



UNFF-3 HIGHLIGHTS: THURSDAY, 5 JUNE 2003

On Thursday morning, delegates met in working groups to continue negotiating resolutions on economic aspects of forests (EAF), voluntary reporting format (RF), and maintaining forest cover to meet present and future needs (MFC). In the afternoon, discussion continued on a revised resolution on forest health and productivity (FHP), and a Contact Group met briefly to approve the resolution on enhanced cooperation and policy and programme coordination. In the evening, delegates approved resolutions on the Trust Fund, strengthening the Secretariat, and RF. Discussions on EAF, MFC, and FHP proceeded into the late evening.

WORKING GROUP 1

ECONOMIC ASPECTS OF FORESTS: Gustavo Eduardo Ainchil (Argentina) chaired the working group that considered the revised EAF draft resolution. On an operational paragraph on incentive systems for private sector investment, the G-77/CHINA, supported by CANADA and MEXICO, suggested text, *inter alia*, inviting countries to encourage public sector investment. The EU, opposed by the G-77/CHINA, asked to include a reference to taxation policy. The US supported a focus on private sector investment and, opposed by AUSTRALIA, CANADA and the G-77/CHINA, preferred listing specific incentives. AUSTRALIA cautioned against repeating IPF/IFF text and proposed combining text on incentives and rent capture.

On a paragraph regarding full-cost internalization of the production chain and payment mechanisms for environmental services, the G-77/CHINA proposed a reference to analyses of the implications of non-wood substitutes. MEXICO supported strengthening language to ensure the assistance of the Collaborative Partnership on Forests (CPF) member organizations in this respect.

Regarding a paragraph on law enforcement and illegal trade, the G77-CHINA supported stronger language on "immediate action," and also preferred "voluntary" regional-level partnerships. The EU questioned the relevance of new partnerships, but the US and JAPAN insisted on including this.

On enhancing market access, CANADA, in response to a G-77/CHINA proposal, suggested referring to the special concerns of developing countries. The EU and AUSTRALIA noted that the text on enhancing market access for forest products and services reiterated IPF/IFF proposals for action. Delegates agreed to US and EU suggestions encouraging CPF member organizations to consider ongoing research on market access for these products and services.

On voluntary certification, delegates accepted text proposed by MEXICO specifying that certification should not impede trade. MEXICO proposed, and SWITZERLAND, CANADA and NORWAY opposed, replacing "labelling" with "voluntary consumer information systems." Delegates accepted CANADA's proposal not to endorse any particular certification scheme. Negotiations on this resolution continued past 11:00 pm.

TRUST FUND: Delegates discussed a draft resolution on the UNFF Trust Fund, disagreeing on whether support for participants from developing countries "shall" or "may" be provided from the Trust Fund for travel and daily subsistence allowance from funds designated for that purpose. Delegates also discussed, and could not agree on, whether this Trust Fund should support participants from countries with economies in transition as well.

Several countries stressed the need to ensure that donors can designate their contributions to the Trust Fund for specific purposes. On a preambular paragraph recognizing the Trust Fund as a resource to support developing country participation, CANADA supported "enhancing" participation while the G-77/CHINA preferred "ensuring." Delegates agreed on "ensuring increased participation." Delegates agreed to the final resolution on the Trust Fund.

STRENGTHENING THE SECRETARIAT: Delegates discussed a draft resolution on strengthening the Secretariat. Regarding an operational paragraph urging provision of resources to the Secretariat, the EU stressed that the resources should come from the Trust Fund and not from the regular budget. He proposed, and delegates accepted, text on "voluntary extra-budgetary contributions to the Trust Fund." The G-77/CHINA proposed, and participants accepted, adding a preambular reference to the Secretariat's task to consider the outcomes of the parameters *ad hoc* expert group meeting. Delegates agreed to the final resolution on strengthening the Secretariat.

FOREST HEALTH AND PRODUCTIVITY: Conceição Ferreira (Portugal) chaired the working group that met in the afternoon and evening to finalize a draft resolution on FHP.

