SUMMARY OF THE SECOND SESSION OF THE INTERGOVERNMENTAL NEGOTIATING COMMITTEE FOR A LEGALLY BINDING AGREEMENT ON FORESTS IN EUROPE

The Second Session of the Intergovernmental Negotiating Committee for a Legally Binding Agreement on Forests in Europe (INC-Forests2) convened from 3-7 September 2012 in Bonn, Germany. The five-day session was attended by 132 participants, including delegates from governments and the European Union (EU), and observers from regional and international organizations, producer associations, and nongovernmental organizations (NGOs). Serving as Secretariat for the Intergovernmental Negotiating Committee (INC) were staff from three organizations: the Liaison Unit Madrid of the Ministerial Conference on the Protection of Forests in Europe (FOREST EUROPE); the Food and Agriculture Organization of the UN (FAO); and the European Forest Institute.

INC-Forests2 undertook a first reading of the draft negotiating text (DNT) of the legally binding agreement drafted by the INC Bureau at the request of INC-Forests1. Following this first reading a revised text was produced which incorporated proposals by delegates and observers during the first reading. This revised text was considered by the two working groups established during the session. These working groups addressed general provisions, compliance, procedures and final clauses. INC-Forests2 also discussed revision of the roadmap for the negotiation process and intersessional work, and decided on the date and host country for INC-Forests3 and the host country for INC-Forests4.

This summary highlights the negotiations conducted at INC-Forests2.

A BRIEF HISTORY OF INC-FORESTS

INC-Forests was launched by the 2011 FOREST EUROPE Ministerial Conference on the Protection of Forests in Europe, held in Oslo, Norway (Oslo 2011). FOREST EUROPE is a high-level political initiative that was founded in 1990 to work towards the protection and sustainable management of forests throughout Europe. Forty-six European countries and the European Union (EU), in cooperation with a range of international organizations, participate in FOREST EUROPE.

Strasbourg 1990: The first Ministerial Conference on the Protection of Forests in Europe took place in Strasbourg, France, on 18 December 1990. Recognizing increasing threats to European forests and the need for cross-border protection, participants agreed to initiate scientific and technical cooperation in Europe. They adopted a General Declaration and six resolutions on: a European network of permanent sample plots for monitoring forest ecosystems; conservation of forest genetic resources; a decentralized European Data Bank on forest fires; adapting the management of mountain forests to new environmental conditions; expansion of the EURO SILVA Network of Research on Tree Physiology; and a European network for research on forest ecosystems.

Vienna 1993: The Second Conference was held in Vienna, Austria, from 28-30 April 2003. Conference participants adopted the Vienna Living Forest Summit Declaration and two resolutions on: people, forests and forestry – enhancement of socioeconomic aspects of SFM; and pan-European criteria, indicators and operational level guidelines for SFM.

Helsinki 1993: The third Conference was held in Helsinki, Finland, from 16-17 June 1993. Building on the Strasbourg resolutions and responding to many of the forest-related decisions adopted at the 1992 UN Conference on Environment and Development held in Rio de Janeiro, Brazil, participants adopted a General Declaration and four resolutions on: general guidelines for sustainable forest management (SFM) in Europe; general guidelines for the conservation of the biodiversity of European forests; forestry cooperation with countries with economies in transition; and strategies for a process of long-term adaptation of forests in Europe to climate change.

Lisbon 1998: This was held in Lisbon, Portugal, from 2-4 June 1998. The Conference focused on the socio-economic aspects of SFM and affirmed important outcomes of the Helsinki follow-up process. Participants adopted a General Declaration and two resolutions on: people, forests and forestry – enhancement of socioeconomic aspects of SFM; and pan-European criteria, indicators and operational level guidelines for SFM.


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Responsibilities,” and five resolutions on: strengthening synergies for SFM in Europe; enhancing the economic viability of SFM in Europe; preserving and enhancing the social and cultural dimensions of SFM in Europe; conserving and enhancing forest biodiversity in Europe; and addressing climate change and SFM in Europe.

**Warsaw 2007:** The fifth Conference was held in Warsaw, Poland, from 5-7 November 2007. At the Conference, a proposal was tabled to begin a process for exploring the possibility of a legally binding agreement on forests in the European region. This resulted in the establishment of two working groups. The first working group was mandated to explore the potential added value of a legally binding agreement on forests in Europe and possible options for such an agreement. The second was required to prepare options for a decision on a possible agreement and to produce a non-paper setting out options for a legally binding agreement.

**Oslo 2011:** The sixth Ministerial Conference was held in Oslo, Norway from 14-16 June 2011. The Conference adopted the Oslo Ministerial Mandate for Negotiating a Legally Binding Agreement on Forests in Europe (the Oslo Mandate), under which the FOREST EUROPE signatories decided to take further international action on forests through the elaboration of a legally binding agreement on forests in Europe, and established the INC to develop this agreement. Although rooted within FOREST EUROPE (through the Oslo Mandate), the INC is an independent process. Under its mandate, the INC should complete its work by 30 June 2013, and present its results to an extraordinary FOREST EUROPE Ministerial Conference that will take place within six months of the conclusion of the negotiations. Oslo 2011 also adopted the Oslo Ministerial Decision: European Forests 2020, which outlines a vision, goals, targets and actions for Europe’s forests.

INC-Forests1: INC-Forests1 was held from 27 February to 2 March 2012 in Vienna, Austria. It focused on providing guidance to the INC Bureau to elaborate the initial draft negotiating text of the agreement. During the session, the INC considered a “Non-paper on a Possible Legally Binding Agreement on Forests in Europe,” and discussed the possible structure of the legally binding agreement. It established a roadmap for the negotiations and requested the INC Bureau to develop the first draft of the negotiating text.

**OPENING OF THE SESSION**

On Monday, 3 September, the Second Session of the Intergovernmental Negotiating Committee for a Legally Binding Agreement on Forests in Europe (INC-Forests2) was opened by Jan Heino (Finland), Chair of the Intergovernmental Negotiating Committee (INC). Chair Heino introduced the draft negotiating text (DNT) of the legally binding agreement (LBA) that was drafted by the INC Bureau (Document 2/INC2) and underscored three issues for special consideration: commitments; compliance; and institutional arrangements.

