



## UNFF-5 HIGHLIGHTS: FRIDAY, 20 MAY 2005

On Friday, delegates met in working groups. Working Group I (WGI) discussed the Chair's draft decision on the future international arrangement on forests (IAF). Working Group II (WGII) considered the ministerial declaration and the global goals and financial matters in the Chair's draft decision on the IAF. In the afternoon, WGII met in a contact group on means of implementation.

### WORKING GROUP I

The EU asked for stronger language on objectives, goals, institutional arrangements, the Collaborative Partnership on Forests (CPF) and regional processes. SWITZERLAND said language on a voluntary code should appear early in the text. The RUSSIAN FEDERATION urged the promotion of forests within the UN.

On the preamble, the G-77/CHINA requested language on, *inter alia*: sovereign use of natural resources; common but differentiated responsibilities; and means of implementation. The EU proposed text on long-term political commitment and a strengthened CPF. SWITZERLAND suggested that the Chair's draft decision refer to the ECOSOC resolution that established the UNFF. The RUSSIAN FEDERATION requested language stressing the CPF's role in coordinating SFM implementation at all levels. The EU, supported by SWITZERLAND and JAPAN, proposed eliminating a section on complementing IAF priorities but retaining a paragraph on multi-stakeholder partnerships, with JAPAN adding "regional" partnerships. AUSTRALIA opposed deleting text on clustering the IPF/IFF proposals for action.

On enhanced cooperation, the G-77/CHINA stressed that SFM should remain within national policies. The EU suggested language on enhancing the contribution of forests to the achievement of internationally agreed development goals, and, with SWITZERLAND, suggested including policy and programme coordination. The RUSSIAN FEDERATION, with the EU, proposed text on coordination within the UN system. The US proposed that the CPF be the central focus of coordination on forest-related matters, while the EU, supported by MEXICO and SWITZERLAND, suggested deleting mention of a central focus. The G-77/CHINA suggested referring to multilateral environmental agreements rather than specific conventions. The EU, the G-77/CHINA, the US and NEW ZEALAND expressed concern with complementarity, while NEW ZEALAND suggested alternative language on collaboration.

On working methods and regional meetings, the EU, opposed by SWITZERLAND, suggested separate sections on a high-level forum and regional processes. The RUSSIAN FEDERATION

suggested that UNFF meet annually and maintain a flexible work cycle. SWITZERLAND supported a two-year work cycle, but suggested meeting regionally in year one and globally in year two. The US proposed weeklong biennial meetings at the global level.

On the multi-year programme of work (MYPOW), SWITZERLAND said UNFF should first meet globally in 2007 to adopt, *inter alia*, a 2008-2015 MYPOW.

On monitoring, assessment and reporting (MAR), the US, supported by the G-77/CHINA and the RUSSIAN FEDERATION, proposed deleting text on third party assessments, peer reviews and independent evaluations. The EU, with SWITZERLAND, proposed developing MAR processes, while AUSTRALIA stressed harmonizing existing processes.

On reviewing effectiveness, the US proposed a 2015 review. The EU, supported by SWITZERLAND, said the review date would depend on the UNFF mandate. Both, opposed by the RUSSIAN FEDERATION, opposed strengthening the Secretariat and enhancing its mandate.

On voluntary contributions to trust funds, the US and the RUSSIAN FEDERATION specified "the UNFF" trust fund.

On the CPF, both the EU and SWITZERLAND suggested emphasizing the importance of the CPF by strengthening its role in facilitating and reporting on implementation of the Forum's recommendations. SWITZERLAND recommended adding language on ensuring funding for the work of the CPF, for example through PROFOR or National Forest Program Facility (NFPF) trust fund arrangements. The US, supported by the EU, requested the addition of text calling for the proactive involvement of major groups to advise on implementation, with the latter opposing reference to an advisory group. NORWAY, supported by AUSTRALIA, requested the addition of text calling for the CPF to support regional processes.

The US requested deletion of a paragraph on a legally binding instrument (LBI). The EU, supported by the REPUBLIC OF KOREA, proposed text identifying an LBI as the best option, recommending that the General Assembly establish an intergovernmental negotiation committee to develop a legal framework on all types of forests, and calling upon donor governments and institutions to make voluntary contributions to a trust fund. The G-77/CHINA, supported by the US, ARGENTINA, COSTA RICA, CUBA and GUATEMALA, proposed that UNFF reconsider the parameters issue in 2015, noting not all G-77/CHINA members support the proposal. The EU suggested deleting text on a voluntary code. The US proposed text on a voluntary code on SFM as a statement of commitment to the IAF and to country actions to achieve the IAF's strategic objectives. SWITZERLAND proposed a 2007 deadline for developing a code. ARGENTINA,



supported by CUBA and GUATEMALA, suggested additional text recognizing that the LBI option could be considered among other possibilities in a future review of the IAF, with COSTA RICA adding that both LBIs and non-LBIs are still valid options.

On the declaration and message, CANADA proposed drawing upon the UNFF ministerial declaration in preparing ECOSOC's input to the General Assembly.

On frequency and types of UNFF meetings, the US called for biennial regional meetings, sponsored by either FAO's regional forestry commissions, or the UN economic commissions, or both.

### WORKING GROUP II

The G-77/CHINA questioned the merit of discussing the ministerial declaration prior to finalizing the Chair's text. MEXICO urged the inclusion of the IAF's contributions to the MDGs and environmental services.

CROATIA called for proclaiming 2007 the "international year of forests." The US cautioned on the time and funding needed for this.

