



UNFF-5 HIGHLIGHTS: WEDNESDAY, 25 MAY 2005

In the morning, delegates convened in a high-level segment (HLS) and multi-stakeholder dialogue (MSD) and in a contact group on finance. In the afternoon, the high-level segment continued in roundtables. An informal working group on the draft decision also convened in the afternoon and evening.

HIGH-LEVEL SEGMENT

The EU, with IRELAND, stated that the IAF risks marginalization unless it demonstrates action. INDONESIA, with MALAYSIA, highlighted progress and difficulties in implementing the IPF/IFF Proposals for Action (Pfas). MALAYSIA said large amounts of funding are required for SFM to address the Millennium Development Goals (MDGs).

ANGOLA called for, *inter alia*: strengthening the UNFF and CPF; improving market access; and establishing a global forest fund (GFF). SWITZERLAND said forests are cross-cutting and crucial to poverty alleviation, and called for a strong message to the UN General Assembly, linking a strengthened IAF to the MDGs.

MOROCCO stressed SFM relates to economic and social issues. MEXICO reiterated the need for a legally-binding instrument (LBI) and supported quantifiable goals as well as naming 2007 the international year of forests. Noting an LBI would be the best way to implement SFM, the REPUBLIC OF KOREA said UNFF must make better use of existing resources. KENYA stressed an LBI is not the only option, and that predictable funding is crucial. FRANCE said the poor are the first to suffer from environmental degradation, and emphasized the importance of quantified targets linked to MDGs.

The Center for International Forest Research highlighted that poverty reduction and environmental sustainability must be mutually supportive. IUCN said the IAF should not block local action supporting MDGs. The WORLD BANK highlighted the importance of forest services and good governance. The FAO stressed avoidance of duplication or fragmentation of IAF efforts. UNDP highlighted benefits SFM generates beyond attaining MDGs and sequestering carbon. GEF highlighted its role in forest activities and called for robust GEF replenishment. The World Agroforestry Centre emphasized the contribution of agroforestry to poverty alleviation.

BUSINESS AND INDUSTRY noted its commitment to, *inter alia*, halting deforestation and ending illegal logging, reducing poverty and ensuring that local communities benefit from forest management. SCIENTIFIC AND TECHNOLOGICAL COMMUNITIES stressed the need for a global timber trade agreement and a carbon trading system that includes all nations. WORKERS AND TRADE UNIONS said that poverty reduction and the environment are linked and that social issues are the

underlying causes of deforestation. YOUTH AND CHILDREN noted education is catalytic and crucial to development and that countries should establish partnerships with youth organizations. INDIGENOUS PEOPLES stressed the need for strengthening indigenous peoples' involvement in UNFF. FARMERS AND SMALL FOREST OWNERS called for secure forest tenure and development of family forest associations.

CONTACT GROUP

ARGENTINA, with the US, the EU, SWITZERLAND, and MEXICO, proposed urging countries to improve means of implementation "in particular to support developing countries," while the AFRICA GROUP and INDONESIA preferred urging "all countries, in particular developed countries."

The US, opposed by CUBA, suggested increasing the "request for" ODA for forest-related activities. The EU pointed out that ODA is allocated based on national priorities, not to the forest sector, and, opposed by the AFRICA GROUP and INDONESIA, proposed "maximizing the share of increasing ODA flows going to forest-related activities." Delegates agreed on text referring to the global decline in ODA for forest-related activities, but continued to deliberate on developed countries fulfilling their ODA commitments to developing countries. CANADA, supported by the US but opposed by the AFRICA GROUP, stated that the two ideas should be considered separately. CUBA stressed the importance of fulfilling current commitments, while BRAZIL, supported by the AFRICA GROUP and CUBA, suggested considering the reversal of ODA decline as a strategic objective.

The EU, opposed by the AFRICA GROUP, proposed deleting reference to providing new and additional resources for SFM. The US proposed "providing" and BRAZIL added "significant" resources. Both were added, and the US specified "from all sources."