The European Union (EU), on behalf of its Member States plus EU applicant Croatia, stressed the need to negotiate an agreement that allows the flexibility for the adoption of different national approaches to implementation. The EU suggested that the General Provisions Section of the text should be reorganized to correspond with the six pan-European criteria for sustainable forest management (SFM) adopted at the Helsinki Ministerial Conference (Helsinki Criteria).

**ADOPTION OF THE AGENDA**

The draft provisional agenda (Document 1/INC2) was adopted without objection.

**ORGANIZATIONAL MATTERS**

Chair Heino reported on a change in the Bureau representative for Turkey. The INC approved the list of four organizations seeking observer status: the Swiss Forest Owners Association; Friends of the Earth Switzerland (Pro Natura); the German Forest Association; and the University of Goettingen. The Secretariat noted that a fifth organization had submitted a request which was still being reviewed by legal advisers.

Chair Heino outlined the work plan for the week, highlighting the intention to complete the first reading by Wednesday 5 September. He proposed convening two working groups to handle part of the second reading, with one to focus on compliance and procedures, and the other addressing the other sections of the draft. Chair Heino said that Friday afternoon would be devoted to discussing the roadmap for future negotiations, inter-sessional work and adopting a draft report that includes a negotiating text that is “as clean as possible.”

**CONSIDERATION OF THE DRAFT NEGOTIATING TEXT**

On Monday and Tuesday, the INC conducted the first reading of the DNT in plenary, during which delegates and observers made comments on the text, as well as proposals for amending the text. Based on these comments and proposals, a revised draft was produced for a second reading, and considered by the two working groups convened on Wednesday. Working Group 1 (WG1), co-chaired by Arne Ivar Sletnes (Norway) and Kateřina Ventrubová (Czech Republic), was tasked to focus on the General Provisions Section of the text. Working Group 2 (WG2), co-chaired by Ingwald Gschwandtl (Austria) and Tamer Otrakci (Turkey), addressed the Rules, Bodies and other Procedures, and Final Clauses Sections, with a particular focus on generating guidance on compliance for INC-Forests3.

On Thursday, the working groups reported back to the plenary on their discussions, and a new revised DNT was circulated, which had been prepared based on these discussions. The INC then considered this revised text. The discussions during the plenary sessions and the working groups are summarized below.

**SCOPE, CONTENT AND STRUCTURE:** During the Monday morning plenary session, Chair Heino opened discussions by calling for general comments on the scope, content and structure of the DNT.

Ukraine, supported by Belarus and the Russian Federation, underlined the importance of SFM criteria and indicators in the LBA.

The EU, supported by Switzerland, Norway and the Confederation of European Forest Owners (CEPF), recommended merging the Purpose and Objectives Sections
of the text into a single section. The EU, supported by Switzerland, called for reordering items in the General Provisions Section to correspond with the Helsinki Criteria on SFM.

The Russian Federation and Ukraine stressed that the LBA must include sustainable development, green economy and social compatibility as its principles. They further noted that the Russian translation of the text required a number of amendments.

Belarus said allowances should be made in the text for the changing dynamics within the forest industry. Switzerland recommended that the Preamble should include either all or none of the outcome principles from the June 2012 UN Conference on Sustainable Development (UNCSD, or Rio+20), and said the text does not need to include a definition of “sustainable development.” He suggested having provisions and targets at the region-level, which could then be allocated appropriately at the country-level within regions.

The Council of Europe welcomed having the LBA, the possibility of adopting protocols and provision for finances. The European State Forest Association (EUSTAFOR) called for a common agreement on SFM and the multifunctional role of forests, and recommended building upon FOREST EUROPE’s achievements, including soft targets, and avoiding unnecessary institutional burdens. CEPF called for including the concept of the value chain in the text, in order to strengthen the position of forest owners.

ARTICLE 24G OF THE OSLO MANDATE: THE POSSIBILITY OF THE AGREEMENT BEING BROUGHT UNDER THE UN UMBRELLA: During the Monday plenary session, Chair Heino suggested discussing issues raised by Article 24g of the Oslo Mandate before proceeding with an examination of the Rules, Bodies and Procedures Section of the text. The Secretariat presented an information document outlining the two options for bringing the LBA under the UN umbrella (document 4/INC2). She explained that the first option is for the FOREST EUROPE Ministerial Conference to endorse the agreement for adoption by a UN organ as a UN treaty, and the second option is for the Ministerial Conference itself to adopt the agreement as a non-UN treaty. She stated that it is possible for non-UN treaties to be serviced by UN programmes or specialized agencies, but noted that servicing is not automatic for non-UN treaties.

The Russian Federation, Switzerland, Iceland, Georgia and Norway supported adopting the treaty under the UN umbrella. Iceland said adopting the agreement under the UN will also enable it to contribute to, and synergize with, existing work on forests under the UN.

The EU requested further information about the cost implications of implementing either option and about the formal procedure for bringing the agreement under the UN umbrella. The UN Environment Programme (UNEP) noted that there are numerous examples of regional conventions being serviced during interim periods by UN agencies, and called for clarity on bringing the LBA, a regional agreement, under an international organization. In response to questions from delegates, the Secretariat noted that, inter alia: it is possible for UN programmes to adopt regional treaties, citing as an example, the adoption by the Food and Agriculture Organization of the UN (FAO) of numerous regional treaties; funding under the UN umbrella would either be regular funding, which is limited, or funding from members’ extra-budgetary contributions; and particular provisions for observers and official languages for regional agreements under international organizations can be made.

During the Friday morning plenary session, Chair Heino noted proposals by the EU, supported and expanded by the Russian Federation, Iceland, and Switzerland, that the INC should request the Chair and Secretariat to produce an analytical document for INC-Forests3. Delegates requested that the document should clarify the options for bringing the LBA under the UN umbrella and should also contain: the rules, requirements and procedures to follow if the LBA is adopted; examples of other regional agreements; cost implications of each option; comparison between having one body or a joint arrangement; applicable mechanisms; synergies with other forest related policies and processes; and financial mechanisms.

