sector investment, but, with MALAYSIA and NEPAL, stressed that private funding is not a substitute for ODA.

Several developing country delegates called for the establishment of an international forest fund. COLOMBIA stressed that it should not detract from other funding. The EU called on the IFF Secretariat to prepare a document for IFF-3 on experiences in implementing ongoing initiatives before launching new initiatives. Several countries advocated examining the GEF as a potential source of funding for forests before calling for any new mechanisms. The US urged evaluation of other institutions as well, such as UNDP, FAO and UNEP, when determining the desirability of a fund. NORWAY questioned the need for a new international fund since it may detract from other investment-creating alternatives. CANADA said the issue would only be useful when discussing an international legally binding instrument on forests.

The Co-Chairs' Summary of Discussion says participants noted that the issue of financial resources for SFM is closely linked with the broader discussion of the key role that financial resources and mechanisms play in implementation of Agenda 21. The G-77/CHINA added a reference to the Forest Principles.

On creating enabling environments to channel more ODA into the forest sector, the G-77/CHINA added text noting that concerns were expressed about decreasing ODA. On the situation of developing LFCCs, the EU, supported by the US and IRAN, broadened the call for international support for afforestation to include land rehabilitation, reforestation and restoration of degraded forests. On the need to examine the potential of innovative financial mechanisms, the EU added "and schemes." The G-77/CHINA added that further study of this potential is needed. On the range of views expressed regarding the desirability and practicality of establishing an international forest fund, the EU, with the US and CANADA, called for comprehensive assessment of the use of existing financial mechanisms.

The Co-Chair's Summary of Discussion further states that participants noted:

- the need to fully implement the IPF proposals for action on financial assistance to support SFM;
- the role of various funding sources in achieving SFM;
- the difficulty in obtaining reliable data on financial flows and investments in the forest sector;
- the need for further work on the issue of subsidies; and
- the importance of the private sector.

In guidance to the Secretariat in preparation for IFF-3 to evaluate countries' experiences with both traditional and innovative financial mechanisms in promoting SFM, the EU invited countries to submit reports on experiences with such mechanisms. The G-77/CHINA deleted a request to examine the potential of forest-based carbon trading under existing and evolving frameworks and the EU replaced it with guidance to cooperate with the FCCC and report, as appropriate, on financial aspects related to forests' role as carbon sinks. The G-77/CHINA added a request to identify areas where assistance should be directed to enhance afforestation in LFCCs. Delegates amended a request to undertake a comprehensive evaluation of the GEF and other international financial mechanisms regarding their potential for financing SFM to request a synthesis of current evaluations of the GEF (EU) and to facilitate IFF consideration of the need for further coordination of existing financial sources and mechanisms (US) and an international forest fund (G-77/CHINA).

TRADE AND ENVIRONMENT: Working Group 2 conducted a first round of substantive discussion on matters left pending on trade and environment on Monday afternoon and Tuesday, 24-25 August. Based on this discussion, the Co-Chairs produced an interim draft report, which WG2 discussed on Thursday, 27 August. Delegates conducted a third round of discussion on a revised Co-Chairs' draft on



Wednesday, 2 September. A contact group, chaired by Bibiana Vargas, met several times during the last three days of IFF-2. The group was unable to reach consensus on any of the 13 conclusions or eight proposals for action. In addition to numerous brackets throughout the text, the final Co-Chairs' report on trade and environment is bracketed in its entirety. The report addresses, *inter alia*: mutually supportive trade and environment policies; impacts of trade liberalization; non-tariff trade barriers; trade measures to promote SFM; certification and labelling (C&L); market access; and illegal trade in forest products.

Amha Bin Buang (ITTO) opened the discussion by introducing the Secretary-General's report on matters left pending on trade and environment (E/CN.17/IFF/1998/3). Delegates debated a conclusion on trade and environmental policies at length. Several emphasized the need to make trade and environmental policies mutually supportive. A number of developed countries advocated deleting a reference to using trade as a tool to promote SFM. Delegates debated text stating that the main objectives of mutually supportive policies are that all countries achieve trade in forest products from sustainably managed forests. The G-77/CHINA proposed alternative language noting that SFM can be effectively promoted through mutually supportive policies and emphasizing the need for policies that link trade and SFM to the needs of developing countries for social and economic development, particularly in regard to poverty alleviation. A number of developed country delegates said environmental protection would have to be added to social and economic development to make this proposal acceptable. The final report contains several alternative formulations reflecting these different views, each containing several brackets.

Delegates amended text on the impacts of international trade in forest products on SFM to reflect both positive and negative impacts. Points of contention included text noting that trade can add value to the resource and thereby possibilities for SFM but can be constrained by market access difficulties and that unsustainable [logging and] utilization can trigger underlying causes of deforestation. On the effects of trade liberalization, delegates made several amendments in an attempt to reflect both positive and negative effects. JAPAN opposed implying a direct relationship between increased production from trade liberalization and poverty alleviation and reduced environmental degradation. The G-77/CHINA called on governments to give equal weight to implementing environmental practices and realizing the benefits of trade. Delegates generally agreed that trade liberalization may promote economic development and contribute to poverty alleviation, but debated extensively about its ability to reduce environmental degradation. Some sought to qualify this effect by stating that it can do so provided that it is complemented by sound environmental and social policies. This conclusion contains several internal brackets reflecting these differing views.

Regarding the need to address non-tariff trade barriers, NEW ZEALAND, supported by the G-77/CHINA, the US, AUSTRALIA and ARGENTINA, called for inclusion of the need to address subsidies. The EU and JAPAN objected and it appears in brackets in the final text. The EU, SWITZERLAND and JAPAN bracketed text stating that tariff escalation constrains development of processed forest products in producer countries. The G-77/CHINA advocated noting that trade regulations in developing countries are generally aimed at promoting further processing of forest products as part of national policies to create employment and alleviate poverty. The US proposed considering trade regulation's potential negative impact on SFM in producer countries. Several alternative formulations reflecting these views appear in brackets in the final Report.

It was generally agreed that trade measures should not constitute a means of arbitrary or unjustifiable discrimination or disguised trade restriction. The G-77/CHINA's proposal to specify trade measures, "including unilateral ones," was opposed by a number of countries.

The US, SWITZERLAND and the EU proposed deleting text noting that actions by sub-national governments to restrict tropical timber use should be avoided. CANADA preferred avoiding restrictions on "forest products including" tropical timber. Compromise text emerged, but remains in brackets, noting that such actions should be reviewed with regard to their effectiveness as measures to promote SFM and consistency with international trade rules.

