

UNFF8 HIGHLIGHTS: MONDAY, 27 APRIL 2009

Throughout the day, UNFF8 delegates met in two working groups (WG). WGI addressed a draft resolution on forests in a changing environment, enhanced cooperation and regional and subregional processes. WGII completed a reading of the Co-Chairs' text on financing SFM, and addressed forest law enforcement and governance (FLEG).

WORKING GROUP I

BRAZIL, the AFRICAN GROUP and the EU asked to reference the Forest Instrument as the Non-legally Binding Instrument on All Types of Forests (NLBI), rather than the Forest Instrument, throughout the document. On the preamble, the AFRICAN GROUP and BRAZIL added reference to the Rio Principles of common but differentiated responsibilities and sovereign rights over resources, while the US and the EU preferred a general reference to all Rio Principles. BRAZIL opposed references to mitigation throughout the text, preferring "in addressing climate change" instead.

On addressing climate change in national forest programmes or other strategies for SFM, the EU and others added reference to biodiversity conservation, with BRAZIL preferring "conservation and sustainable use," and the EU to water resource management. The EU also proposed reference to integrating environmental aspects in forest policy and SFM at all levels, with BRAZIL, INDONESIA and COLOMBIA requesting that it also reflect the social and economic pillars of SFM. SWITZERLAND and COLOMBIA proposed adding reference to integration into poverty reduction strategies.

The EU, INDONESIA and the AFRICAN GROUP suggested deleting a paragraph on coordination of national positions in the CPF governing bodies. On forest adaptation measures, the EU and the AFRICAN GROUP, opposed by many, suggested reference to sustainably managed natural forests and native species.

On policy and legal frameworks, BRAZIL, COLOMBIA, INDONESIA, NEW ZEALAND, the US, and PAPUA NEW GUINEA suggested developing frameworks "to support SFM, as well as" to respond to deforestation, forest degradation and disaster risks posed by climate change. The EU, SWITZERLAND and PAPUA NEW GUINEA, opposed by INDONESIA and COLOMBIA, added reference to tenure rights. The US suggested that tenure rights be considered at UNFF11.

INDONESIA, BRAZIL, the US and AUSTRALIA opposed language on developing a common understanding on legally harvested timber in a reference to forest law enforcement and governance. AUSTRALIA, opposed by INDONESIA, suggested

adding reference to forest certification. The EU proposed adding paragraphs on: national forest inventories using additional indicators; forest-based mitigation and adaptation options; and public procurement policies. INDONESIA cautioned against introducing references to mitigation.

BRAZIL, opposed by INDIA and URUGUAY, suggested deleting reference to a message to UNFCCC. The EU proposed communicating the resolution to other conventions instead.

On collaboration between CPF and other international organizations and agreements, the AFRICAN GROUP proposed adding reference to the Rio Conventions. BRAZIL and the US suggested deleting reference to "organizations and agreements with significant forest-related mandates."

The EU and the AFRICAN GROUP supported developing new criteria and indicators where necessary, whereas AUSTRALIA, NEW ZEALAND, the US and INDONESIA preferred streamlining the use of existing ones. On facilitating regional cooperation, the EU asked for clarification on budget implications. The US and INDONESIA asked to reflect the focus of the MYPOW. On arranging a panel of experts on the impacts of the food, fuel and financial crises on SFM, the AFRICAN GROUP, supported by the US, BRAZIL and INDONESIA preferred leaving flexibility to consider future crises, which could be relevant to the UNFF9 theme on forests and livelihoods. On the Secretariat reporting on valuation of forest goods and services at UNFF10, the US requested to include payment for ecosystem services.

On requesting the Secretariat to develop a strategy for South-South cooperation for UNFF10 consideration, the AFRICAN GROUP, BRAZIL and INDONESIA asked for a separate reference calling for international support for South-South cooperation. The US asked to clarify the objective of South-South cooperation. CHINA suggested developing a strategy to strengthen North-South cooperation, while encouraging South-South cooperation. AUSTRALIA, the US and INDONESIA called for progress reports at UNFF9 and 10.

On items relevant to financing, most delegates agreed to await WGII outcomes. On national financing strategies to coordinate funding from different sources, BRAZIL suggested deleting references to specific ministries and bodies, while the US suggested alternative language inviting CPF members to review, streamline and harmonize funding procedures to facilitate access for developing countries.

WORKING GROUP II

FINANCING SFM: G-77/CHINA said their principle demands for a dedicated fund and providing new and additional resources had not been reflected in the Co-Chairs' text, while AUSTRALIA, JAPAN and the EU objected to the text being overly presumptive of the creation of a new fund. G-77/CHINA,

with JAPAN, called for a facilitative process that enhances coordination of current sources, simplifies procedures to access funds, facilitates capacity building, and enables technology transfer.

Several developed countries preferred beginning with the operative paragraphs, but delegates agreed to start with the preamble, with the EU reserving its position pending the outcome of the operative paragraphs.