SECTIONS OF THE DRAFT NEGOTIATING TEXT
In addition to the general discussions above, delegates also considered the DNT section-by-section. These discussions took place in the plenary and working group sessions from Monday to Friday.

TITLE: In the initial plenary discussion on Monday morning, the Russian Federation expressed satisfaction that the draft title does not only address Europe or European forests, but maintains an opening for other countries that may want to join at a later time. The EU suggested leaving consideration of the title and preamble until after the substantive text had been negotiated. This item therefore remains open.

PREAMBLE: The Preamble was initially drafted with eight paragraphs outlining the premise for a LBA on forests in Europe. On Monday, Thursday and Friday, delegates offered comments and proposals for amending the content and form of the Preamble. Due to language concerns, some text was bracketed to allow for informal discussions on bridging the gap between the Preamble and the rest of the text. The EU requested bracketing the entire Preamble.

The CEPF stressed that the LBA should become the reference point for other agreements. Switzerland, supported by the Russian Federation, proposed referring to paragraphs 5-8 of the Oslo Mandate Decision for guidance on wording, particularly for the first paragraph of the Preamble on recognizing forest benefits and opportunities. Delegates deliberated on what to include in the list of internationally agreed development goals referred to in the first paragraph. They considered various goals, such as green economy, job creation, innovations, entrepreneurship, social equity, gender balance and livelihoods. Delegates and observers further considered text to ensure that the emphasis in each paragraph was correctly placed. On the paragraph on pressure on forests, the EU suggested improving the language to adequately reflect the increasing multifunctional demands on wood for energy and other uses. On the third paragraph on integrated land-use policies and management, delegates agreed to a proposal by Switzerland to delete bracketed text and to include an EU proposal to add biological diversity as a component of forest-related policy-making considerations.

Following the suggestions of the EU, alternative and additional paragraphs were considered for paragraph 4, to address forest governance, law enforcement, combating
of illegal logging and participation of stakeholders. After discussion, the INC decided to bracket amended paragraphs 4 and 4 alt. To ensure participation of forest owners and relevant stakeholders in SFM, Switzerland, supported by Norway, Ukraine and Iceland, proposed including reference to “secure property and tenure rights” in the text.

On paragraph 5 on sustainable development commitments, the INC considered proposals from: Norway to reference the Rio Principles; Switzerland and the EU, to include the Aichi Biodiversity Targets of the Convention on Biological Diversity, as well as climate change commitments; and Switzerland to include reference to the Rio Declaration, Agenda 21, the Johannesburg Programme of Implementation, the Johannesburg Declaration on Sustainable Development, Rio+20’s “The Future We Want,” and the Millennium Development Goals. After hearing reports from deliberations between the Russian Federation, Ukraine and Switzerland, and considering objections from Iceland, the INC agreed to bracket text in paragraph 5 to consider including agreements or conventions that may expire during the life of the LBA.

On paragraph 6 on commitments of parties to multilateral environment agreements, Switzerland suggested adding reference to the Ramsar Convention on wetlands. Georgia intervened that general reference to “other global and regional instruments relevant to forests” should be clarified as only applying to those instruments to which parties to the LBA are also party. Delegates agreed to retain the original Bureau text with amendments addressing these concerns and an EU amendment to identify SFM “as a dynamic concept.”

On paragraph 7, which references the work of FOREST EUROPE, the EU suggested adding a citation for Resolution H1 on “General Guidelines for Sustainable Management of European Forests.” The Committee bracketed the text for further discussion due to questions raised by the Russian Federation and Norway.

The EU called for reformulation of paragraph 8 on existing international, regional and subregional agreements in order to underscore that the LBA would ensure or reinforce SFM, ensure multi-functionality of forests, avoid fragmentation of forest-related policies, and complement and promote relevant existing agreements, cooperation and initiatives.

INC-Forests2 amended the Preamble based on delegates’ proposals and interventions. The resulting revised text will be forwarded to INC-Forests3 for further deliberation.

**TERMS AND DEFINITIONS**: This section intends to clarify key terms used in the draft agreement, with the initial DNT listing nine terms: four drawn from FOREST EUROPE documents; two undefined; “forest” and “illegal logging” provided standalone definitions; and a definition for “sustainable development” drawn from UN General Assembly Resolution A/RES/42/187.

At the EU’s suggestion, review of the initial draft of this section was postponed until the Thursday plenary, so that it would be more pertinent to the content of the agreement. In plenary on Thursday afternoon, Chair Heino asked for general comments on the section. The Russian Federation supported the draft definition of “forests” as contained in the text, and questioned the need to define “green economy” and “indicators for sustainable forest management” in the LBA. The EU questioned whether a “green economy” definition belongs in the LBA, suggested that the proposal for “illegal logging” needs clarification, and indicated the possible need for additional definitions of other terms such as “biodiversity,” “restoration,” “multi-functionality,” “fragmentation,” “goods,” “products,” and “services.” Iceland expressed satisfaction with the flexibility offered by the definition of “forests.”

The EU suggested that during the intersessional period before INC-Forests3, a group of technical experts could examine whether universally agreed definitions exist for these terms, and where they do not, could propose wordings for consideration by INC-Forests3. On Friday, Spain announced that it will host a workshop of technical experts to generate recommendations on what terms INC-Forests3 should consider including and options for defining them.

**OBJECTIVE**: The original DNT considered by INC-Forests2 contained separate “purpose” and “objective” sections, the former with three subparagraphs and the latter with two subparagraphs. In the initial discussion in the Monday morning plenary, the EU, with support from Norway and Ukraine, called for merging the two sections. Discussions then focused on which elements of each to maintain and any additions, deletions or other adjustment needed. CEPF, supported by European Farmers/European Agri-Cooperatives (COPA/COGESA), called for reordering the items under this section according to their priority and increasing the priority of SFM. CEPF stressed including “ensuring economic viability and competitiveness of the forest sector,” and Pro Natura recommended including the “maintenance of biodiversity.” The Russian Federation called for recognizing the role of forests for the survival of humankind.

On Wednesday morning during the plenary session, the Secretariat introduced a revised DNT incorporating the suggestions made by delegates and observers, including options for merging the two sections. The EU made a proposal for combining the purpose and objective sections, which was supported by many delegates as a basis for discussion.