Delegates discussed C&L at length. The G-77/CHINA specified that "voluntary" certification is "among many potential tools" to promote SFM. BRAZIL said C&L can act as potential obstacles to market access. The REPUBLIC OF KOREA said C&L can complement SFM policies but the costs of meeting requirements are high and may negatively impact small- and medium-sized exporters. Several delegates stressed the need to ensure that C&L are not discriminatory or used as a form of disguised protectionism. BRAZIL stressed the need for transparency, flexibility, non-discrimination and conformity with the WTO Technical Barriers to Trade (TBT) Agreement and its Code of Good Practice. The EU proposed deleting text on the TBT Agreement being a useful reference to ensure that C&L comply with WTO rules, and it appears in brackets in the final report. The US advocated deletion of text noting that proliferation of schemes calls for further cooperative work toward international comparability. CANADA preferred comparability "and equivalency" and deleted text on how mutual recognition may be sought through various agreements. The final report states, in brackets, that proliferation of schemes calls for further cooperative work toward achieving their international comparability and equivalency while recognizing the diversity of national situations, and, while premature now, this work might eventually lead to mutual recognition. A proposal to set up a country certification process in the original Secretary-General's report was opposed by many delegations and does not appear in the final report.

The problem of illegal trade in forest products was debated at length. BRAZIL, supported by GABON, TURKEY and the GLOBAL FOREST POLICY PROJECT (GFPP), but opposed by the US and CANADA, called for attention to illegal trade in all biological resources from forests, not only timber. The EU specified illegal "harvesting and related" trade in wood and non-wood products. The G-77/CHINA added that addressing illegal trade is critical for SFM, including assuring the livelihood of forest dwellers. Supported by several delegates, BRAZIL proposed that a seminar be held prior to IFF-3 to examine trade and environment matters in greater detail.

Other conclusions included in the final report address:

- full-cost internalization of forest products and their substitutes;
- further work on the full life-cycle environmental impacts of forest products and substitutes;
- the importance of market transparency to improve market access;
- the need for long-term SFM strategies to minimize negative effects of short-term market changes such as the Asian financial crisis;
- concerns regarding criteria for CITES listing of tree species; and
- the special problems of developing LFCCs and small island developing States.

On a proposal for action to examine how trade policies can contribute to SFM, CANADA, AUSTRALIA, the REPUBLIC OF KOREA and the US deleted text calling for examination of how preferential market access for products from sustainably managed forests can be used to promote SFM. The EU added examination of how to improve consumer information on sustainably managed forest products. The US bracketed a call to examine how consumer preference for such products can be used to promote SFM. JAPAN added examination of how trade policies can create adverse effects on forest conser-



vation. Delegates proposed alternative wording in a proposal by JAPAN to examine how to implement full-cost internalization, which appears in brackets in the final text.

Delegates expressed differing views on the desirability of mutual recognition of C&L schemes. The G-77/CHINA, SWITZERLAND and AUSTRALIA supported it, while CANADA and the US said efforts toward it are premature. The GFPP suggested that the term lacks clear definition and usefulness. The US suggested deleting an action proposal recommending exploration of the scope for mutual recognition of C&L schemes on the basis of equivalency. The EU preferred exploring the scope on the basis of "comparability." CANADA's reformulation recommended assessment of "comparability between various SFM standards with a view to achieving equivalency and thereby eventually facilitating possible future development of mutual recognition procedures." The final text contains two bracketed alternatives, to explore: issues of comparability and equivalency of various SFM standards; or the scope for mutual recognition procedures on the basis of equivalency at appropriately high levels of protection.

On mechanisms to monitor, investigate and combat illegal trade, the G-77/CHINA specified illegal trade "of wood and non-wood products." The EU preferred "illegal harvesting of forest products and related trade." The US called for identifying and assessing effectiveness of measures to control illegal logging and international trade in illegally harvested timber and identifying and acting on areas needing improvement. This action proposal contains several internal brackets reflecting these differing views in the final text.

Other proposals for action in the final report call for:

- continued efforts to reduce tariff and non-tariff barriers to trade;
- further dialogue and exchange of information and experience on development and application of voluntary C&L schemes and studies and assessment of existing and emerging schemes; and
- cooperation between CITES and relevant international organizations.

Two action proposals added by the G-77/CHINA are also included on:

- supporting and safeguarding basic needs of people, including indigenous people living in forests, while promoting trade and SFM; and
- assisting developing LFCCs with SFM.

TRANSFER OF ENVIRONMENTALLY SOUND TECHNOLOGIES TO SUPPORT SFM: Working Group 2 conducted a first round of substantive discussion on transfer of ESTs to support SFM on Tuesday and Wednesday, 25-26 August. A draft Co-Chairs' Report, which reflected this discussion, was considered by WG2 on Tuesday, 1 September. A contact group, chaired by Mohammad Reza Jabbari (Iran), was formed to discuss some of the more contentious issues. The group met three times, during the final three days of IFF-2. The final Co-Chairs' report includes 13 conclusions and 13 proposals for action, most of which remain in brackets. Some of the more contentious issues related to, *inter alia*, financing and supporting North-South technology transfer; cooperation and coordination of countries and relevant international organizations; the establishment of an EST transfer mechanism, transferring and developing technologies related to forest biological resources; and technologies generated in the South.

Hosney El-Lakany (FAO) opened the discussion by introducing the Secretary-General's report on EST transfer (E/CN.17/IFF/1998/4). Delegates debated, but did not agree on an EU-proposed conclusion, which recognizes the private sector's important role in EST transfer while stressing each government's responsibility to develop enabling policy, legal and institutional frameworks. The text appears in brackets in the final report.

To a conclusion on the wide range of available ESTs, the G-77/CHINA proposed text, which the US bracketed, requiring EST transfer from developed to developing countries on preferential and concessional terms in accordance with the Forest Principles.

Delegates debated various components of financing and supporting North-South technology transfer. The G-77/CHINA added text emphasizing existing opportunities through ODA, while the US stressed North-South "cooperation" in technology transfer, added "public and private" partnerships and proposed text reflecting that private sector involvement depends on mutual interests and an appropriate and enabling environment for, *inter alia*, foreign direct investment. To this conclusion, the EU also added text on the important role international, regional and inter-regional organizations have in forest-related technology transfer. Delegates could not reach consensus and the entire paragraph remains bracketed.

Delegates also debated, but could not agree on text on Southern-generated technologies. Fearing decreased focus on North-South transfer, the G-77/CHINA opposed US-proposed text stating that Southern-generated technology may be more "applicable" than some technologies developed in the North. This text remains in brackets. Delegates did agree that traditional forest-related knowledge (TFRK) requires special attention and supported text that any transfer of indigenous technology be done with "the consent of the holder" (CANADA) and "according to national legislation" (BRAZIL).

