Ministry of Foreign Affairs, and the European Commission (DG-ENV). General Support for the
Of Germany (through the German Federal Ministry of Environment - BMU, and the German Federal Ministry of Development Cooperatio
Netherlands Landscape (SAEFL), the United Kingdom (through the Department for International Development - DFID), the Danish Ministry of For
environmental services as benefits provided by forests. INDIA, supported by VENEZUELA on behalf of the Amazon countries, argued that language of this paragraph originates from the International Tropical Timber Agreement, which is concerned with commodity and trade negotiations and is thus inappropriate.

**LEGAL FRAMEWORK:** The AFRICAN GROUP called for text on “recognizing the need for ongoing discussion regarding the option of an LBI.” BRAZIL noted that the EU-proposed language on a sunset clause was negative and inappropriate.

**VOLUNTARY CODE/GUIDELINES/INTERNATIONAL UNDERSTANDING:** PAKISTAN argued that 2007 would be too ambitious a deadline for the development of a voluntary code or instrument. The EU hoped to adopt a voluntary instrument at this session, noted that the instrument should complement the IAF, and, supported by the US, suggested combining possible elements of the instrument contained in separate annexed proposals by the US, the EU and BRAZIL.

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ARGENTINA expressed willingness to work on a mandate for negotiating a voluntary instrument. The US encouraged participants to agree on a voluntary “instrument-agreement-code-international-understanding-thing” at this meeting, and, with AUSTRALIA and the EU, said that a strong ECOSOC resolution was critical.

BRAZIL noted convergences among emerging ideas on an instrument, and called for its negotiation within the UNFF. AUSTRALIA said producing a brief code was feasible but noted that the lengthy FAO Code of Conduct for Responsible Fisheries took two years to negotiate, and was not negotiated by the governing body of the agreement. The AFRICAN GROUP also proposed draft elements for the “thing,” and INDIA said it would do so shortly. The EU, noting the need for both a strengthened IAF and a voluntary code, offered to work on language for a code combining the suggestions of others.

WORKING GROUP II

PREAMBLE: On submission of national reports, GHANA, on behalf of the AFRICAN GROUP, supported by CHILE, CHINA, PAKISTAN, INDIA, ECUADOR for the Amazon countries, INDIA and the RUSSIAN FEDERATION, argued that the term “voluntary” should remain in the Preamble. This was opposed by the EU and SWITZERLAND who maintained that the term was redundant.

BRAZIL, supported by INDONESIA, the AFRICAN GROUP and SWITZERLAND, favoured substituting “strategic objectives” for “global goals.” The AFRICAN GROUP, supported by the EU, suggested that countries be encouraged to submit national reports to the Forum at “regular intervals.”

INDONESIA suggested that it is too early to set a date by which countries begin to submit reports, while the AFRICAN GROUP, supported by the RUSSIAN FEDERATION, suggested that countries begin to make submissions in 2007, and no later than 2009.

MEANS OF IMPLEMENTATION: BRAZIL requested maintaining “taking into account economic, social and environmental priorities and specificities at the national, subregional and regional levels.” The US, the REPUBLIC OF KOREA and SWITZERLAND suggested waiting for the outcome of WGI deliberations on goals versus objectives.

On official development assistance (ODA), CUBA, supported by ECUADOR, REPUBLIC OF KOREA and PARAGUAY, emphasized that countries are concerned about its decline, and not the decline in ODA requests. The US offered to amend this to “ODA requested, and in turn allocated.” The EU noted that ODA is based on a mutually supportive commitment between donors and recipients. SWITZERLAND, opposed by CUBA, proposed changing “developed” to “donor” countries.

PARAGUAY, supported by ECUADOR and CUBA, requested that least developed, landlocked and small island developing states be expressly considered, and BELARUS, supported by CROATIA, called for the inclusion of economies in transition.

On mobilizing resources, the US, supported by the EU, proposed adding text to include the use of foreign and direct investment, national development budgets and public-private partnerships. CUBA suggested indicating within the text that sources and mechanisms from documents other than the Paris Declaration on Aid Effectiveness can also be used more effectively.

On means of implementation, the AFRICAN GROUP proposed the creation of a global forestry fund to support SFM, accessible to developing countries and administered by the World Bank. SWITZERLAND opposed the suggestion, arguing that several under-funded forest funds already exist. JAPAN suggested that a review of these funds should be conducted before a new one is developed. The AFRICAN GROUP said it would welcome the consolidation of present forest funds. INDONESIA welcomed the AFRICAN GROUP’s proposed text, but asked for more clarity regarding eligibility criteria and queried why the World Bank should administer it. BELARUS, supported by CROATIA, called for the inclusion of economies in transition to the AFRICAN GROUP’s proposal and argued that a unified fund for forests would be useful. SAUDI ARABIA recommended country-specific forest funding.

The AFRICAN GROUP, PAKISTAN and INDIA agreed that the GEF is under-funded and called for an increase in its funding levels and role.

On involving financial bodies, the EU, opposed by the US, wished to retain reference to “global goals.” SWITZERLAND emphasized “offering attractive conditions for loans” in the context of SFM.

On enabling private sector investment, COSTA RICA, supported by SWITZERLAND, opposed by BRAZIL and INDIA, called for the inclusion of “financial recognition” for reducing deforestation, noting this is being explored under the UNFCCC.

On improving means of implementation, FIJI proposed additional text urging: capacity building; transfer of environmentally sound technologies; involvement of major groups; and using traditional technologies.

The US proposed consolidating the two paragraphs related to means of implementation, while the AFRICAN GROUP, supported by SWITZERLAND, suggested keeping financial means of implementation separate from others. BRAZIL, for the Amazon countries, wished to insert “strategic objectives” after “global goals.”

On providing support for science and technological innovations, the AFRICAN GROUP noted that not all benefits to local communities promote SFM.

On sustainably managed sources of forest products, BRAZIL requested removing reference to “legally harvested” sources. The AFRICAN GROUP suggested “regulated” as an alternative, noted the distinction between illegal logging and logging during conflict, and noted that SFM does not address this. SWITZERLAND suggested that as legality is an inherent part of SFM, there is no need to be explicit. While AUSTRALIA, opposed by the EU, suggested “legal and ultimately sustainably managed sources,” CHINA, INDIA, ECUADOR and CHILE suggested that “sustainable” implies “legal.” While underscoring the importance of land degradation, COLOMBIA cautioned against losing focus on achieving global goals and strategic objectives.

IN THE CORRIDORS

“The devil’s in the details,” said one delegate today, reflecting on the grueling paragraph by paragraph second reading of the draft text. Although some delegates saw movement towards agreement on a “voluntary instrument-agreement-code-international-understanding-thing” as progress, others expressed frustration with the devolvement of discussions. The latter have alluded to the formation of a “like-minded group” willing to pursue an LBI, following in the footsteps of other global initiatives that decided to pursue agreement outside the UN system. This could prove to be a political minefield, but it is uncertain whether such a movement could ever achieve a critical mass of forested nations.