

## UNFF8 HIGHLIGHTS:

### THURSDAY, 23 APRIL 2009

Throughout the day, UNFF8 delegates continued deliberations in two working groups (WG): WGI on forests in a changing environment; and WGII on means of implementation. WGI continued a first reading of recommendations on addressing key challenges facing forests in a changing environment, and then heard statements on climate change, biodiversity and desertification. WGII addressed the elements of a global forest fund and a facilitative mechanism, and in the afternoon briefly discussed a Co-Chairs' draft text on financing.

#### WORKING GROUP I

**KEY CHALLENGES: Recommendations to member states:** On prioritizing reforestation and afforestation, the EU requested referring to forest landscape restoration rather than expansion of forest plantations.

**Recommendations to UNFF:** The EU supported retaining a broad reference to forest law enforcement and governance (FLEG) processes. On supporting the CPF Global Forest Expert Panels initiative, the US, BRAZIL and the EU suggested noting that the Panels are advisory rather than scientific bodies.

**Recommendations to CPF:** Several suggested referring to "interlinked" rather than "aggregate" effects of deforestation and forest degradation, biodiversity loss and climate change. On reporting the impacts on indigenous and forest dependent communities, INDONESIA suggested involving such communities in developing climate change responses. On reporting the impacts of the food, fuel and financial crises, INDONESIA added reference to SFM's role in crisis response, and the AFRICAN GROUP and others added reference to the water crisis. The US suggested organizing a panel at UNFF9 on crises. The AFRICAN GROUP proposed that the CPF also streamline funding procedures and facilitate access to them.

**Recommendations to donors and international organizations:** The AFRICAN GROUP requested referring to inter-governmental organizations. The PACIFIC COMMUNITY and MALAYSIA added reference to simplifying access to funds. INDIA called for reference to countries with low forest cover per capita. BRAZIL and CHINA called for stronger language on donor commitment. Many noted the need to wait for WGII outcomes before finalizing the text.

**Recommendations to the UNFF Secretariat:** Many delegates expressed reservations on developing new indicators for the first and third global objectives on forests (reversing the loss of forest cover, and increasing the area of protected and sustainably managed forests, respectively), with the AFRICAN GROUP suggesting developing new indicators only if new knowledge and technology is available.

The AFRICAN GROUP suggested adding reporting to UNFF9 on cooperation with the UNFCCC Secretariat and the Joint Liaison Group of the Rio Conventions. On gaps in the field of SFM in international forest-related agreements, the EU suggested adding reference to the Convention on International Trade in Endangered Species, the Ramsar Convention and FLEG processes. The US wished to focus on how to mainstream the Forum's work with other processes.

**CLIMATE CHANGE:** The EU called for further development of indicators and suggested joint activities with UNFCCC. The AFRICAN GROUP called for adequate and predictable funding and technology transfer, in particular for energy production. The US and NEW ZEALAND stressed the importance of science and research, and regional processes such as the Montreal Process. CHINA stressed technology transfer, and asked how UNFF should take into account the outcome of UNFCCC COP 15 on reducing emissions from deforestation and forest degradation (REDD).

NIGER cautioned against excluding low forest cover countries (LFCCs) from REDD. CHILE called for mechanisms for developing countries to incorporate emissions reductions in their sustainable development plans. BRAZIL stressed that deforestation needs to be addressed as a socio-economic process. URUGUAY highlighted methodological and regulatory problems in implementing afforestation and reforestation programmes. LEBANON requested text on the causes of forest fires.

The DOMINICAN REPUBLIC called for transboundary cooperation in implementing reforestation programmes. NEW ZEALAND emphasized cross-sectoral links, in particular with agriculture. NEPAL noted the vulnerability of alpine ecosystems and impacts of glacier retreat on water availability. PAPUA NEW GUINEA proposed addressing links between SFM and carbon trade.

**DESERTIFICATION:** The US stressed the importance of addressing land degradation. CHINA mentioned its country's afforestation and reforestation efforts. The AFRICAN GROUP mentioned Africa's advantages regarding personnel trained in forest monitoring and functioning regional entities, but noted institutional weaknesses and a lack of forest equipment. He said deforestation should be considered at the landscape level.

**BIODIVERSITY:** BRAZIL mentioned regional cooperation on forest monitoring and said biopiracy and illegal wildlife trade are important issues. The US described its initiatives in biodiversity education and collaboration with indigenous peoples to prevent forest fires. The EU called for a UNFF decision on conservation and sustainable use of biodiversity within and outside protected areas, and recommended tapping

indigenous traditional knowledge. INDONESIA outlined domestic efforts to conserve forest biodiversity, including certification and monitoring systems.

**REGIONAL AND SUBREGIONAL INPUTS:** The US reported on the North-American Carbon Program aimed at developing common protocols for carbon-cycle analysis. AUSTRALIA noted recommendations from the Swiss-Australian Region-Led Initiative on Regional Inputs to UNFF, including enhancing linkages between regional and global processes. The PACIFIC COMMUNITY called for capacity building.

**ENHANCED COOPERATION AND COORDINATION:** The EU and SWITZERLAND suggested that the UNFF Secretariat: explore and implement joint activities with other global instruments, in particular the Rio Conventions; participate in the Rio Conventions' Joint Liaison Group; and report on activities at UNFF9. The US suggested a focused set of guidelines for joint activities, and ARGENTINA stressed the need for a clear mandate in that regard. The EU also called for enhanced coordination regarding FLEG implementation and improving trade in legally harvested timber. The AFRICAN GROUP and the US stressed the importance of civil society participation.