Delegates debated whether to retain G-77/CHINA-proposed text emphasizing the importance of biodiversity-related technologies. The US and the EU felt it was not within the mandate and should be left to the CBD. Text was amended, but remains bracketed, to emphasize strengthening means of transferring and developing technologies related to forest biological resources in close collaboration with the CBD.

Other conclusions in the final report address:

- the strong links between SFM and transfer of technologies, capacity and institutional building, investment, and financing from both public and private sources;
- potential enhancement of SFM through improved access to and utilization of ESTs;
- facilitation of development and transfer of ESTs through NFPs;
- the need to strengthen developing country capacities to assess environmental soundness, economic sustainability and social impacts of technologies;
- technological needs of LFCCs;
- increased technology diffusion to end-users;
- implementation of modern appropriate environmentally sound wood energy technologies to enable more efficient use of waste and by-products;
- recognition and transfer of TFRK; and
- the need for focused attention to gender mainstreaming related to capacity building and technology transfer.

On the proposals for action, some delegates opposed the G-77/CHINA's proposal urging the establishment of an EST transfer mechanism to enhance transfer from developed to developing countries. Lacking resolution of a related conclusion, delegates bracketed an EU-initiated proposal, with minor amendments, urging both developed and developing countries to develop enabling frameworks to encourage public and private sector investments in ESTs.

On the establishment and strengthening of national and regional institutions to facilitate assessment, adaptation and transfer of technology, the G-77/CHINA proposed adding that North-South cooperation should be complemented by South-South cooperation. The US bracketed the entire paragraph due to repetition of IPF proposals. The final text also contains several internal brackets.



Delegates debated, but could not agree on, whether all countries should recognize the importance of technology transfer, including human and institutional capacity building, or whether developed countries should recognize the importance of technology transfer to developing countries. References to developed and developing countries remain in brackets in the final text.

Three alternative proposals regarding improved cooperation and coordination of countries and relevant international organizations in forest-related technical assistance, capacity building and EST transfer were negotiated but remain bracketed. One delegate added a list of numerous areas where this coordination could take place, including forest fires, genetic engineering, wood processing and low impact logging and transportation systems, and fast screening of chemical molecule and gene sequencing of biological resources. Others highlighted forest fire prevention, management and control, given the topicality of the issue. The third option listed no specific areas. On grounds of duplication with the CBD, the US bracketed G-77/CHINA-proposed text urging developed countries to share research results and benefits associated with the utilization of forest biodiversity. One delegate added text calling for due recognition to the source of biological resources utilized in patent applications for technologies.

On TFRK, the G-77/CHINA highlighted opportunities for its transfer, called for refining and sharing of environmentally sound indigenous technologies, and called for the establishment of intellectual property rights (IPR) regulations in developing countries. Again noting duplication with the CBD and repetition of IPF proposals, some delegates, including the US, opposed and bracketed text encouraging countries to develop mechanisms to enable indigenous local communities and forest-dependent groups to realize benefits of TFRK in cooperation with the CBD through the establishment and enforcement of IPR.

Delegates bracketed a US-initiated proposal urging countries to pursue actions to facilitate transfer of modern, environmentally sound, wood-based technology for the use of wood, waste and by-products as a household energy source. BRAZIL and the REPUBLIC OF KOREA preferred urging developed countries to pursue such actions, but AUSTRALIA, the EU and the US said all countries should do so. The final text, which is entirely bracketed, urges "countries, in particular developed countries," to pursue such actions.

Other proposals for action included in the final report call for:

- human and institutional capacity building;
- promoting diffusion of technology to end-users;
- ensuring equal opportunities for women to become beneficiaries of ESTs;
- strengthening outreach programmes targeted at women; and
- disaggregating sectoral and other studies by gender.

OTHER ISSUES NEEDING FURTHER CLARIFICATION:

The eight issues under this programme element were split into two groups for consideration by the working groups. Working Group 1 conducted background discussion and agreed on a Co-Chairs' Summary of Discussion on underlying causes of deforestation, TFRK, forest conservation and protected areas, and forest research priorities. On Thursday, August 27, WG1 held discussion on these matters, and a draft Co-Chairs' Summary of Discussion was produced. On Thursday, 3 September, delegates reviewed and commented on this draft, which contained considerations important to preparation for substantive discussion at IFF-3 and guidance for the Secretariat's preparation for IFF-3 on the four topics. Bai-Mass Taal (UNEP), Jean-Pierre Le Danff (CBD Secretariat) and Jeff Sayer (CIFOR) introduced the Secretariat's note on these issues (E/CN.17/IFF/1998/10).

Working Group 2 conducted background discussion on valuation of forest goods and services; economic instruments, tax policies and land tenure; future supply of and demand for wood products and non-

wood forest products; and rehabilitation of forest cover. Delegates engaged in a background discussion of the topics on Thursday afternoon and Friday morning, 27-28 August. On Thursday, 3 September WG2 commented on a Co-Chairs' draft Summary of Discussion, which reflects delegates' interventions and provides guidance for the Secretariat in preparation for substantive discussion at IFF-3. Juergen Blaser (World Bank) and M. Hosny El-Lakany (FAO) introduced the Secretariat's note on these issues (E/CN.17/IFF/1998/8).

Underlying Causes of Deforestation: Various developing countries cited poverty, cattle breeding, forest fires, fuelwood demands, land tenure issues and population displacement due to war, as underlying causes of deforestation and recommended analysis of these causes at both international and national levels. Other delegates stressed: policy to address deforestation causes in other sectors; prioritization of action to address the many causes of deforestation; and consideration of financial, institutional and technical difficulties in implementing policy. FUNDACION ECOTROPICO highlighted the NGO-Government of Costa Rica initiative on underlying causes of deforestation that will culminate in a global workshop in Costa Rica in January 1999. Considerations for IFF-3 noted in the Co-Chairs' summary include:

- policy coordination both inside and outside the forest sector;
- analysis of mechanisms for fair and equitable benefit-sharing;
- problem-solving and solution-oriented approaches to policy implementation; and
- outcomes from the NGO-Costa Rica initiative on underlying causes.

Guidance for Secretariat preparations calls for consideration of: issues related to, *inter alia*, macro-economic and rural development policies, market forces, trade constraints and poverty; and distinction of causes in forested and LFC countries.

Traditional Forest-Related Knowledge: Several countries urged consideration of relevant CBD Conference of the Parties' (COP) decisions and work programmes dealing with TFRK. The G-77/CHINA urged development of legal protection of indigenous knowledge, innovations and practices through the development of IPR regimes for TFRK. CANADA called for full and equal participation of TFRK holders in the IFF. Considerations and guidance to the Secretariat for IFF-3 include:

- consideration of relevant CBD COP-4 decisions;
- coordination of CBD and IFF actions;
- urgent and effective implementation of IPF proposals related to TFRK;
- information on the CBD TFRK process;
- consistency between IPR, the Trade-Related Aspects of Intellectual Property Rights agreement and the CBD; and
- consideration of TFRK of private forest owners.