Iceland, Belarus, the Russian Federation and the EU supported adding a subparagraph proposed by Switzerland, which reads as follows: “ensure that forests contribute effectively to well-being and sustainable development of society by providing economic, environmental, cultural and social benefits at all levels.” The Russian Federation supported, and the EU opposed, a UNEP suggestion to revise the subparagraph to read: “forests contribute effectively to sustainable development and well-being of society.”

The Russian Federation proposed, but several delegates opposed, changing a reference to forest “goods” to “products,” suggesting that the latter was broader in Russian. Both “goods” and “products” were put in brackets with a footnote indicating language issues need to be resolved.

By the close of INC-Forests2 the combined Objective Section had five bracketed subparagraphs, setting out the agreement’s objective. Delegates will continue consideration of the text at INC-Forests3.

**PRINCIPLES**: This section contains the core principles that parties to the agreement should respect when implementing the agreement. The initial text for the section contained three distinct subsections, which: state that parties are responsible for SFM; set out the actions required to develop and improve SFM; and highlight the role of international cooperation in achieving SFM. The draft text was introduced during the first reading on Monday and negotiated.
in plenary sessions on Wednesday and Friday, with discussions revolving around how best to refer to relevant stakeholders, and the inclusion of additional principles.

There was consensus on using a restructured version of the section to reflect overarching principles that apply to the whole agreement rather than those explicitly related to SFM. In response to a request by COPA/COGEECA to relate each principle to parties, Switzerland suggested that each paragraph start out with “parties agree.” Ukraine contested that this language implied commitments rather than principles. Switzerland offered to reformulate more agreeable text for submission later in the session. The INC, supporting a proposal by UNEP, agreed to reword the chapeau to include “shall be guided by the following principles” instead of “shall respect the following principles.”

Ukraine and the Russian Federation called for including two items in the revised version of the section, as follows: “not precluding economic development of the Parties”; and text on parties’ common interests and differentiated responsibilities concerning forests and forest management. The EU expressed some reservation with this language. After informal consultations, the Russian Federation, supported by Turkey and Ukraine, proposed deleting the paragraph, and replacing it with text reading: “sustainable forest management shall contribute to sustainable development of the parties.” The Committee accepted this alternative proposal and further agreed to delete proposed paragraphs referring to “common interests,” “common but differentiated responsibilities,” and on parties recognizing the role of international cooperation.

Under the principle regarding good governance to promote SFM, Iceland, supported by Norway, proposed that the INC include “gender equality.” The Committee accepted Switzerland’s proposal adding “based on broad consensus” when referring to creating “balance among economic, social and environmental aspects.”

INC-Forests2 accepted four overarching principles to guide parties to the agreement, namely on: SFM’s contribution to sustainable development of the parties; each party’s responsibility to SFM; good governance contributing to SFM; and active participation of forest owners and stakeholders in policy.

**GENERAL PROVISIONS:** This section of the draft sets out the general obligations of parties. The initial negotiating text drafted by the Bureau had 21 paragraphs developed from the Oslo Mandate.

This section was considered by the INC in plenary on Monday, Tuesday, Wednesday and Friday. It was also considered by WG1 on Wednesday afternoon and Thursday, with the aim of developing proposals to bring to plenary for final decisions.

Discussions on Monday focused on restructuring the section, in order to organize the text in line with the Helsinki Criteria and to reword for consistency. Iceland, Switzerland and Ukraine supported the new proposed structure circulated by the EU on Tuesday afternoon, pointing out that work remained to balance the paragraphs under each Helsinki Criteria. The EU and Switzerland said that the new structure will support measurable targets but emphasized that it should include a focus on implementation and institutions that support implementation.

As restructured, the General Provisions Section is organized into a chapeau and six subsections with titles that correlate to the Helsinki Criteria.

**Chapeau:** The EU proposed simplifying the text in the chapeau by including the phrase “have in place legislative, administrative or other policy measures,” noting that paragraph 1 then frames the subsequent paragraphs. WG1 discussed the wording “national and collaborative” in reference to SFM measures, and in plenary decided to follow the suggestion from Iceland to keep both terms in brackets to allow for an opportunity to check consistency with the principles section. The INC accepted the proposal to insert in the text, a bracketed sentence referring to taking account of specific forest conditions and national priorities.

A paragraph on indicators was deleted based on the suggestion of the Russian Federation, which was supported by Norway and the EU, that indicators should instead be considered in the context of the Rules, Bodies and Other Procedures Section. The INC accepted proposed changes from WG1 on a paragraph listing the six SFM criteria drawn from the Helsinki Criteria, including the proposal from Iceland to delete the phrase “as sustainability criteria for forests” from the chapeau.

Regarding a paragraph on national forest programmes, the EU recommended inserting reference FOREST EUROPE’s work. Georgia, supported by the Russian Federation, proposed including “or equivalent” in reference to national forest programmes, thereby encouraging informal discussions to continue on the matter of whether parties must have a national forest programme or equivalent before they can sign the agreement. Chair Heino noted the interventions made, leaving the decisions to INC-Forests3.

WG1 discussed proposals for a paragraph on international cooperation: the EU proposed including reference to regional and cross-border cooperation to facilitate tracking of illegally traded timber, monitor natural disasters, and monitor pests and diseases; and Ukraine proposed referencing introduction of new technologies. WG1 supported amendments to paragraph 20 to match terminology used throughout the agreement and in the final point in the paragraph on monitoring pests and diseases, adding “forest biodiversity and forest wetlands.” Regarding the reference in the paragraph to “internationally traded timber,” WG1 noted the principle issue raised by the Russian Federation and Ukraine on not using language that relates to trade, and agreed to bracket this reference for further discussion.

WG1 narrowed down the four versions proposed for subsequent chapeau paragraph on monitoring, agreeing to maintain paragraph 21 on reporting in brackets to allow for consideration after hearing reports from discussions on compliance and maintaining paragraph 21 alt on monitoring as 21 bis without brackets.

