



### HIGHLIGHTS FROM IFF-3 10 MAY 1999

On the sixth day of IFF-3, WG1 considered a Co-Chairs' Report on monitoring progress in implementation of the IPF proposals for action and WG2 discussed a Co-Chairs' Report on the future supply of and demand for wood and non-wood forest products. Contact groups on transfer of ESTs and trade and environment met in evening sessions. The contact group on EST concluded its work.

#### WORKING GROUP 1

On monitoring progress in implementation, the G-77/CHINA requested reference to new and additional financial and technical resources based on national level criteria and indicators (C&I). NAMIBIA supported reference to internationally agreed C&I. The EU asked for clarification of linkages between short-term and long-term aspects of implementation progress. The US supported inclusion of SFM in relation to national level C&I.

On data collection and dissemination, CANADA supported harmonization of existing monitoring and reporting systems where appropriate. On the need to build institutional capacity, PERU proposed, and the US opposed, replacing periodic monitoring of the "state of the forests" with "programme of work" on forests. On capacity building, the G-77/CHINA requested, and the EU and the US opposed, reference to new and additional financial resources. The US called for greater priority on capacity building in assistance programmes, especially in developing countries.

On harmonizing terminology and comparability of data collection at the regional and global levels, CANADA called for a reference to comparability of data rather than data collection. PERU, the G77/CHINA and COLOMBIA opposed, and the EU supported, reference to harmonization. The US, with MALAYSIA and BRAZIL, suggested language developing "a better common understanding of key concepts," rather than "harmonization." In response to Canada's proposal for convergence, the US and the G-77/CHINA proposed a reformulation including a better common understanding of key concepts and a greater comparability of data.

In reference to tools for monitoring and voluntary national reporting, the EU proposed, and BRAZIL opposed, reference to IUCN data collection. The US called for the inclusion of SFM after the reference to C&I and suggested incorporating the results of C&I into voluntary reporting to the CSD. BRAZIL underscored the importance of voluntary national reporting on a priority basis.

CANADA called to delete reference to IUCN. The EU sought, and was given, assurance from Co-Chair Asadi that this omission would not preclude support for data collection activities by IUCN and other organizations. The EU proposed, and the group accepted,

an additional paragraph referring to the need for improved information for monitoring supply and demand for wood and non-wood forest products and services.

On the proposals for action, AUSTRALIA, with the US and EU, suggested a chapeau to the proposals recalling relevant IPF proposals for action. AUSTRALIA, with the G-77/CHINA, introduced a new proposal stressing the need to report to the IFF-4 on the implementation of the IPF proposals for action. Jag Maini, IFF Secretariat, noted this proposal duplicates the report being collected for CSD-8. On a proposal to develop a harmonized and comprehensive reporting format, the US proposed separating and highlighting concepts related to reporting progress and incorporating C&I at national and international levels. BRAZIL, supported by CHILE, emphasized the focus on national reporting. The EU called for adding global forest assessment to CSD reporting. The issue was left for further consideration.

On the proposal calling for the effective coordination and partnership to build capacity in developing countries, the US proposed the term "improved" rather than "effective" coordination. CHILE called for, and later withdrew, deletion of the reference to developing countries, suggesting that capacity building is needed in all countries.

On the proposal encouraging international organizations to give feedback to countries and make information available, CANADA proposed replacing interested parties with interested groups and offered to provide a briefing on this language to other delegations. The US questioned reference to "feedback" and the EU explained that this referred to timeliness, encouragement and how the information would be used. BRAZIL underscored the need for financial resources to support reporting. CANADA suggested, and the EU and US opposed, language encouraging countries to make forest-related information widely available. The US and EU, said the paragraph refers principally to international organizations, rather than national information. BRAZIL preferred national information and acknowledgment that this implied resources. A consolidated paragraph by the EU encouraging international organizations to consult, was accepted, *ad referendum*.

#### WORKING GROUP 2

WG2 discussed the Co-Chairs' Report on future supply of and demand for wood and non-wood forest products. The EU expanded the title to also include services. Regarding the recent outlook studies concluding that demand will match supply without price increases, the EU added that at the national level, some countries may experience shortages. The US said countries might also experience price increases. The G-77/CHINA amended text stating that some countries may experience shortages and possibly price



increases was accepted. An EU proposal to move a policy implementation reference to the programme element on promoting implementation was left pending.

On shifting to more intensively managed forests, with respect to wood harvesting, CANADA stressed that such forests can also be natural and called to delete references to natural forests. The EU, supported by the G-77/CHINA, and opposed by the US and CHILE, proposed deleting reference to plantations in discussing intensively managed forests. The text remains in brackets. Text on the cost efficiency of producing products from intensively managed forests and an alternative EU proposal, stating that environmental, economic and social principles of SFM should be taken into consideration in the planning and management of planted forests, were set aside.