Forest Conservation and Protected Areas: Several countries called for recognition of multiple forest uses, cultural and social aspects of forests, and the needs of local communities and the need for conservation outside protected areas. Considerations and preparation for IFF-3 stress:

- an ecosystem approach;
- contributions of protected forest areas to ecological parameters for management of all forests;
- results of government-led initiatives;
- the CBD forest biodiversity programme;
- various types of protected areas and conservation measures;
- gap analysis in existing networks; and
- ecological corridors and buffer zones in relation to protected areas.



Forest Research: The EU and CANADA urged improved coordination of existing research efforts. The G-77/CHINA supported generation of new knowledge through research and development and called for promotion of capacity building and access to technology and know-how. SURINAME said research should be on priority functions and benefits of forests. IRAN offered to organize a meeting on LFCC needs. Considerations and guidance for IFF-3 include:

- the need for a global forest-related research network;
- assessment of existing research networks and their potential; and
- identification of institutions that could act as a focal point for review of ongoing globally relevant forest research.

Valuation of Forest Goods and Services: A number of delegates recognized the difficulty in valuing many forest products, particularly non-wood goods and services such as biodiversity and recreation and landscape. The G-77/CHINA called for further research to develop innovative, simple, country-driven methodologies that take into account environmental, socio-economic, ethical, cultural and religious considerations. CANADA said valuation should reflect values perceived by indigenous people and local communities, while recognizing that it should be one of many tools used in decision-making.

Carbon sequestration was also highlighted by some delegates, but the US opposed its discussion until the FCCC reaches agreement on forests. BRAZIL said its discussion should not obscure the importance of valuing other goods and services. The FCCC Secretariat said the Kyoto Protocol, when ratified, could serve as a new financing mechanism for forestry activities. The G-77/CHINA and BRAZIL opposed text on consideration of costs and benefits of carbon sequestration, while the EU supported its retention.

The final Co-Chairs' Summary of Discussion calls for, *inter alia*:

- further research to develop valuation methodologies;
- consideration of costs and benefits of carbon sequestration closely following FCCC agreements; and
- preparation by IFF-3 of proposals on developing forest assessment and valuation methodologies, including proposals on creating markets for non-timber forest goods and services.

Economic Instruments, Tax Policies and Land Tenure: Delegates underscored the importance of using economic instruments and tax policies to promote SFM. BRAZIL said international organizations should profit from countries' knowledge and experiences. The US emphasized the importance of secure land tenure systems, means to settle land tenure disputes and clearly defined and legally protected areas. FORUM UMWELT UND ENTWICKLUNG recommended addressing land tenure and creating policies that increase involvement of indigenous peoples and local communities. The G-77/CHINA stressed that land tenure matters fall within the competence of national governments. The final Summary of Discussion, *inter alia*:

- suggests that countries address the role of indigenous people, local communities and women in land allocation decisions;
- calls on IFF-3 to undertake a comparative analysis on alternative economic instruments and tax policies; and
- calls for further analysis on regulation and taxation of logging, including voluntary approaches and best management practices.

Future Supply of and Demand for Wood Products and Non-wood Forest Products: Delegates supported text on the importance of improving quality and comparability of information on forest resources and the scarcity of information on non-timber forest goods and services. The G-77/CHINA added text calling for enhanced international support for human resources and institutional capacity building for assessment of non-wood products and services in developing countries. The final Summary of Discussion also recommends analyzing possible implications of progress in SFM and the increase in protected areas on the supply of wood and non-wood forest products and services.

Regarding planted forests, CANADA doubted their ability to ease pressures on natural forests and highlighted possible negative effects of mono-specific plantations of non-native species. GABON supported improving natural forest growth. The G-77/CHINA deleted text on negative impacts of planted forests while NEW ZEALAND called for greater emphasis on their positive role. AUSTRALIA deleted reference to possible negative effects of mono-specific plantations of non-native species. The final text highlights the positive role planted forests can play in easing pressure on natural forests but notes that in areas of slow growth these effects should not be overestimated.

Monitoring and Rehabilitating Forest Cover: Delegates highlighted the important role of forests in combating soil degradation and desertification. The US noted the importance of plantations where forest cover has disappeared and called for incentives to plant trees. IRAN called attention to the special needs of developing LFCCs and highlighted numerous benefits of forest rehabilitation. The US expressed hope for a document for IFF-3 outlining options for action based on practical, innovative experiences with land rehabilitation in countries with diverse conditions. The final text, *inter alia*, addresses the needs of developing LFCCs, highlights the role of forests in combating desertification and land degradation and provides guidance to prepare a document, in consultation with the Convention to Combat Desertification, that will enable IFF-3 to consider options for action based on practical, innovative, real-life experiences with land rehabilitation in countries with diverse conditions.

FOREST-RELATED WORK OF INTERNATIONAL AND REGIONAL ORGANIZATIONS: Working Group 1 conducted substantive discussion on forest-related work of international and regional organizations (E/CN.17/IFF/1998/5) and under existing instruments (E/CN.17/IFF/1998/11) on Wednesday, 26 August. Draft Co-Chairs' reports were produced and discussed on Wednesday, 2 September, and a revised report consolidating both sub-elements was considered on Friday, 4 September. The final Co-Chairs' report contains nine conclusions and seven action proposals.

On the Interagency Task Force on Forests (ITFF) partnership, the G-77/CHINA said the ITFF should be strengthened "technically and financially," while the EU and US said it should remain informal. The final Co-Chairs' report recognizes the ITFF as a successful informal partnership requiring strong support from each of its member organizations.

On strengthening partnerships, the EU, opposed by the US and others, stressed the need for efforts to analyze gaps and overlaps with other instruments. Debate on the Co-Chairs' draft focused on whether to stress "conservation, management and sustainable development of all types of forests" or "SFM." The final text emphasizes that the real challenges are in further strengthening the existing partnerships among ITFF members and other international and regional organizations and instruments. It stresses the need to pay special attention, through NFPs, to supporting country efforts towards SFM, in particular in developing countries and countries with economies in transition.