**Subsection:** In order to secure maintenance and appropriate enhancement of forest resources and their contribution to global carbon cycles: WG1 focused on the proposed alternative paragraph 6 alt on forest contributions to global carbon cycles, including proposals by the EU that would make the language consistent with the Helsinki Criteria. COPA/COGEECA requested removing the reference to “forest soils” for carbon sinks and CEPF supported emphasizing
the growth of forests for carbon capture. WG1 bracketed the additional paragraph 6 bis on support measures for further drafting at a later stage.

In paragraph 9 on forest fragmentation, the EU, supported by the Russian Federation and Pro Natura, commented that non-intervention is a way to reduce fragmentation. Turkey, Belarus, Ukraine, the EU and the Russian Federation expressed preference for using the proposed alternative paragraph 9 alt as the basis for further discussion. The Russian Federation suggested adding an additional paragraph (paragraph 9 bis) on approaches for the transformation of forest to agricultural, industrial or settlement areas. After discussing proposals by Iceland and the Russian Federation to include language on landscapes, WG1 agreed with the EU to bracket the paragraph for further discussion and return to the question of whether to retain 9 bis once 9 alt is amended.

**Subsection: In order to secure maintenance of forest ecosystems’ health and vitality:** In paragraph 2 on maintaining and enhancing health and vitality, the Russian Federation requested the language for “goods” and “products” to match references throughout the agreement. WG1 agreed with the proposal from the EU, supported by Ukraine and the Russian Federation, to delete the list of human-induced threats in the paragraph.

WG1 noted the language issues in paragraph 5 on adapting forest management practices to changing climatic conditions, with Ukraine and the Russian Federation pointing out that “forest management” was translated as “forest use” in the Russian version.

**Subsection: In order to secure maintenance and encouragement of productive functions of forests (wood and non-wood):** In paragraph 10 on measures to increase contributions of forests to sustainable development, Ukraine, Iceland, and Switzerland suggested bracketing the proposed text on ensuring decent workplaces and noted the need to check against paragraph 19 bis in the subsection on securing maintenance of other socioeconomic facts. The Russian Federation requested bracketing the word “high” in reference to standards of health and safety. The EU suggested removing the term “green economy” and including references to use of wood from sustainable sources, substitutes for non-renewable materials and energy sources, and non-timber forest products.

On paragraph 12 on enabling conditions for forest owners and managers, there was a proposed alternative paragraph as well as two additional proposed paragraphs. WG1 selected paragraph 12 alt, deleting all other versions, and supported a proposal by Switzerland to insert “and/or” to encompass the goal of maintaining and strengthening enabling conditions. WG1 altered the investments referenced in the paragraph by adding in brackets “including long-term.”

On paragraph 16 on legislation and forest law enforcement, WG1 supported proposals by Iceland and Switzerland to delete the paragraph and retain paragraph 16 alt on eliminating illegal harvesting of timber and amend it by moving “support sustainable forest management” to the end of the paragraph.

On paragraph 4 on sustainable production and consumption, the EU called for changes to increase SFM through market instruments and public procurement policies. The Russian Federation countered that trade issues should not be discussed in the agreement. Delegations agreed to change “other market-based instruments” to “other instruments, including market-based instruments,” and delete the phrase on promoting “the use of resources as an environmentally friendly and renewable raw material.”

**Subsection: In order to secure maintenance, conservation and appropriate enhancement of biological diversity on forest ecosystems:** On paragraph 8 on forest biodiversity, WG1 supported the EU’s proposal to use the alternative paragraph 8 alt, clarifying the links between biodiversity and SFM. WG1 discussed proposals for text in the additional paragraph 8 bis including: from Albania, language on strengthening and developing “close-to-nature forestry and extensive traditional practices in forestry”; from Iceland, “to secure appropriate forest lands to be brought under forest protected area regimes”; from Ukraine, “enhancement of forest protected areas”; and from UNEP, supported by Ukraine, language regarding the valuation of forest biodiversity and related ecosystem services. WG1 bracketed the paragraph 8 bis, with a note for the wording to be further developed.

**Subsection: In order to secure maintenance, conservation and appropriate enhancement of protective functions in forest management (notably soil and water):** In paragraph 7 on protective functions of forests, WG1 suggested editorial changes and considered a proposal from the EU, supported by the Russian Federation and Norway, to delete the list of natural hazards.

**Subsection: In order to secure maintenance of other socio-economic functions and conditions:** In paragraph 11 on social and cultural benefits of forests, the EU proposed appending “as well as gender equality” to the end of the paragraph to ensure inclusion of gender issues. WG1 agreed on the importance of gender equality, with Iceland noting that this should be reflected in the principles of the overall agreement. Switzerland, supported by the Russian Federation and Belarus, proposed adding “forest related historic” social and cultural heritage.

WG1 favored the alternative paragraph 18 alt on enhancing knowledge and understanding for forest conditions and factors, including a proposal from Switzerland, supported by the Russian Federation and Belarus, to add “and forest managers” to forest owners. Belarus suggested inserting “historical cultural heritage and traditional knowledge.”

WG1 deleted paragraphs 3 and 14 on sustained provision of multiple benefits and monitoring indicators. Based on comments by UNEP regarding the need for the text to refer to the value of forest ecosystem services, Serbia and Iceland, supported by the Russian Federation and Switzerland, proposed amending paragraph 17 to include diversification of the financial basis for SFM by incorporating values of forest ecosystem services. WG1 discussed the proposal from Norway to include benefits and remove values, and from the Russian Federation, supported by Serbia, to delete “market based instruments” from the paragraph. WG1 bracketed the paragraph.

WG1 discussed merging content from paragraph 18 alt with 19 on information sharing. Switzerland, supported by Iceland, European Forest Institute and others, proposed keeping the messages separate to highlight the information sharing between policy makers and other stakeholders in paragraph 19. The EU requested that the paragraph remain in brackets. WG1 decided to add an additional paragraph 19 bis, and noted this
will be developed with consideration of paragraph 10 from the subsection on productive functions of forests (wood and non-wood).

The plenary was able to review proposals by WG1 for the three paragraphs in the section (paragraph 1, 13, and 15). All other proposed amendments were forwarded to INC-Forests3.

