



UNFF-3 HIGHLIGHTS TUESDAY, 3 JUNE 2003

On Tuesday, delegates convened in Plenary to complete discussion on reporting format. Delegates met in a morning contact group to consider draft decisions on forest health and productivity (FHP), and in the afternoon to consider decisions on economic aspects of forests (EAF), and maintaining forest cover (MFC). In the evening, delegates met in an informal consultation to address the draft resolutions on the Trust Fund and the terms of reference for the *ad hoc* expert groups.

REPORTING FORMAT

Delegates resumed their discussion on the format and guidelines for voluntary reporting. MOROCCO, on behalf of the G-77/China, highlighted the need for a flexible format conducive to compilation, analysis and exchange of information, and called for special attention to, *inter alia*, capacity building, technology transfer, and continued efforts from member organizations of the Collaborative Partnership on Forests (CPF) to harmonize reporting formats. INDONESIA emphasized the need for Secretariat assistance in report preparation.

ENHANCED COOPERATION

Hossein Moeini Meybodi (Iran) chaired the contact group on enhanced cooperation. Many delegates asked for action-oriented language, including concrete proposals to enhance cooperation. The G-77/CHINA requested strengthening language on the means of implementation. The US proposed calling on the Global Environment Facility (GEF) to give priority to forest-related projects, and urged countries to seek GEF funding for such projects. SWITZERLAND and the EU supported, *inter alia*, cooperation with the Convention on Biological Diversity (CBD). Regarding a paragraph on inter-institutional synergies, CANADA cautioned against favoring the CBD over other conventions. The US stressed collaboration among CPF member organizations and supported UNFF-CBD collaboration on comparing the ecosystem approach to sustainable forest management (SFM). SOUTH AFRICA, on behalf of the G-77/China, suggested reiterating the need to, *inter alia*, mobilize financial resources, while the US warned against general calls for action. On the CPF, participants suggested that the UNFF take actions to implement IFF/IPF proposals for action through the CPF governing bodies, stressing the need to reflect the priorities of UNFF member states.

FOREST HEALTH AND PRODUCTIVITY

Conceição Ferreira (Portugal) chaired a working group on a FHP draft resolution. CANADA remarked that the draft repeats elements of the existing IPF/IFF proposals for action. The US, supported by SWITZERLAND, the EU, and AUSTRALIA, expressed concern regarding the large number of proposed actions, and suggested summarizing UNFF-3's discussion, including lessons learned. Chair Ferreira said only decisions and resolutions can be included in the UNFF-3 Report. CANADA suggested

drafting two reports: a collection of discussions; and a document with a limited number of specific decisions. BRAZIL called for an opportunity to list new actions in order to accommodate emerging issues. The G-77/CHINA said that existing proposals for action address mainly air pollution, underscoring the need to reflect in the resolution other factors affecting FHP. The G-77/CHINA, with the EU and JAPAN, called for the identification of implementation efforts that reflect developing country experiences. The G-77/CHINA, opposed by JAPAN and the US, proposed prioritizing means of implementation as a guiding principle in discussing this issue. AUSTRALIA highlighted the negative effect of changing water regimes on FHP. The G-77/CHINA, with BRAZIL, called for new and additional financial resources to enhance FHP. The US and the EU stated that sources of finance include official development assistance and private sector investment.

Delegates discussed whether the positive or negative effects, or both, of climate change should be reflected in the resolution.

The G-77/CHINA and the RUSSIAN FEDERATION said the distinction between donor and recipient countries should be included in the resolution. CANADA encouraged countries to include forests in their poverty reduction strategies, and suggested identifying their priorities to CPF member organizations. The EU stressed the importance of developing site-adapted forest stands. AUSTRALIA recommended that countries control pests and disease to maintain FHP. The G-77/CHINA stated that inter-regional cooperation should not focus specifically on monitoring.

ECONOMIC ASPECTS OF FORESTS

Gustavo Eduardo Ainchil (Argentina) chaired a working group that considered a draft text on EAF. The EU, US and AUSTRALIA regretted that their comments had not been incorporated into the Chair's draft. The US, supported by the G-77/CHINA, said the text should include concrete measures to facilitate implementation, rather than general exhortations. AUSTRALIA, supported by the US and CANADA, noted that some proposals duplicate IPF/IFF proposals for action.

Regarding preambular elements on lessons learned, AUSTRALIA suggested adding a reference to the harmonization of existing voluntary certification schemes. SWITZERLAND, supported by the EU and opposed by the US, asked for a reference to the benefits arising from a minimum harmonization standard. On economic viability, the EU noted the benefits of learning from both positive and negative experiences. CHINA, CHILE and MEXICO, opposed by the US, objected to a declaration that partnerships are of "crucial" importance to SFM. SWITZERLAND, supported by MEXICO and opposed by CANADA, proposed promoting trade unless market failures prevent it. MOROCCO, on behalf of the G-77/China, asked that the preamble discussion be suspended until all proposals are received.

On an operational paragraph urging countries to integrate SFM into development policy, CANADA, with the US, stressed that it pertains to countries seeking financial assistance. Regarding private investments in SFM, AUSTRALIA proposed text on



reviewing taxation systems to enhance private sector investment in SFM. The US suggested that Brazil provide information on its work in this area. CHILE and MEXICO outlined their efforts to develop legislation providing such incentives. BRAZIL noted that other countries might provide useful examples, cautioning that the G-77/China has yet to agree on using such examples. The EU supported reflecting countries' experiences without focusing on specific measures to offer incentives. AUSTRALIA said governments are not always able to influence market prices of forest products. The US called for participation in work of the International Tropical Timber Organization on the valuation of environmental services of forests. CONGO highlighted the work of the Food and Agriculture Organization on this issue. MEXICO called for further research on environmental service valuation.