On complementary objectives and flexible efforts of organizations and instruments, the G-77/CHINA, with the US, replaced text on partnerships for monitoring, reviewing and assessing progress with text underlining the importance of an integrated and multisectoral approach and said future efforts should accommodate existing needs in developing countries. A suggestion to replace collaboration with NGOs and the private sector with "all interested parties, including indigenous people and other forest-dependent people" (EU, CANADA and NORWAY) was amended to "all interested parties." The final report underscores that: the IPF proposals constitute an integrated and multi-sectoral approach for SFM; complementary objectives and approaches are crucial; future efforts should be flexible to accommo-



date different existing and emerging needs; and international organizations should provide for effective collaboration with all interested parties.

Regarding a directory of organizations, the US called for a directory of forest-related organizations "and instruments, including their mandates, missions, organizational structures, programmes, activities, personnel and budget" and opposed a G-77/CHINA addition of information "on the interface and linkages between the various forest-related activities" and on detailed information about governing bodies and decisions. The EU said information should be updated regularly, and, with JAPAN, called for FAO leadership. The final report recognizes the utility of designing a comprehensive directory of forest-related international and regional organizations and relevant conventions, with the FAO in a leading role, to: include available institutional information; be updated regularly; and be accessible in electronic form.

On the need to address the economic, social and environmental components of sustainable development, BRAZIL, IRAN, the G-77/CHINA and GUYANA opposed a US proposal to change "sustainable development" to "SFM." The final text emphasizes addressing economic, social and environmental components of SFM in the context of sustainable development, noting the specific conditions of developing countries, countries with economies in transition and LFCCs. Regarding future work under existing instruments, the final text calls for "further examining forest-related work under existing instruments in order to identify gaps and overlaps" under the IFF's mandate for this programme element.

Other conclusions in the Co-Chairs' report highlight:

- a holistic approach to forest matters;
- mobilization of existing organizations' capacity, through, *inter alia*, enhancement of complementarities and provision of financial resources; and
- future practical approaches.

On the proposals for action, the Forum calls on all interested parties to:

- identify means for mobilizing capabilities to support country-level implementation of IPF proposals;
- foster synergies among organizations and instruments; and
- clarify the roles of organizations in forest-related action programmes.

It calls upon governments to:

- utilize, as appropriate, expertise of organizations and instruments from formulating NFPs to integrate cross-sectoral linkages and the social, economic and environmental aspects of SFM into national policies; and
- establish effective national arrangements for guidance to multi-lateral organizations.

It calls for ITFF member organizations' Secretariats to:

- inform their governing bodies about progress in the IPF/IFF process to strengthen forest-related activities and inter-agency cooperation;
- explore and develop institutional synergies with other partners; and
- cooperate toward developing a comprehensive directory of forest-related international and regional organizations and instruments.

The Forum requests an in-depth analysis of experiences with implementation of forest-related work, with information on: coherence of forest-related policies and effectiveness of implementation; degree of international cooperation; demands on national institutions and existing national capacities; proposals to meet the needs of developing countries, particularly those with LFC; and mechanisms to ensure inclusiveness.

The proposals also highlight the importance of:

- integrating forest-related aspects in programmes for, *inter alia*, poverty alleviation and food security;
- cooperating to increase public awareness of forest benefits;
- facilitating consultation on cross-sectoral forest policies and programmes for SFM; and
- enhancing cost-effective data systems on SFM progress.

III. INTERNATIONAL ARRANGEMENTS AND MECHANISMS TO PROMOTE THE MANAGEMENT, CONSERVATION AND SUSTAINABLE DEVELOPMENT OF ALL TYPES OF FORESTS

Delegates conducted background discussion on international arrangements and mechanisms in a Plenary session on Monday, 31 August. Based on this exchange, the Co-Chairs produced a Summary of Discussion, which delegates discussed in another Plenary on Thursday, 3 September. Jag Maini began the discussion by introducing the Secretariat's note on the item (E/CN.17/IFF/1998/9).

A number of delegates, including CANADA, COSTA RICA, ARGENTINA and GABON, stated that existing instruments do not adequately address the problems confronting the world's forests and supported the initiation of negotiations on a legally binding instrument (LBI). The EU said that while forest issues are already discussed in various fora, clear political leadership and a holistic approach are lacking and must be developed. He expressed hope for building a consensus on possible elements for and beginning negotiations on an international mechanism, such as an LBI. RUSSIA said progress in implementing existing instruments is hampered by the absence of an LBI on forests. CHINA supported the establishment of an international mechanism or arrangement, but stressed the need to include finance, technology transfer, capacity building and standards of measurement as elements for discussion. NORWAY emphasized that a recommendation to begin negotiating an LBI must be based on a broad consensus and developed in accordance with existing instruments.

Some delegates, including the REPUBLIC OF KOREA and NEW ZEALAND, expressed concern regarding the cost of convention negotiations. CUBA questioned the rush to build consensus on an LBI given current constraints on financial resources and the need to clarify many issues. CAMEROON stressed the need for coordination, integration and synergy among the various existing mechanisms and stated that any international arrangement not accompanied by a financial mechanism would be unsuccessful.

NEW ZEALAND and AUSTRALIA remained unconvinced of the need for an LBI, but AUSTRALIA supported a rigorous process to consider the range of future options for an international arrangement.

A number of delegates, including the US, BRAZIL and CAMEROON, said it was premature to begin negotiations on an international LBI. Several speakers called for analysis of the shortcomings of existing arrangements before working on a new instrument.

Delegates commented on two options presented in the Secretariat's Note for a framework for possible elements of international arrangements and mechanisms, one being management, conservation and sustainable development of all types of forests, and the other, economic, social and environmental functions and values of forests. The G-77/CHINA, MALAYSIA, TURKEY and RUSSIA supported the former, and SWITZERLAND, NORWAY and GABON preferred the latter. A number of delegates suggested the need to synthesize the two and/or add new elements. Many interventions stressed the need to fully examine existing forest-related instruments and clarify their functions when discussing possible elements of international arrangements and mechanisms.

Numerous countries supported a joint initiative announced by COSTA RICA and CANADA to identify possible elements and work toward consensus on an international LBI on all types of forests. AUSTRALIA supported an intersessional discussion but stressed that



all ideas, not only that of an LBI, should be on the table. NEW ZEALAND said tunnel vision will not produce results and supported a discussion with balanced insight.

The Co-Chairs' Summary of Discussion states that participants noted the following:

- effective international arrangements and mechanisms to promote the management, conservation and sustainable development of all types of forests are of the utmost importance and their adequacy must be addressed;
- deliberations should draw on existing international and regional arrangements and mechanisms as well as on the IPF action proposals; and
- implementation of the IFF's mandate on this topic requires initial emphasis on identifying possible elements and, in the course of the process, continued emphasis on working toward a global consensus.

The summary notes that additional issues were proposed for further discussion, and, although the EU, BRAZIL and the US did not support a list, a number of these are specified, including, *inter alia*, underlying causes of deforestation, special needs of LFCCs, protected areas, forest fires and participation of interested parties.