RULES, BODIES AND OTHER PROCEDURES: At the beginning of INC-Forests2 this section was divided into four parts: Conference of the Parties (COP), Right to Vote, Secretariat and Compliance. This structure of the section was retained throughout the week’s deliberations, discussed in plenary on Tuesday, Thursday and Friday, and in WG2 on Wednesday and Thursday.

Conference of the Parties: Discussion in this section concentrated on paragraph 2 relating to the role of the COP to review and promote implementation of the agreement. The INC agreed to restructure the chapeau of paragraph 2, so that the opening statement calls for the COP to keep the agreement under regular review, and the opening subparagraph mandates the COP to take decisions to achieve effective implementation of the agreement.

In subparagraph 2a on examination of obligations of the parties and the institutional arrangements, the EU suggested the first examination should take place four years after the entry into force of the agreement and thereafter in intervals determined by the COP. The Committee agreed to consider the EU proposal once decisions on reporting were made. The EU requested removing paragraph 2b on reviewing “internationally agreed tools” due to lack of definition in the LBA. After expressing reservations to the EU’s proposal, Norway accepted an alternative proposal by Switzerland to remove paragraph 2b, but include “tools” in paragraph 2c on the COP recommending future actions for developments.

In subparagraph 2c on the COP recommending future actions, the EU requested that the text should change to include “provide guidance on developing national targets.” Switzerland noted the importance of the COP’s work programme and recommended that reference to it be removed from this subparagraph. WG2 agreed as subparagraph 2e refers specifically to the COP establishing its programme of work.

In paragraph 3, Ukraine and Norway commented that clarification is required on the COP establishing “decision-making procedures,” with the EU recommending that the COP adopt its own rules of procedure by consensus. Switzerland and the EU flagged the issue of the COP adopting its own financial regulations appearing at the end of the paragraph. The Secretariat explained that whether or not the COP will know what obligations are involved when they sign the Agreement. Ukraine and the Russian Federation recommended focusing on obligatory reporting provisions, and together with Belarus and Georgia, expressed preference for a “soft” compliance mechanism. Compliance was referred to WG2 for discussion.

Co-Chair Gschwandtl underscored that WG2 cannot approve proposals, but is tasked with forwarding guidance to the plenary for consideration. The EU presented a text proposal to establish a compliance committee and noted that the proposal describes a committee formed to be a facilitative body to ensure compliance with the agreement, with the committee’s full terms of reference to be defined at a later stage at the COP. The UK and Norway supported the EU proposal, with Norway suggesting to add elements for review and transparency.

Switzerland suggested the working group consider the UN Economic Commission for Europe Water Convention compliance mechanism as an example to draw upon, rather than “reinventing the wheel.” The EU thanked Switzerland for the example, but noted that they would require time to review elements that may contribute to this specific agreement.

Norway outlined an amended version of the EU proposal, calling for a compliance committee, that *inter alia*: conducts regular reviews of party compliance based on their reports; can receive written submissions from stakeholders; and requires compliance action plans and follow-up by parties. Switzerland suggested that the compliance committee be composed of experts in the field related to this LBA, serving in their personal capacity, without the number of committee members being specified by the agreement. Norway, supported by Switzerland, preferred to remove the EU proposal prescribing that reporting committee recommendations to the COP should be cost effective.

In WG1, the EU asked for its compliance document to be considered as a formal proposal. The WG1 Co-Chair reminded delegations that any formal proposal must pass through the plenary, not the working group.

In plenary on Thursday and Friday, the EU and Norway presented their proposals for a compliance committee to the INC for consideration. WG2 Co-Chair Gschwandtl presented a Co-Chair’s summary of the results of the WG2 discussion on compliance to the INC to consider. The Russian Federation, supported by Ukraine, Switzerland, Iceland and Serbia, proposed using the proposals by the EU and Norway as guidance to the Bureau to draft text on a compliance mechanism. The EU and Norway noted that they would not withdraw their proposals, even though these are concrete proposals rather than guidelines.
INC-Forests2 considered if and how the EU and Norway proposals would appear in the DNT. The Secretariat indicated that proposals would be included in the report of the meeting, along with the Co-Chairs’ summary on compliance discussions from WG2.

Norway said the two concrete text proposals, rather than the Co-Chairs’ summary, should serve as guidance and form the basis for future negotiations. The EU asked if the Co-Chairs’ summary could be amended, and the Secretariat responded that it cannot be amended, suggesting that the summary captured WG2’s discussion of conceptual issues. The EU disagreed and said the summary should not be used as guidance.

Ukraine and the Russian Federation called for INC-Forests2 to provide conceptual guidance to the Bureau along with the proposals by the EU and Norway, and for the Bureau to draft a complete text for consideration at INC-Forests3. The EU opposed, saying INC-Forests3 negotiations should be based on proposals submitted by delegates, including the proposals by the EU and Norway.

In response to a question from the Russian Federation on whether it will be noted that INC-Forests2 did not discuss the content of the EU and Norway proposals in plenary, the Secretariat said the two proposals would appear in brackets and that if the INC wished, a footnote could be inserted stating that the proposals were not discussed in plenary. After informal consultations, the EU, supported by the Russian Federation and Norway, agreed to the inclusion of bracketed text stating that the proposals were not discussed at a plenary session at INC-Forests2, rather than a footnote.

At the closing of INC-Forests2, the INC decided to take forward guidance in the form of concrete proposals submitted by delegates. The compliance section in the DNT that will be considered at INC-Forests3 will therefore have as its basis, various proposals submitted by delegates, rather than text drafted by the Bureau. The right to vote subsection was approved without amendment by the INC.

**FINAL CLAUSES:** The Final Clauses Section was discussed in plenary on Tuesday and also referred to WG2 for textual consideration on Wednesday and Thursday.

On Tuesday, the Secretariat introduced the text of this section, highlighting new provisions on adoption of amendments and annexes, an opt-out procedure and the Bureau’s decision to draft final clauses to permit signature by countries outside of FOREST EUROPE.

**Settlement of Disputes:** The Russian Federation observed that the dispute settlement subsection could not be discussed fully until it is decided whether the agreement will be under a UN body, and if so, which one, since each has its own dispute settlement mechanisms. The EU suggested the entire section could not be addressed in detail until the obligations sections are concluded.