After some debate, delegates agreed on an operational paragraph encouraging countries to develop forest fire management strategies.

On integrated approaches to FHP, the EU suggested, and delegates agreed, to add a reference to sustainable forest management (SFM) without specifying the nature of forest-related strategies and action plans.

On data and information on forest health, the US and NEW ZEALAND supported, and the G-77/CHINA opposed, reference to criteria and indicators (C&I). The EU suggested clarifying this by referring to C&I for SFM, and delegates agreed. On the inclusion of reference to monitoring, there was considerable debate. The EU and the US advocated this reference, stressing the importance of monitoring countries' forest health strategies. The G-77/CHINA opposed this reference, emphasizing that the objective is ensuring forest health, not monitoring. In the evening, the EU withdrew its position. The G-77/CHINA requested that the C&I be specified as "voluntarily adopted" and, after some discussion, delegates agreed on this.

On the development of cross-sectoral preventive measures and remedial action to reduce negative impacts on FHP, delegates discussed an EU proposal to include text on the development of "site-adapted" and "well-structured forest stands" using "appropriate reproductive materials." While the EU continued to call for a reference to "appropriate reproductive material," some countries



preferred instead to include only a reference to "appropriate silvicultural systems." Upon resuming the debate in evening consultation, the G-77/CHINA agreed, *ad referendum*, to an EU request to instead refer to "appropriate silvicultural practices."

On a preambular paragraph on pest and disease prevention, the US, with AUSTRALIA, CANADA, the G-77/CHINA, JAPAN and NEW ZEALAND, opposed an EU request to include "other international agreements" in addition to reference to the World Trade Organization (WTO). During the evening, the EU withdrew its proposal and delegates reached agreement.

On a related operational paragraph, delegates agreed, during evening informal consultations, on encouraging countries to develop, within their national forest programmes (NFPs), forest protection strategies to reduce negative impacts on FHP and strengthen cross-sectoral bilateral, regional and international cooperation in order to further control trans-boundary movement of pests and diseases, as well as other factors, consistent with the relevant WTO provisions.

Informal consultations ended late Thursday night pending the outcome of the draft resolution on EAF as it relates to a preambular, and related, operational paragraph on the role of means of implementation.

WORKING GROUP 2

REPORTING FORMAT: Peter Csoka (Hungary) chaired the working group discussion on a revised resolution on the UNFF-4 reporting format. NEW ZEALAND, supported by AUSTRALIA and the EU, proposed that the Secretariat consult relevant CPF member organizations when developing the format. The G-77/CHINA opposed this, and delegates agreed instead on a proposal suggesting taking into consideration the views and relevant work of CPF members organizations. Delegates agreed on text specifying that the format should incorporate the results of country-led initiatives, as appropriate. Delegates also agreed to invite the CPF to continue its efforts to streamline forest-related reporting but to move this operative paragraph to the resolution on enhanced cooperation. A discussion on reference to C&I for SFM was taken up by the working group discussing MFC with a view to integrate this issue into the MFC resolution. Delegates agreed on the final RF resolution.

MAINTAINING FOREST COVER TO MEET PRESENT AND FUTURE NEEDS: Chair Csoka introduced the revised resolution on maintaining forest cover, noting preambular changes to ensure consistency with other resolutions. The G-77/CHINA suggested emphasizing the reference to the WSSD Plan of Implementation. The EU proposed text emphasizing the importance of the conservation and sustainable management of existing forests, and SWITZERLAND and the G-77/CHINA stressed the sustainable management of all types of forests.

On deforestation and forest degradation, delegates agreed to a G-77/CHINA proposal that stressed the need to address underlying causes in the preamble. In the operational paragraph on the same issue, the G-77/CHINA proposed preambular text urging the strengthening of efforts to combat deforestation and forest degradation while recognizing developing countries' financial and technical needs. CANADA, with the US, opposed reference to financial and technical assistance. Delegates later agreed on the preambular paragraph recognizing that MFC requires national actions and international cooperation.