The summary further states that there is at present no global instrument that deals with all types of forests in a comprehensive and holistic way and hence reaching consensus and engaging in further action requires a step-by-step approach, focused on issues of international concern, conducted in a transparent and participatory manner and without prejudging the outcome. It also states that participants noted the Costa Rica-Canada initiative.

The Co-Chairs' Summary of Discussion outlines guidance for preparation for IFF-3, calling on the IFF Secretariat to:

- undertake an analysis to clarify the role, effectiveness and relevance of existing arrangements and mechanisms in achieving the objectives of management, conservation and sustainable development of all types of forests;
- clarify the concepts, terminology and role of different types of legally binding and non-legally binding arrangements and mechanisms;
- take into consideration IFF-2 participants' comments on documentation related to the possible elements and areas of concern; and
- take into consideration and analyze the outcomes of all relevant initiatives, including that of the first meeting of the Canada-Costa Rica initiative.

To a proposal contained in the draft Co-Chairs' summary to elaborate options for effective implementation of the IFF mandate under this programme element, particularly on the process to build further consensus, BRAZIL proposed adding "taking into account that such options do not necessarily imply the adoption of a legally binding instrument." The US preferred the deletion of this guidance. CANADA preferred its retention. The final summary guides the Secretariat to further examine opportunities for implementing the IFF mandate under this item, in particular to facilitate the process to build further consensus during IFF-3 and IFF-4.

CLOSING PLENARY

The closing Plenary began at 6:00 pm on Friday, 4 September. Co-Chair Asadi opened the agenda item on "Other Matters." Jag Maini emphasized the need for contributions to the IFF trust fund to sustain Secretariat services. He noted that the IFF Trust Fund would only be able to sustain Secretariat operations through May 1999. BRAZIL announced a seminar, in cooperation with UNCTAD and the ITTO, on practical trade-related aspects of conservation, sustainable management and sustainable development of all types of forests, to be held in

Geneva in February 1999. The Chairs of the two working groups gave a brief description of the discussions undertaken in their groups and submitted their reports and Summaries of Discussion to the Plenary.

Co-Chair Asadi then introduced the draft provisional agenda for IFF-3, which is essentially the same as IFF-2 and includes the same programme elements. The US, supported by SWITZERLAND, noted that some programme elements for substantive discussion at IFF-2 may need further discussion at IFF-3 and emphasized that such matters be given adequate time at IFF-3. Co-Chair Asadi assured that this would be the case, and the Forum adopted the draft provisional agenda.

An introduction to the report of IFF-2 was also introduced. It notes that programme elements that received substantive discussions at IFF-2 will be reviewed, updated and, when necessary, further negotiated during IFF-3 and IFF-4, and that the Co-Chairs' Summaries of Discussion on programme elements that received background discussion do not represent negotiated text, but are intended to facilitate substantive discussions at IFF-3 and provide guidance to the Secretariat in preparing documentation.

Rapporteur and Vice Chair Bibiana Vargas introduced the draft report of IFF-2 (E/CN.17/IFF/1998/L.1) and the Co-Chairs' reports and Summaries of Discussion. The Plenary adopted the introduction and draft report and the Co-Chairs' reports and summaries.

Closing remarks were made by AUSTRIA, on behalf of the EU, INDONESIA and COSTA RICA, on behalf of the G-77/CHINA, SWITZERLAND, JAPAN and GABON. In closing the meeting, Co-Chair Asadi noted that "the good is the enemy of the best" and that while IFF-2 had made strides, more progress is necessary. IFF-2 officially came to a close at 7:00 pm.

A BRIEF ANALYSIS OF IFF-2

In the corridors as well as in official interventions, delegates at IFF-2 uttered sentiments of *déjà vu*. This feeling permeated the atmosphere of the meeting, despite delegates' constant reminders to one another to avoid replicating the work already accomplished in the IPF. This sentiment was in part inherent in the nature of the IFF's mandate to focus on reviewing and monitoring implementation of the IPF proposals and issues left pending, including the "landmine" topic, as Co-Chair Asadi referred to it, of future international instruments or arrangements for forests. Attempts to deal with implementation of IPF proposals necessitates their review (sometimes even leading to a sense of regression from agreed language), while discussion of issues left pending are precisely those where consensus remains elusive, entailing repetition of well-known positions and seemingly irreconcilable differences.

DÉJÀ VU ALL OVER AGAIN: The "IPF take two" sensation was particularly acute in discussions on trade and environment. Delegates observed that the matters remain just as pending after IFF-2 as they were after IPF-4 due to the utter lack of consensus emerging from "substantive" discussions on the issue. Delegates re-postured themselves along familiar North-South lines on issues of market access, trade barriers and the environmental versus economic and social goals of trade. Nevertheless, IFF-2 did address some new topics related to trade and environment, such as the need for long-term perspectives in sustainable forest management (SFM) strategies to minimize the effects of unpredictable events such as the Asian financial crisis, and admissions that wholesale reliance on trade liberalization does not automatically benefit the environment or lead to SFM. Some participants would like to see the IFF have a role as a forum for tackling sector-specific trade issues from a different angle than that of the WTO, such as by formulating innovative strategies for harnessing trade as well as consumer preference to work for SFM and addressing the sticky issue of illegal trade in forest products. However, the fact



that IFF-2 discussions resulted in a complete lack of consensus and a document dripping with brackets gave pause to great expectations of IFF progress in this area.

LACK OF IDENTITY: The sense of rehashing the same ideas over and over is symptomatic of an identity crisis for a body created to address forest issues at the international level as a continuation of the IPF but whose role remains unclear. In part this is the result of the struggle over a forest convention which seems to lurk in the background, underlying consideration of all issues. While some say the IFF was a "least common denominator" solution for continuing international forest discussions, many participants feel it owes its existence to those who wanted a forum in which to continue pushing for a global forest convention.

Another reason for the IFF's identity crisis is the fact that so much of what comes under its purview crosses over into the domains of other bodies. There are overlaps with the Convention on Biological Diversity on the issues of forest biodiversity, access to biological resources and traditional-forest related knowledge. Overlap with the Framework Convention on Climate Change is becoming clearer as delegates grapple with the implications of forests' role in carbon sequestration. Areas of overlap also exist with the Convention to Combat Desertification on land degradation and the WTO in areas touching on trade and valuation. Cross-over with the FAO and ITTO is apparent in numerous IFF items as well.