On making SFM a higher priority, delegates agreed to an earlier proposal by the US and CANADA, as modified by the AFRICA GROUP, SWITZERLAND, and AUSTRALIA, respectively, to do this through "*inter alia*," integrating forests into national planning strategies "or other forest strategies," including poverty reduction strategies where "they exist."

On proposed alternative paragraphs on sources of funds, MEXICO noted that funding is needed for global goals besides SFM. The EU and US proposed deleting MEXICO's proposal to create a Global Forest Fund within the UNFF Trust Fund, and favored establishing: a seed fund within the UNFF Trust Fund; an SFM implementation fund through FAO's NFP facility; and a PROFOR-based fund to facilitate collaboration among CPF members.

ROUNDTABLE I: RESTORING THE WORLD'S FORESTS

Carlos Manuel Rodriguez, Minister of Environment and Energy (Costa Rica), identified government-supported rural development



policies as the main causes of deforestation, and called for the forest sector to re-value forests, through, for example, payment for ecosystem services. Octavie Modert, Secretary of State for Agriculture, Viticulture and Rural Development (Luxembourg), presenting on EU actions in forestry, highlighted forest restoration as an integral part of European forest policy. Zhu Lieke, State Forestry Administration (China), highlighted accomplishments in the Chinese forest industry.

Henson Moore, American Forest and Paper Association, called for, *inter alia*, focusing on: practices that damage forests such as illegal logging; voluntary market-based programs to restore forests; breaking the poverty cycle; and promotion of the private sector to give economic incentives for restoration.

LEBANON, INDONESIA, YEMEN, KENYA and BANGLADESH called for financial assistance, and NORWAY and SPAIN called for capacity building and technology transfer. INDONESIA, and the REPUBLIC OF KOREA called for UNFF to play an important role in implementing restoration activities. WORKERS, IUCN, YOUTH AND CHILDREN, and the TEHRAN PROCESS stressed the importance of social justice and economic equity, land ownership, education, and community participation, respectively.

ROUNDTABLE II: FOREST LAW ENFORCEMENT AND GOVERNANCE FOR SUSTAINABILITY

Malam Sambat Kaban, Minister of Forestry (Indonesia), stressed linking IAF to MDGs. Alexandre Chambrier Barro (Gabon) outlined the main pillars for SFM, including transparency, enforcement, and stakeholder involvement. Valery Roshchupkin, Vice-Minister for Natural Resources (Russian Federation), highlighted an upcoming conference on forest law enforcement and governance (FLEG). Rosalia Ortega, Amazon Cooperation Treaty, reported outcomes of the ACT's recent meeting in Quito, Ecuador. Everton Vargas, Minister of Foreign Affairs (Brazil), described the state of illegal logging within his country, stressed forests are not global public goods, and supported a strengthened UNFF. Michael Ross, University of California at Los Angeles, spoke on trends in forests and conflict, often linked to grievances over resource extraction and the financing it provides to conflicts.

The REPUBLIC OF KOREA highlighted his country's effort to mitigate the effects of rapid industrialization on forest ecosystems. SOUTH AFRICA said that new initiatives such as fighting illegal logging require new resources. FINLAND noted, *inter alia*, that illegal forest activity risks the reputations of legal operators, and that he would begin negotiating bilateral agreements on forest governance.

CÔTE D'IVOIRE described how increased enforcement has been undermined by conflict. CHINA described its efforts against illegal logging and emphasized addressing underlying causes. FRANCE and the NETHERLANDS stressed the importance of coordinated efforts from producing and consuming countries. MALAYSIA emphasized enforcement and removal of market barriers. SWITZERLAND highlighted benefits of decentralization and community forests. The US stressed enforcement and outlined its national plan to combat illegal logging.

Noting ongoing deforestation and illegal logging, TURKEY called for strengthening the IAF. Noting that certification and transparency are important policy tools for addressing illegal logging, JAPAN asked how potential losers can be convinced of this. DENMARK said forest mismanagement can lead to violence and undermine democracy.