On policies and prices, CANADA's proposed text stating that policies that distort the efficient operation of markets may contribute to the unsustainable management of forests was accepted. The EU, with ECUADOR's support, proposed language indicating that such pricing policies influence consumption patterns. The G-77/CHINA opposed the proposal and it remained bracketed. CHILE expressed concern that many policies on indigenous peoples and biodiversity could distort market efficiency. The US modified the text to state that the assessment of environmental consequences of pricing policies be considered for both forest products and their substitutes. The EU asked to replace the term pricing policies with market policies. Both proposals were accepted.

On the various proposals encouraging countries and international organizations to improve data collection and information dissemination, the EU noted that proposals relating to collection, reporting and inventory would be more appropriate under the programme element on promoting implementation of the IPF proposals and suggested their transfer. The text was bracketed with the intention of transferring it, after consultation with WG1. On other proposals, delegates agreed to a chapeau encouraging countries, including through international cooperation and as appropriate, to undertake the proposals for action. On promoting policies to meet increasing demand, CANADA proposed they be promoted through improved forest management. The G-77/CHINA amended the text to read through improved SFM. AUSTRALIA added reference to plantations and trees outside of forests.

On recognizing the role of the private sector, the G-77/CHINA suggested that countries support the private sector's role in producing commodities through policies, incentives and regulations. NEW ZEALAND supported full recognition of the private sector's independent role apart from incentives and regulations. Compromise text states that the private sector's role may need to be supported by incentives and regulations. Text on developing pilot studies to assess the impact of fuelwood collection was bracketed.

On developing and implementing policies designed to promote sustainable production of non-wood forest products and services, the US preferred that countries develop a better understanding of sustainable production. Delegates debated a Canadian proposal regarding equitable distribution of benefits to providers of goods and services. The US, supported by CHILE and the G-77/CHINA, emphasized the distinction between providers and owners and called for more inclusive text. The proposal remains bracketed.

On the relationship between policies and prices of forest products and their substitutes, the G-77/CHINA, NEW ZEALAND, the US and others proposed new formulations and modifications. The US underlined the need for text recognizing the relationship

between prices and waste, overuse and inefficient manufacturing of wood products and their substitutes. CANADA called for more action-oriented language. The text remains bracketed.

On a proposal calling for consideration of the benefits of renewable and non-renewable alternatives to products traditionally made from wood, CANADA, supported by the G-77/CHINA, preferred "undertake studies on the costs and benefits." AUSTRALIA preferred, and CANADA opposed, calling for consideration of environmental acceptability of wood products compared with alternatives. The EU called to replace "wood products" with "forest and non-forest products." The proposal calls for undertaking studies on costs and benefits with the proposed options bracketed.

NEW ZEALAND, supported by AUSTRALIA and CHILE, called to add a proposal on policies to reduce unsustainable consumption of forest products. The US, G-77/CHINA and EU opposed, noting that the substance of the issue was not addressed in the conclusions. No decision was reached.

### CONTACT GROUPS

**TRADE AND ENVIRONMENT:** The contact group on trade and environment began consideration of the Chair's revised proposals for action, but no agreement was reached. Discussion revolved around whether to refer to the WTO and to the reduction of subsidies, tariff escalation and non-tariff barriers. Some delegates warned against reopening issues negotiated in the conclusions, while others claimed the proposals should be more explicit than the conclusions. Delegates agreed to further reflect upon the text.

**TRANSFER OF ESTs:** In the contact group's final session to remove remaining brackets on terminology, mechanisms and linkages with other international agreements, a group of developing countries reiterated its insistence to include references to biological resources of forests and the development of technologies. Most developed countries reiterated their concerns over using language from the CBD. Many countries were ready to accept the proposed text which made reference to the CBD's definition of biological resources in a footnote. One developed country's opposition precluded a consensus and the paragraph remained bracketed. A group of developing countries underscored the importance of, and several developed countries opposed, language on EST transfer and linkages to the CBD. The text was left in brackets and will be forwarded to WG2.

### IN THE CORRIDORS

The new influx of negotiators in delegations has elevated the level of debate. Some delegations are troubled by these newcomers, suggesting that last week's debates are being reshaped. Others suggested that their presence has sharpened the debates and that progress will begin to be made on crucial issues.

### THINGS TO LOOK FOR

**PLENARY:** Plenary will convene at 3:00 pm to continue discussion on international arrangements and mechanisms.

**WG1:** WG1 will meet in Salle XIX at 10:00 am to continue consideration of Co-Chairs' Report on monitoring progress in implementation, TFRK and, time permitting, underlying causes and protected areas.

**WG2:** WG2 will meet in Salle XX at 10:00 am to consider rehabilitation of forest cover in environmentally critical areas and, time permitting, valuation.

**CONTACT GROUPS:** The contact group on trade and environment will meet at a time to be determined.