The argument for the existence of the IFF and possibly for a convention is that although various bodies exist that address certain aspects of forests, no international body exists whose primary *raison d'être* is the conservation, management and sustainable development of all types of forests. Some would like to see the IFF focus its attention on coordinating and enhancing the coherence of the forest-related work of these different international bodies, or at least in providing detailed information to guide them in arriving at informed conclusions. The problem, many delegates have pointed out, is that a significant proportion of the recommendations put forward by the IPF/IFF consist of little more than calling on these other bodies to undertake various tasks. However, these bodies are stronger in legal stature and, some have argued, have more pressing issues on their plates than to take commands from an "inferior" IFF. This has left the IFF with what some have politely called an identity crisis, and what others less politely call an inferiority complex. The problem the IFF now struggles with is to define its role in the international dialogue on forests.

TOO MANY COOKS IN THE KITCHEN: IFF-2 delegates used the metaphor of too many cooks in the kitchen, and one argued that a "head chef," in the form of a global forest convention, is needed to clear the overlaps and address the gaps between existing instruments. IFF-2 did not seem to come much closer to reaching consensus on this issue, although some claimed to sense slight shifts in the positions of some countries. Also significant in this regard was the announcement of an initiative undertaken by Canada and Costa Rica consisting of a series of workshops to examine the possible elements of a legal instrument. Allusions to the possibility of including discussion of an international forest fund within the context of negotiations on a legally binding instrument were also fairly explicit at IFF-2 and may be enticing to some developing countries that have had little interest in a convention thus far.

A CLOUDY FORECAST: If it is not agreed by the end of IFF-4 to recommend that negotiations should commence, the future looks unclear for the international forest dialogue. While many delegates who do not support a convention are not speculating openly on what form IFF follow-up might take, many participants at IFF-2 expressed a need to continue some forum for discussion, particularly on the open-ended and much-needed work surrounding IPF proposal implementation. However, a palpable sense that momentum has slowed and that

the IFF is already doing little more than repeating the exercises undertaken at the IPF does not bode well for any future "talk shop." The cost of negotiating a legally binding instrument, in terms of time and money, is frequently mentioned as a reason not to go down the convention road, yet the costs of sending representatives to a forum which "seems unable to do more than endlessly negotiate over concepts" is also mentioned as an obstacle to carrying on work in an IFF-type of body.

As for other options, the Interagency Task Force on Forests and the FAO have been mentioned as possible candidates to take on some of the IFF's responsibilities after IFF-4, as has the alternative of sending forests back to the CSD, which could opt in the future to establish another body to address forests, as needed. Another option would be to establish an entirely different type of body, such as a UN commission, to monitor progress on implementation. Regional conventions, similar to the Central American Convention on Forests, could also be negotiated at any time, no matter what other arrangements are decided upon, and perhaps obviate some of the need for a global forum. However, this is unlikely to be a comprehensive or adequate solution to the serious problems facing the world's forests.

The immediate future looks somewhat promising as delegates look forward to the many intersessional initiatives to be undertaken before IFF-3. Intended to address subjects such as trade-related aspects of forests, underlying causes of deforestation, the role of planted forests and possible elements of a legal instrument, these initiatives may generate productive new ideas as well as controversy, and thus perhaps reinvigorate IFF discussions. After that, it remains to be seen if the IFF will prove its worth, either as a model for further international forest dialogue or as a stepping stone to something more.

THINGS TO LOOK FOR BEFORE IFF-3

INTERNATIONAL CONSULTATION ON RESEARCH AND INFORMATION SYSTEMS IN FORESTRY: This meeting will be held from 7-10 September 1998 in Gmunden, Austria, is sponsored by Indonesia and Austria in cooperation with IUFRO, CIFOR, FAO and the IFF Secretariat. For information contact: Heinrich Schmutzenhofer, IUFRO Secretariat; tel: +43-1-8770151; fax: +43-1-8779355; e-mail: hschmutz@forvie.ac.at.

EXPERT WORKSHOP ON FOREST CONSERVATION AND PROTECTED AREAS: Sponsored by the Government of Australia, an international experts' workshop in support of the IFF is scheduled for 9-11 September 1998 in Canberra, Australia, on an In-depth Study on Forest Conservation and Protected Areas. For more information contact: Rod Holesgrove, Department of Environment; tel: +61-2-6274-1319; fax: +61-2-6274-1322; e-mail: rod.holesgrove@ea.gov.au.

GLOBAL CONCERNS FOR FOREST UTILIZATION - SUSTAINABLE USE AND MANAGEMENT: This meeting will be held from 5-8 October 1998 in Miyazaki, Japan. For more information contact: Kiyoshi Yukutake, Miyazaki University, Faculty of Agriculture & Forest Economics, 1-1 Gakuen Kibanadai Nishi Miyazaki 889-21 Japan; tel: +81-985-582 811; fax: +81-985-582 884; Internet: <http://www.miyazaki-u.ac.jp/FORESEA>.

INTERNATIONAL BOREAL FORESTS MANAGEMENT CONFERENCE: An international conference on better understanding and managing the world's boreal forests will be held from 5-10 October 1998 in Tartu, Estonia. It will deal with non-consumptive uses and indigenous peoples' uses of the forests. For more information contact: Taime Puura, Estonian Green Movement, P.O. Box 318, Tartu, EE2400, Estonia; tel: +372 7 422 598; fax: +372 7 422 084; e-mail: forest@erl.tartu.ee; Internet: <http://www.online.ee/~roheline>.



FOREST ECOSYSTEM AND LAND USE IN MOUNTAIN

AREAS: This meeting will be held from 12-17 October 1998 in Seoul. For more information contact: Don Lee, Seoul National University, College of Agriculture and Life Sciences, Department of Forest Resources, 103 Seodoondong, Suwon 441-744 Republic of Korea; tel: +82-331-2902327; fax: +82-331-2931797; e-mail: leedk@agri.snu.ac.kr.

INTERNATIONAL CONFERENCE ON TROPICAL FORESTS AND CLIMATE CHANGE: This meeting will be held from 19-22 October 1998 in Manila, the Philippines. For more information contact: the Conference Secretariat, Environmental Forestry Program, UPLB College of Forestry, 4031 College, Laguna, the Philippines; tel: +63-49-536-2342; fax: +63-49-536-2341; e-mail: Rdl@mudspring.uplb.edu.ph.

ENVIRONMENTAL FOREST SCIENCE CONFERENCE: This meeting will be held from 19-23 October 1998 in Kyoto, Japan. For more information contact: IUFRO8, Kyoto University, Uji, Kyoto 611, Japan; tel: +81-774-384110/384111, fax: +81-774-384300/325597; e-mail: iufro8-sec@bio.mie-u.ac.jp or L-NEWS@land-slide.dpri.kyoto-u.ac.jp; Internet: <http://www.bio.mie-u.ac.jp/iufro8/bulletin2.html>.