**Amendments to the Agreement:** The EU, supported by Norway, proposed inserting language in paragraph 6 on entry into force of amendments that would limit entry into force to those countries that had accepted them. The Secretariat noted that in such a case, where an amendment enters into force that is not unanimously accepted, different instances of the agreement would apply to different parties.

In the paragraph regarding new parties entering the agreement, the Secretariat noted that changes made to the earlier paragraph on amendments would impact this paragraph, and would require review.

**Adoption and Amendment of Annexes to the Agreement:** The EU requested deletion of reference to what constitutes an annex in paragraph 1. Norway expressed concern about annexes or amendments to annexes applying to all parties, suggesting that changes to paragraph 3 reflect that annexes only enter into force for those parties that have accepted them. Norway requested deleting paragraph 4 on requirements for parties that do not accept annexes, to avoid redundancy if provisions are made for parties not accepting the amendments to annexes. The EU expressed a preference to keep text flexible until the content of the annexes is known.

**Protocols:** The EU asked for an amendment so that the subsection reflects that parties can adopt protocols at COPs. For paragraph 2 on the submission of text for proposed protocols, the EU asked for an amendment to clarify that proposed protocols should be communicated to parties six months prior to the COP sessions.

**Signatures:** Japan observed that under paragraph 2, if the agreement is open for signature to all countries, it could be understood as a global rather than regional agreement, which could conflict with other existing global agreements. The EU requested that the paragraph be placed in brackets while the issue of whether the LBA will come under the UN umbrella is being considered. The Secretariat noted that paragraphs 1 and 2 both relate to the geographical scope of the agreement, and should remain open until the extent of the agreement is clearer.

**Ratification, Acceptance, Approval or Accession:** The EU requested, and WG2 agreed, to place paragraphs 2, 3 and 4 in brackets, and allow time for further consideration. In paragraph 3 regarding regional economic integration organizations, Norway requested clarification or deletion of language requiring the organization and its member States to decide their respective responsibilities in performing agreement obligations. Switzerland queried why paragraph 4 refers to informing parties, and not signatories, of substantial modifications in the extent of the competence of regional economic integration organizations. The Secretariat responded saying that inclusion of signatories could be considered.

Some items in this section will remain open until further guidance regarding the positioning of the LBA under the UN umbrella. Changes to text were not proposed or discussed in WG2 for the subsections on: Entry into Force; Reservations; Withdrawal; or Authentic Texts. The proposals on other subsections made by WG2 were not fully considered by the Committee in plenary due to time constraints, and discussion on some items in this section of the DNT will remain open for consideration at INC-Forests3.

**ROADMAP FOR THE NEGOTIATION PROCESS**

On Friday morning, the INC discussed the financial overview for the INC process to be considered in the context of the roadmap for the LBA negotiation process. The Secretariat presented a note on the costs to date, budget projections for future sessions, and intersessional activities, noting that these had been funded from multi-donor contributions in the
Special Trust Fund. He noted the contributions in-kind by the host cities of the meetings, and other agencies supporting the process.

Norway announced a contribution of US$ $80,000 to the Special Trust Fund, and Sweden announced US$10,000. Spain announced an offer to host an intersessional workshop on terms and definitions in November 2012. On a query from the Russian Federation, the Bureau noted that outputs of this workshop will be included for consideration at INC-Forests3. Turkey highlighted their hope to host a successful meeting of INC-Forests3 in early 2013. The Russian Federation offered to support an intersessional meeting in Russia between INC-Forests3 and INC-Forests4 if necessary. Poland invited the Committee to attend INC-Forests4 in Poland in 2013.

In subsequent discussion on the roadmap, Switzerland, supported by the EU, proposed adding text to describe the activities for INC-Forests3: “compliance, terms and definition, finances and Secretariat arrangements,” in addition to further consideration of the DNT. The Chair noted that the advance DNT from INC-Forests2 will be distributed in October 2012.

OTHER MATTERS

The Committee adopted a provisional agenda for INC-Forests3 as follows:
• Adoption of the Agenda
• Further consideration of the draft negotiating text, including compliance, terms and definitions; finance and secretariat arrangement, including possible interim solutions; and consideration of possibilities for bringing the agreement under the UN umbrella
• Roadmap for the negotiation process
• Other matters
• Report of the session
• Closure of the session

REPORT OF THE SESSION

On Friday afternoon, the Secretariat introduced the draft report (INC2/2012/REP/Draft), noting that the DNT that was considered by INC-Forests2 would be included as Annex D, clearly distinguishing paragraphs that were reviewed from those that were not. The EU requested that: paragraph 11 on general statements add “and its member States” after the mention of the EU; paragraph 18 on consideration of Article 24g of the Oslo Mandate should add “cost implications” to the list of subjects discussed; and paragraph 19 on the request for the Chair to provide an analytical document on bringing the agreement under the UN umbrella should include possible implications of the various options analyzed. Switzerland called for adding “in all official languages” to paragraph 15 on a language check of the DNT. Chair Heino said that paragraph 17 on the outcome of DNT discussions will be amended to note that the revised version will be “as of 7 September 2012” and that discussion was suspended at paragraph 15 of the General Provisions Section.

With these amendments noted, the draft report was approved.

CLOSURE OF THE SESSION

In brief statements, the Russian Federation and the EU, on behalf of its Member States and EU applicant Croatia, hailed the constructive spirit of INC-Forests2 and progress made and thanked the host country Germany, the INC Bureau and the Secretariat for their contributions to the process.

Chair Heino thanked Committee members for their fruitful discussions and good contributions during INC-Forests2, and expressed the hope that the same constructive spirit will prevail in Turkey during INC-Forests3 in January 2013. The Chair closed INC-Forests2 at 6:27pm.