Regarding a proposed clearinghouse mechanism, the EU expressed concern that it might duplicate Food and Agriculture Organization work. An alternative text referring to "the most appropriate mechanism for sourcing information on MFC" was proposed.

Delegates also debated text specifying that policies promoting forest plantations should not undermine the sustainable management of forests. The G-77/CHINA suggested referring to conservation, instead of sustainable management, of forests. In the evening, delegates discussed and elaborated a compromise text stating that the policies on promoting forest plantations should not adversely affect countries' forest cover and composition. SWITZERLAND

proposed specifying that these policies should accord with SFM principles. Delegates agreed to this proposal, and adopted the text with some revisions.

The G-77/CHINA and AUSTRALIA added text on the urgent need for actions to combat deforestation and forest degradation by addressing their underlying causes.

On integrating C&I into NFPs the G-77/CHINA suggested focusing on actions to be taken. On the reference to taking into account the full range of forest values in long-term planning, the US requested retaining the reference, while AUSTRALIA, supported by NEW ZEALAND, suggested adding a reference to SFM instead. During the informal consultations, the EU suggested, and delegates agreed on, reference to "forest products and services" instead of "values." The EU, with NORWAY, also proposed, and the G-77/CHINA, AUSTRALIA and NEW ZEALAND opposed, text on considering the relevance of C&I to reporting on IPF/IFF proposals for action as relating to MFC. After some discussion, the G-77/CHINA proposed referring to "voluntarily adopted" C&I, and, with this amendment, the EU's proposal was adopted.

The G-77/CHINA opposed, and AUSTRALIA, the EU, NEW ZEALAND, CANADA, NORWAY and JAPAN supported, a US-proposed paragraph on effective forest law enforcement and governance. Delegates debated whether to specify which partnerships should be promoted. Delegates decided to wait for the results of the other working group before further considering this issue. This discussion continued past 10:45 pm.

CONTACT GROUP ON ENHANCED COOPERATION

Contact Group Chair Hossein Moeini Meybodi (Iran) presented the results of informal informal consultations on enhanced cooperation, highlighting the need to discuss a paragraph that notes with appreciation the forest partnership initiatives and refers to the relevant Commission on Sustainable Development decision on this matter. Delegates approved the paragraph.

On the outstanding issue of the reference to the Convention on Biological Diversity (CBD), delegates agreed on: a preambular paragraph noting with appreciation the decision of the CBD on mutual supportiveness of the IPF/IFF proposals for action and the CBD's expanded programme of work on forest biodiversity; and the operational paragraph that welcomes the request of the CBD to work collaboratively on issues of common interest and requests the UNFF Secretariat to report on UNFF experiences at relevant meetings of the CBD. Regarding the submission of UNFF member States' views on these issues, delegates objected to AUSTRALIA's proposal to compare the ecosystem approach and SFM. They agreed to extend the deadline for providing views to February 2004 and request the Secretariat to submit their "compilation," rather than "synthesis," and invite the CPF member organizations to provide their views. Delegates approved the final resolution on enhanced cooperation.

IN THE CORRIDORS

A few delegates were quite pleased with the spirit of compromise that took hold during a mid-afternoon flurry of informal informal consultations on the issue of enhanced cooperation. Yet, later in the day, some delegates were of the view that the substantive resolutions currently under negotiation were significantly weaker than they might have been and that many were simply repetitions of earlier IPF/IFF proposals for action. Whether this may count positively or negatively for UNFF seems, at this point, to be secondary to the fact that, according to some, UNFF seems to possess all the necessary ingredients for another late-night finale.

THINGS TO LOOK FOR TODAY

PLENARY: Delegates will convene from 10:00 am -1:00 pm and from 3:00 pm - 6:00 pm in Salle XVIII to finalize any outstanding work on the resolutions, set the date, venue, and provisional agenda of UNFF-4, and adopt the final report of UNFF-3.