25TH SESSION OF THE INTERNATIONAL TROPICAL TIMBER COUNCIL: The ITTC's next meeting will be held from 3-9 November 1998 in Yokohama, Japan. For more information contact: International Organizations Center, 5th Floor, Pacifico-Yokohama, 1-1-1, Minato-Mirai, Nishi-ku, Yokohama, 220 Japan; tel: +81-45-223-1111; fax: +81-45-223-1110; e-mail: Itto@mail.itto-unet.ocn.ne.jp; Internet: <http://www.itto.or.jp>.

FOURTH CONFERENCE OF THE PARTIES TO THE FRAMEWORK CONVENTION ON CLIMATE CHANGE: COP-4 will be held in Buenos Aires, Argentina, from 2-13 November 1998. For more information contact: the FCCC Secretariat in Bonn, Germany; tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: secretariat@unfccc.de; Internet: <http://www.unfccc.de>.

SECOND CONFERENCE OF THE PARTIES TO THE CONVENTION TO COMBAT DESERTIFICATION: COP-2 will be held in Dakar, Senegal, from 30 November-11 December 1998. For information contact: the CCD Secretariat, Geneva Executive Center, 11/13 Chemin des Anémones, CH-1219 Châtelaine, Geneva, Switzerland; tel: +41-22-979-9419; fax: +41-22-979-9030/31; e-mail: Secretariat@unccd.ch; Internet: <http://www.unccd.ch>.

CONTRIBUTIONS OF SCIENCE TO THE DEVELOPMENT OF FOREST POLICIES: This meeting will be held from 7-15 January 1999 in Pretoria, South Africa. For more information contact: Perry J. Brown, Montana Forest and Conservation Experiment Station, School of Forestry, University of Montana, Missoula, Montana 59812 USA; tel: +1-406-243-5522; fax: +1-406-243-4845; e-mail: pbrown@selway.umt.edu.

GLOBAL WORKSHOP ON UNDERLYING CAUSES OF DEFORESTATION AND FOREST DEGRADATION: This meeting will be held from 18-22 January 1999 in San José, Costa Rica. It is part of a joint initiative of NGOs and the Government of Costa Rica to contribute to the IFF and will build on the outcomes of seven regional workshops and one indigenous peoples organizations' workshop. For information contact: Simone Lovera, Netherlands Committee for IUCN; tel: +31-20-6261732; fax: +31-20-6279349; e-mail: slovera@nciucn.nl.

SIXTH SESSION OF THE OPEN-ENDED AD HOC WORKING GROUP ON A BIOSAFETY PROTOCOL: This meeting is scheduled for 14-19 February 1999 in Cartagena, Colombia, to be followed by an extraordinary meeting of the Conference of the Parties to adopt the protocol on 22-23 February. For more information, contact: CBD Secretariat; World Trade Center, 393 St.

Jacques Street, Suite 300, Montreal, Quebec, Canada H2Y 1N9; tel: +1-514-288-2220; fax: +1-514-288-6588; e-mail: chm@biodiv.org; Internet: <http://www.biodiv.org>.

INTERNATIONAL EXPERT MEETING ON THE ROLE OF PLANTED FORESTS: Sponsored by the Governments of Chile, Denmark and Portugal, this meeting will take place from 22-26 February 1999 in Santiago, Chile. For more information contact: Carlos Weber, Chilean Forest Service, Eliodoro Yañez 1810, Santiago, Chile; tel: +56-2-2043251; fax: +56-2-2250428; Internet: <http://www.dg-florestas.pt/plant-meeting>.

SEMINAR ON PRACTICAL TRADE-RELATED ASPECTS OF SFM: This seminar, sponsored by Brazil, in cooperation with UNCTAD and ITTO, will take place from 23-25 February 1999 in Geneva. For more information contact: Maria Nazareth, Brazilian Mission to the UN; tel: +41-22-929-0913; fax: +41-22-788-2506; e-mail: lele@itu.ch.

EXPERT MEETING ON INTERNATIONAL ARRANGEMENTS AND MECHANISMS: In support of IFF Category III, the Governments of Canada and Costa Rica will host an expert meeting in San José, Costa Rica, from 9-12 March 1999. The objective of this meeting is to identify possible elements and work toward a consensus on the usefulness of international arrangements and mechanisms, for example a legally binding instrument on all types of forests. For information contact: Raúl Solórzano, Ministry of the Environment, Costa Rica; tel: +506-257-5658; fax: +506-222-4580; or Jacques Carette, Canadian Forest Service, Natural Resources Canada; tel: +1-613-947-9100; fax: +1-613-947-9033.

INTERNATIONAL EXPERTS MEETING ON PROTECTED FOREST AREAS: Sponsored by the Governments of Brazil and the US, this experts meeting will be held from 15-19 March 1999 in San Juan, Puerto Rico. For information contact: Douglas Kneeland, USDA Forest Service; tel: +1-202-273-4725; fax: +1-202-273-4695; e-mail: d.kneeland@if.arctic.com.

INTERNATIONAL WORKSHOP ON MODEL FORESTS FOR FIELD-LEVEL APPLICATION OF SFM: This workshop, hosted by the Forestry Agency of Japan and the Government of Mie Prefecture, will take place from 15-19 March or 23-27 March 1999 in Mie Prefecture, Japan. For information contact: Yuji Imaizumi, International Forestry Cooperation Office, Forestry Agency, Ministry of Agriculture, Forestry and Fisheries, Japan; tel: +81-3-3591-8449; fax: +81-3-3593-9565; e-mail: ifco@po.jah.or.jp.

COMMISSION ON SUSTAINABLE DEVELOPMENT: The CSD Intersessional *Ad Hoc* Working Group addressing tourism and consumption and production patterns will meet in New York from 22-26 February 1999. The Working Group addressing oceans and seas and the comprehensive review of the Barbados Programme of Action for SIDS will meet from 1-5 March 1999. The seventh session of the CSD will meet in New York from 19-30 April 1999. For more information contact: the Division for Sustainable Development, United Nations Plaza, Room DC2-2270, New York, NY 10017 USA; tel: +1-212-963-3170; fax: +1-212-963-4260; e-mail: dsd@un.org; Internet: <http://www.un.org/esa/sustdev/csd.htm>

INTERGOVERNMENTAL FORUM ON FORESTS: IFF-3 will be held from 3-14 May 1999 in Geneva. For more information contact the IFF Secretariat, Two United Nations Plaza, 12th Floor, New York, NY 10017 USA; tel: +1-212-963-6208; fax: +1-212-963-3463; Internet: <http://www.un.org/esa/sustdev/iff.htm>.