On market access for forest products and services, AUSTRALIA proposed language encouraging countries and CPF member organizations to undertake research on developing market mechanisms for environmental services provided by forests. The US suggested limiting this discussion to tariff and non-tariff trade barriers. The US, SWITZERLAND and CANADA supported NORWAY's proposal to, *inter alia*, invite CPF member organizations to operationalize voluntary certification. CANADA, CHILE and CONGO opposed a reference to financial and administrative decentralization. CANADA proposed concluding language on the provision of financial resources and the transfer of environmentally sound technologies.

MAINTAINING FOREST COVER

Peter Csoka (Hungary) chaired a working group that discussed a draft decision on MFC. The G-77/CHINA distinguished between forest values and services, and requested text addressing the undervaluation of forests and the need for inter-sectoral cooperation. The EU stressed regional-level cooperation. Many delegates supported a proposal urging the incorporation of the objectives of meeting demand for forest products in the development and implementation of national forest programmes (NFPs) for SFM and other national policy strategies. On forest plantations, the G-77/CHINA objected to a reference to their environmental importance and the EU suggested an alternative text on the potential of plantations to restore degraded lands and increase forest cover.

On the role of international assistance, the G-77/CHINA stressed the need for demand-driven donor assistance. The US suggested encouraging the CPF to develop an Internet-based clearinghouse mechanism. Delegates also discussed proposals by NEW ZEALAND and the EU regarding the establishment of plantations and afforestation and reforestation efforts.

On integration of criteria and indicators into NFPs, AUSTRALIA called for strengthened wording, while the G-77/CHINA stressed countries' differing levels of capacity. On fostering synergies between NFPs and other policy strategies, the G-77/CHINA and the EU called for avoiding duplication with the draft resolution on enhanced cooperation. The EU suggested text on the importance of MFC in contributing to poverty reduction. The US stressed the cross-sectoral importance of forests. Delegates also discussed the need for specific reference to synergies with the CBD, the Convention to Combat Desertification and the UN Framework Convention on Climate Change. The REPUBLIC OF KOREA called for a reference to afforestation activities in marginal farmlands and wastelands. The G-77/CHINA expressed concern with broadening the draft resolution.

On the need for national actions and international cooperation, the G-77/CHINA suggested text on the need for actions to foster an open and transparent trading system. CANADA suggested referring to the IPP/IFF proposals for action and the WSSD Plan of Implementation to indicate the absence of agreement on the need for new and additional resources. The EU stressed that the main challenge in achieving SFM is to make it economically viable. Delegates also discussed the need for references to women and local communities in text on education and capacity building.

AUSTRALIA, supported by the EU and the REPUBLIC OF KOREA, cautioned against duplication of existing proposals for action in this resolution.

AD HOC EXPERT GROUP

Chair Meybodi introduced the final text on the parameters *ad hoc* expert group, which suggests that: the member States and the CPF members submit their views on the preparation for the parameters *ad hoc* expert group meeting; the UNFF Secretariat compile these views and the Bureau convene an informal meeting on this issue during UNFF-4; and UNFF-4 receive information regarding the progress on the preparation of the documentation for the *ad hoc* expert group. The US, supported by SWITZERLAND, requested administering a questionnaire on member States' views and holding the informal consultations as a free-standing meeting before UNFF-4. After some discussion, delegates agreed to hold a one-day informal meeting in New York with the participation of all UNFF member States immediately after the Bureau meeting prior to UNFF-4. The US said that it will submit a proposal on the questionnaire to the Secretariat for consideration. The G-77/CHINA supported the Chair's text, but requested extending the submission deadline for member States' views and asked how the text will be positioned in UNFF-3 outcomes. Delegates agreed to extend the submission deadline until 31 January 2004. Chair Meybodi explained that the text will be part of the resolution on the *ad hoc* expert groups. With these amendments, the Chair's text was accepted.

TRUST FUND

Delegates discussed in an informal consultation matters relating to the UNFF Trust Fund. The Secretariat summarized three UN General Assembly resolutions specifying that the regular budgets of UN bodies cover travel for developing country participants, but not daily subsistence allowance (DSA). One country speculated that it is the interpretation of these rules that has caused confusion. Another country pointed out confusion about funding for Secretariat attendance at UNFF sessions. Questions were asked about the terms of reference of the UNFF Trust Fund and the possibility of earmarking funds for specific purposes. The Secretariat clarified that the UNFF Trust Fund operates under the auspices of the UN General Trust Fund, which does not allow earmarking, and therefore suggested drafting a UNFF decision concerning DSA. One country remarked that other UN bodies, such as UNEP, do establish trust funds for specific goals. Discussion on this issue was deferred until after further consultation.

IN THE CORRIDORS

At the strike of 8:45 pm, the sound of applause echoed through the corridors at the Palais des Nations, as delegates, after some animated debate, finally sealed the deal on the terms of reference for the *ad hoc* expert group. Some delegates were quite pleased with the outcome of the discussion, noting that UNFF-3 is now free to focus on substantive issues. Others, however, were quite nonchalant and were just relieved that this prolonged phase of UNFF is now a thing of the past.

THINGS TO LOOK FOR TODAY

WORKING GROUP 1: Delegates will convene from 10:00 am - 1:00 pm in Salle XVII to continue discussions on the draft decision on FHP, and from 3:00 pm - 6:00 pm in Salle XVIII to work on the draft decision on EAF.

WORKING GROUP 2: Delegates will meet from 3:00 pm - 6:00 pm in Salle XVII to continue negotiating draft decisions on MFC and the reporting format.

CONTACT GROUP: Delegates will convene from 10:00 am - 1:00 pm in Salle XVIII to continue work on enhanced cooperation and policy and programme coordination.