### **WORKING GROUP II**

AUSTRALIA, SWITZERLAND, NEW ZEALAND, IRAN and JAPAN expressed concern with the Co-Chairs' suggestion to discuss specific elements of a global forest fund, preferring a general discussion of an overall financing framework. BRAZIL, SENEGAL, the EU and ARGENTINA supported considering the details of both financing proposals. ARGENTINA noted that specific discussions would allow delegations to consider a broader framework where both proposals could be incorporated, and delegates agreed.

**GLOBAL FOREST FUND: Beneficiaries:** BRAZIL, with INDONESIA and COSTA RICA, stressed that funding should be equally accessible to developing countries. JAPAN stressed the need to address gaps in SFM implementation, and to clarify the roles of UNFF and CPF members in the financial framework. The AFRICAN GROUP, CUBA and PAKISTAN noted that recipients should be developing countries, with an emphasis on LFCCs. The AFRICAN GROUP added that this should include small island states and high forest cover low deforestation countries. VENEZUELA suggested that funding should extend beyond climate-related activities. The US said the financial landscape has changed significantly since 2007, and recalled that the advisory group on finance identified gaps that need to be targeted. CHINA noted that regional and country groups should also be eligible for funding.

**Investment and selection criteria:** SWITZERLAND and NORWAY suggested considering conditionalities for grants from a forest fund, and that low levels of demand for forest-related official development assistance indicate a low priority of forests on national agendas. PALAU countered that this may indicate a lack of capacity to apply for aid and a lack of access, not a lack of need. GABON asked that criteria be aligned with each country's national plans. JAPAN and INDIA stressed focusing on enabling conditions for investment.

**Scope of activities:** INDIA noted that support from the fund should be based on results and performance, and that the fund should be transparent and efficient. AUSTRALIA expressed concern that the scope of the fund could overlap with other mechanisms and fora. PALAU, with BRAZIL, emphasized flexibility. ARGENTINA highlighted the need to build reporting capacity.

**Targeted funding volume and sources:** ARGENTINA noted the difficulty of predicting voluntary contributions.

**Hosting organization:** BRAZIL suggested the creation of an executive board with geographically balanced representation, appointed by UNFF, and emphasized minimization of transaction costs. In response to a question regarding UNFF's legal

capacity to administrate funding, UNFF Director Jan McAlpine responded that in principle UNFF could do so, but recalled that UNFF is primarily a facilitative forum that draws upon CPF member resources to address gaps, based on their various mandates.

**Stakeholder participation:** BRAZIL expressed support for stakeholder participation, and WOMEN requested inclusion of Major Groups within financing considerations.

**FACILITATIVE MECHANISM:** SWITZERLAND, with the RUSSIAN FEDERATION and the EU, requested a document summarizing the discussions and outcomes so far before resuming discussions. BRAZIL enquired whether a draft text could be produced to facilitate negotiations.

NEW ZEALAND requested clarity on the term "facilitative mechanism." McAlpine acknowledged that comparisons are being made to the Global Mechanism of the UNCCD, and said the proposed mechanism would provide easier access to and catalyze financing for the implementation of the Forest Instrument.

The US supported a flexible facilitative mechanism that would implement measures for an enabling environment and increase coherence on financing sources. The AFRICAN GROUP noted the need for a mechanism that would simplify access to financing.

After WGII reconvened in the late afternoon, the WGII Co-Chairs distributed a text, entitled "the Road Map for Financing SFM/Implementation of the NLBI." Sudan, for the G-77/CHINA, and supported by numerous G-77/China members, objected to the draft on the basis that it did not take into consideration the outcome of the G-77/China consultation that had occurred earlier in the afternoon.

The EU and AUSTRALIA supported proceeding to negotiations based on the Co-Chairs' text. Co-Chair Kile acknowledged the submission of the G-77/China's proposed text, but noted that negotiations would commence in the morning based on the circulated text, and adjourned the session.

### **IN THE CORRIDORS**

After three days of rain in New York City, the storm moved inside UN Headquarters as UNFF8 delegates clashed over means of implementation (i.e. the Forest Instrument's future funding mechanism). The level of discussion in WGII's morning session on elements of a global forest fund was still perceived as "abstract" by many, circling around general ideas, principles and possible proposals, and many expressed their eagerness to get down to the nitty gritty to define what is actually being discussed. Any sense of progress felt after the Co-Chairs responded with a draft text in the afternoon was tempered by the G-77/China, who felt overlooked and objected vehemently to the text, since it had been developed while their group was developing their own proposals. Several countries within the Group, based on a cursory review of the draft, expressed disappointment that the morning's discussions of a global forest fund only amounted to a small paragraph at the end of the document. Further resolution of the issue was postponed until Friday, with some delegates bracing for a hurricane of bracketed text. Others took it in stride, noting that this is par for the course when it comes to forest negotiations.

While the storm was brewing over financing, WGI delegates sailed relatively smoothly through recommendations on key challenges. When they were asked to develop a message that UNFF could send to the "outside world," however, most felt that UNFF8 should focus on sending a message to UNFCCC to ensure that REDD does not run counter to the objectives of SFM. While opinions still diverged over what would be the appropriate content and form of the message, some questioned its usefulness in general. Those familiar with the climate change discussions said that most likely UNFCCC would do little more than "take note" of the message, which in the words of one delegate, would be equivalent to filing it under "recycling."