KENYA stated that in his country a lack of alternatives, not illegal trade, perpetuates illegal logging. The PHILIPPINES outlined barriers to FLEG implementation and requested greater funding. PAPUA NEW GUINEA lamented lack of incentives to protect forests and suggested opening carbon markets to developing countries. MEXICO stated his government has made forests a matter of national security. The FAO and IUCN emphasized incorporating governments, civil society and industry in FLEG. FARMERS AND SMALL FOREST LANDOWNERS emphasized tradition and well-defined land rights. YOUTH AND CHILDREN highlighted the effects of conflict on forests. NGOs called for clear

targets and implementation. WORKERS AND TRADE UNIONS stated that benefits of decentralization will remain an illusion in the absence of local law enforcement.

INFORMAL WORKING GROUP

The US said that a proposal to complete negotiations on the text of a voluntary code at UNFF-5 was omitted. The group debated a paragraph listing four goals, including significantly increasing new and additional financial resources, and "significantly" instead of "by 50 percent": decreasing the rate of forest degradation; eradicating poverty; and increasing the area of protected and sustainably managed forests.

The AFRICA GROUP, supported by BRAZIL, INDONESIA, ARGENTINA, and PERU opposed time-bound quantitative goals, proposed "strategic global objectives," and supported increasing "significantly" protected areas. The EU, MEXICO, CANADA, and SWITZERLAND insisted on quantitative and time-bound goals. The US supported quantitative targets at the national level and strategic objectives at the global level. NEW ZEALAND preferred quantitative goals at the global level, supported "50 percent" and suggested "aspiring to" achieve goals. The EU, supported by the AFRICA GROUP, advocated achieving, instead of reviewing, goals by 2015, supported increasing protected but not sustainably managed forests, and increasing new and additional financial resources for "forest related activities" rather than "SFM implementation."

MEXICO supported quantifiable targets on deforestation, protected forests, and SFM but, with SWITZERLAND, not on poverty eradication. The AFRICA GROUP questioned how to achieve quantified international targets. CANADA requested a link to the MDG calling for reversing deforestation by 2015. CUBA favored significantly "reducing" over "eradicating" poverty. The EU noted that global goals mandate shared action at global and regional levels and, with SWITZERLAND, suggested referring to the MDGs rather than specifying timetables.

Co-Chair Gauer proposed removing all quantifiers from shared goals to be reviewed by 2015, but the EU and CANADA, opposed by BRAZIL, favored a call to "achieve" them by 2015 as per the MDGs. MEXICO noted the CSD forest review in 2012-2013 and, with SWITZERLAND, asked for clarification on national targets. The US replied that they would be transparent, and in some cases, quantifiable. INDONESIA noted development needs do not end in 2015. BRAZIL, the EU and CANADA urged a time-bound target of 2015 for reversal of ODA decline.

NEW ZEALAND, supported by the EU, noted that the goal on protected and sustainably managed forests takes account of national sovereignty and diverse conditions. IRAN opposed time-bound measurable targets, expressing pessimism for obtaining new and additional financial resources, and proposed decreasing poverty "in the context of the MDGs" and waiting a few years before considering measurable targets. The US noted the MDGs were not produced through an inter-governmental process. ENB coverage of this working group ended at 6:35 pm.

IN THE CORRIDORS

With the high-level segment in full swing upstairs, a desperate effort to reach a compromise on the decision was in full swing downstairs. Some were outwardly optimistic that the ministerial presence would help break the negotiating logjam, however, the source of this optimism became less clear when ministerial statements reinforced entrenched positions. With two days remaining in UNFF-5, the ministerial presence may yet produce this hoped-for effect. Some have also expressed their dismay with the organization of the negotiation, noting that the revised chair's text did not reflect key proposals by major countries and that both a negotiating room with amplification and timely translation have been lacking. Noting lack of progress on substantive matters, some people even opine that, in spite of the ministerial presence, there will be no ministerial declaration.