UPCOMING MEETINGS

Workshop on the Strategic Framework on Mediterranean Forests: This workshop will start the preparations for the “Strategic Framework on the Mediterranean Forests: Political orientation for the management of forest ecosystems in the Mediterranean territories.” The workshop is co-organized by FAO. dates: 10-13 September 2012 location: Chania, Greece contact: Christophe Besacier e-mail: christophe.besacier@fao.org www: http://www.fao.org/forestry/silvamed/35411/en/

The Lviv Forum on Forest in a Green Economy:

Inception Workshop and First Steering Committee

FFEM Project on REDD+ in the Mediterranean: Organized by FAO, Plan Bleu and the French Global Environment Facility (FFEM), this workshop will consider proposed REDD+ (Reducing emissions from deforestation and forest degradation in developing countries, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries) pilot sites in Algeria, Lebanon, Morocco, Tunisia and Turkey. It will also consider synergies with the III Mediterranean Forest Week and with the UN-REDD Programme. dates: 18-21 September 2012 location: Rome, Italy www: www.fao.org/forestry/silvamed/35411/en/

CPF Organization Led Initiative on Forest Finance:
This meeting is organized by the Collaborative Partnership on Forests (CPF) in support of UNFF. The results of the meeting will be forwarded to UNFF 10 in 2013. dates: 19-21 September 2012 location: Rome, Italy contact: UNFF Secretariat phone: +1-212-963-3401 fax: +1-917-267-3186 e-mail: unff@un.org www: http://esango.un.org/irene/forest.html?page=viewConten t&nr=19623&type=8


ITTC-48: The 48th Session of the International Tropical Timber Council (ITTC) and the Associated Sessions of the four Committees (Finance and Administration, Economic Information and Market Intelligence, Forest Industry, and Reforestation and Forest Management) will convene in Yokohama, Japan. dates: 5-10 November 2012 location: Yokohama, Japan contact: ITTO Secretariat phone: +81-45-223-1110 fax: +81-45-223-1111 e-mail: itto@itto.or.jp www: http://www.itto.int/workshop_detail/id=2903
Biannual IUFRO Forest Landscape Ecology Conference: The conference organized by the International Union of Forest Research Organizations (IUFRO) will focus on sustaining humans and forests in changing landscapes. dates: 5-12 November 2012 location: Concepción, Chile contact: Guillermo Martinez Pastur e-mail: gpastur@conicet.gov.ar www: http://www.iufrole2012.cl/

FOREST EUROPE International Workshop on Governance and Forest Law Enforcement: This workshop is jointly organized by FOREST EUROPE and the Regional Environment Centre. dates: 20-21 November 2012 location: Budapest, Hungary contact: Edurne Lacalle e-mail: edurme.lacalle@foresteurope.org www: http://www.foresteurope.org/eng/Events/

International Symposium on Tree Product Value Chains in Africa: Sharing Innovations that Work for Smallholders: This symposium is organized by the World Agroforestry Centre’s (ICRAF) West and Central Africa Programme and partners, and will provide a forum to learn and share knowledge, experience and innovations on emerging trends relating to the production, processing and marketing of tree products by smallholder farmers. dates: 26-28 November 2012 location: Yaoundé, Cameroon contact: ICRAF West and Central Africa Regional Programme phone: +237-2221-5084 fax: +237-2221-5089 e-mail: aftp-symposium@cgiar.org www: http://worldagroforestry.org/sites/default/files/1st%20call%20for%20abstracts_vs3.pdf

Forest Day 6: Forest Day 6 will convene in parallel with the 18th Session of the Conference of the Parties to the UN Framework Convention on Climate Change and presents an opportunity for stakeholders from different backgrounds and regions to network, share their experiences, and debate the pressing issues facing forests around the world. date: 2 December 2012 location: Doha, Qatar www: http://unfccc.int/meetings/doha_nov_2012/meeting/6815.php

Second Meeting of the UNFF Ad Hoc Expert Group on Forest Financing: The meeting will develop proposals on strategies to mobilize resources from all sources to support the implementation of sustainable forest management (SFM), the achievement of the global objectives on forests and the implementation of the non-legally binding instrument on all types of forests. dates: 14-18 January 2013 location: Vienna, Austria contact: UNFF Secretariat phone: +1-212-963-3401 fax: +1-917-367-3186 www: http://www.un.org/esa/forests/adhoc.html/

INC-Forests3: The third session of the Intergovernmental Negotiating Committee for a Legally Binding Agreement on Forests in Europe (INC-Forests3) will meet to continue negotiations for a legally binding instrument on forests. dates: 28 January – 1 February 2013 location: Antalya, Turkey e-mail: INC-Forests@foresteurope.org www: http://www. forestnegotiations.org

UNFF 10: The tenth session of the UNFF will focus on forests and economic development, including agenda items on: forest products and services; national forest programmes and other sectoral policies and strategies; reducing risks and impacts of disasters; and benefits of forests and trees to urban communities. dates: 8-19 April 2013 location: Istanbul, Turkey contact: UNFF Secretariat phone: +1-212-963-3401 fax: +1-917-367-3186 e-mail: unff@un.org www: http://www.un.org/esa/forests/session.html

INC-FORESTS4: The fourth session of the Intergovernmental Negotiating Committee for a Legally Binding Agreement on Forests in Europe (INC-Forests4) will conclude negotiations for a legally binding instrument on forests. dates: May/June 2013 (to be determined) location: Warsaw, Poland (to be confirmed) e-mail: INC-Forests@foresteurope.org www: http://www. forestnegotiations.org

Third IUFRO Latin American Congress: IUFRO and the Agriculture Research and Higher Education Center will jointly organize the event to address advances and challenges of forest sector development, providing a platform for stakeholders to share and exchange information and experiences on critical issues affecting tree resources and forest landscapes in Latin America. dates: 12-15 June 2013 location: San Jose, Costa Rica contact: IUFRO e-mail: iufrolat@catie.ac.cr www: http://www.iufro.org/news/article/2012/07/24/iufrolat-2013/

GLOSSARY

CEPF  Confederation of European Forest Owners
COP  Conference of Parties
COPA/COGECA  European Farmers/European Agri-Cooperatives
DNT  draft negotiating text
FAO  Food and Agriculture Organization of the United Nations
INC  Intergovernmental Negotiating Committee
LBA  Legally binding agreement
NFP  National forest programme
SFM  Sustainable forest management
UNEP  United Nations Environment Programme