On global goals, CANADA called for text on measuring degradation and doubling restored forests. SWITZERLAND proposed that any goal relating to improving the livelihoods of forest-dependent people should include forest tenure, use and access rights. NORWAY called for goals on means and monitoring, favoring a goal on "forests under sustainable management" over "forest degradation" and on doubling SFM area by 2015. The US favored "strategic objectives" over quantitative targets, and identifying national policies and targets to achieve global goals.

NEW ZEALAND stated that, while he was not opposed to targets, measuring progress is the primary challenge. The EU proposed text on voluntary national targets. CROATIA stated that the decision must recognize the full value of forests and call for technology transfer. MEXICO stated that political commitment must be galvanized through measurable commitments linked to MDG attainment. The G-77/CHINA, supported by BRAZIL and the US, requested using the term "strategic objectives" instead of quantifiable targets. AUSTRALIA expressed concern about discussing global-level goals prior to the conclusion of WGI discussions. SWITZERLAND, supported by CANADA, clarified that national commitments would be self-defined and non-binding, while global goals would measure the success of the IAF. The US suggested agreeing on the content of global goals before discussing quantifiability. The EU recommended that the global goals use language from the MDGs. MEXICO stated that discussion should proceed on quantitative goals, including those related to the rate of deforestation.

GUATEMALA noted that targets have assisted the development of a Central American regional forest strategy.

On finance, the US, the EU and SWITZERLAND opposed a global forest fund (GFF). Noting declining international forest assistance, the US called for innovative leveraging of funds, including a seed fund for CPF collaborative activities, and for subsidiary regional meetings on financing specific projects. She noted successes in leveraging funds for environmental services. SWITZERLAND noted that official development assistance (ODA) that indirectly affects forests is increasing. The G-77/CHINA stressed strengthening the means, and identifying the modalities, of implementation, with more emphasis on non-South-South ODA. The EU, with SWITZERLAND, emphasized more effective use of existing resources and funds already allocated for development. MEXICO noted its GFF proposal for assisting national implementation.

SWITZERLAND stated that an LBI would facilitate accessing GEF funds, and stressed including forests in national development priorities to access more ODA and creating effective enabling environments for "responsible" private investment. Supported by the US, he proposed a UNFF trust fund within PROFOR or the FAO's NFPF for collaborative activities among CPF members.

CANADA announced an annual eight percent increase in its ODA, but noted that increased forest-related ODA is limited without an LBI.

BRAZIL stated that calling for quantitative targets while depicting funding scarcity is paradoxical. SWITZERLAND said funding must be linked to concrete implementation activities, including adoption of a voluntary code.

In the afternoon, WGII met in a contact group on finance chaired by Xolisa Mabhongo (South Africa). The EU stated that although the EU contributes 53 percent of total ODA, little of this is directed towards forests. The G-77/CHINA called for increasing means of implementation and ODA. MEXICO proposed a rapprochement, including a GFF for capacity building and implementation and a CPF seed fund. The US noted the catalytic potential of a seed fund for financing regional projects through the CPF.

SWITZERLAND, supported by CANADA, supported a seed fund for collaborative activities among CPF members rather than projects, and, supported by the EU and the RUSSIAN FEDERATION but opposed by MEXICO and the US, opposed using seed funds for projects, since project funding would require complex governance and transaction costs. The EU supported using existing structures for financing CPF members' activities, and recommended that CPF members join the discussion.

CANADA and the US stressed promoting environmental services to help conserve forests.

The US called for further work on how to fund broader regional projects without high transaction costs, and supported Mexico's call for *ex post* evaluation.

SWITZERLAND suggested that the seed fund respond to the CPF's needs, while the US countered that member governments also have the ability to direct CPF actions. MEXICO, supported by NORWAY and the RUSSIAN FEDERATION, expressed concern over using the seed fund for CPF administration. CANADA stressed the need to identify the unique functions the proposed fund would provide, and suggested this may include cross-sectoral work.

FINLAND stated that NFP Facility entry points are established by host countries and that PROFOR reinforces forest-specific work through lending targeted at thematic areas.

On the Global Environment Facility (GEF), the US requested GEF funding "for SFM." The RUSSIAN FEDERATION warned that establishing a new GEF operational programme on forests is premature, and asked for figures on present GEF forest funding. MEXICO, with NORWAY, reiterated that GEF funding is only for binding treaties and, with the EU, warned against diverting resources from other issues to forests.

The EU called for "inviting the GEF council within its mandate to consider how to further increase resources on forests." The US reiterated specifying increasing resources "for SFM" instead.

The US stated that the capacity for new and additional funding is limited, but that directing more of FAO's budget toward forests would be desirable. CANADA concurred, but suggested that recent agreements, such as the Monterrey Consensus and the MDGs, may signal greater availability of funds. The US suggested that regional meetings could be effective in advancing South-South cooperation, and called for forests to be part of cross-sectoral strategies and poverty reduction strategy papers (PRSPs). The EU proposed text on, *inter alia*, integrating financing of NFPs into PRSPs.

MEXICO, supported by NORWAY and the US, stressed the importance of maintaining private sector investment.

### IN THE CORRIDORS

It has been expressed by some delegates that critical elements and potential targets relating to community and indigenous forest ownership and governance appearing in the Guadalajara Report are not reflected in the Chair's draft text. Some have also boldly suggested that the inclusion of these critical elements in the new IAF could become a marker of UNFF-5's success.