Preamble: G-77/CHINA requested replacing the term “Forest Instrument” with “NLBI” throughout the text, and changing the title of the document to the “Means of Implementation for SFM.”

On recognizing the insufficiency of funding for SFM, G-77/CHINA requested adding “difficulty in accessing current financing.”

SWITZERLAND called for recognizing the impact of the financial crises on SFM itself rather than just on financing SFM, with BRAZIL requesting deleting the paragraph. NORWAY called for text on recognizing the need to make SFM attractive to private investment.

G-77/CHINA introduced text in several locations emphasizing the need to mobilize new, additional and predictable financial resources, as well as reference to a global forest fund.

SWITZERLAND and NORWAY called for text on creating enabling conditions for SFM financing. G-77/CHINA proposed deleting paragraphs on the importance of enhancing the quality of aid and on good governance, while the EU proposed referring to FLEG.

Operative text: The EU requested a paragraph on the development and implementation of national SFM financing strategies; NORWAY on collecting, updating and disseminating the range of funding mechanisms by CPF member organizations; and SWITZERLAND on improving coordination of and accessibility to funding mechanisms.

G-77/CHINA proposed text noting the need to reverse the decline in ODA and fair and equitable distribution of funds, with JAPAN suggesting replacing ODA with “financial resources from all sources.” The EU proposed the inclusion of improving the enabling environment for private sector investment.

G-77/CHINA bracketed references to the UNFCCC and the World Bank in inviting intergovernmental processes to ensure their work reinforces SFM implementation, while the US suggested emphasizing the link to climate change.

G-77/CHINA requested deleting text agreeing to “adopt a road map for financing SFM,” while the US, supported by AUSTRALIA, suggested replacing “agrees” with “decides.” The EU preferred “facilitative process” instead of “road map.” SWITZERLAND suggested an alternative paragraph inviting developing countries to apply a coordinated approach to national development policy.

The EU requested deleting a reference to allocating new and additional funds for SFM, stating that this is outside the mandate of UNFF. JAPAN proposed to “create enabling conditions” for new and additional funding.

Facilitative process establishment: The US and SWITZERLAND suggested inviting countries to support the process through voluntary contributions. JAPAN proposed deleting reference to the facilitative process having “dedicated funds,” while the EU preferred “facilitative funds.” G-77/CHINA proposed a new paragraph on a global forest fund and possible considerations for its establishment. The US requested reference to the portfolio approach.

Regarding starting the work of the facilitative process, the US proposed adding “as voluntary funding permits,” and the EU, “in the framework of the MYPOW.” The US, supported by the EU and SWITZERLAND, suggested deleting a paragraph on requesting “solid funding.” JAPAN proposed emphasizing the need to use available financial resources more efficiently.

Facilitative process functions: G-77/CHINA preferred that resources be “mobilized” instead of “identified.” The EU

proposed new subparagraphs on assisting countries in developing national financing strategies for SFM and supporting member states in their efforts to introduce fiscal reforms.

SWITZERLAND suggested text on the need for developing countries to produce national reports on their difficulties in financing SFM. The US proposed a subparagraph on identifying a framework that countries can use to mainstream forest financing within broader development strategies, and requested deleting text on enabling the Forum to provide policy advice to forest-related processes.

G-77/CHINA requested replacing text on establishing a facilitative implementing group hosted by the UNFF Secretariat with text stating that UNFF shall monitor the implementation of the facilitative process. The EU preferred that the UNFF Secretariat “convene” the group, and JAPAN also called for convening an *ad hoc* expert group meeting on implementation of the facilitative process. On reviewing the effectiveness of the international arrangement on forests, JAPAN, the EU and the US requested deleting reference to considering the establishment of a dedicated fund within the review. SWITZERLAND preferred text on inviting CPF members to address thematic and geographic gaps in SFM financing and submitting to UNFF10 a thorough assessment of the importance of country-based funding, market regulation, secure investment and financial flows to finance SFM.

Review of effectiveness/taking concrete action: G-77/CHINA requested replacing paragraphs under these titles with one on making immediate arrangements for the interim operationalization of the global forest fund.

The US called for text on building on the work of the CPF advisory group on finance, and on mainstreaming SFM funding within national strategies and budgets, and establishing policy and governance environments to attract financial flows for SFM. SWITZERLAND, the EU and NEW ZEALAND requested deleting reference to establishing a UNFF subsidiary body to review the implementation of the Forest Instrument.

JAPAN proposed inviting donors to improve the coordination and coherence of various agencies. SWITZERLAND suggested improving data quality and monitoring, assessment and reporting on SFM financing means.

On taking concrete action, the EU, with NEW ZEALAND, SWITZERLAND and others, proposed deleting the paragraph on initiating a process to establish a global forest fund, and with the US, its associated annex.

FLEG: Several countries reported on recent domestic activities related to FLEG. BRAZIL said that FLEG should be addressed at the national level consistent with sovereign interests.

IN THE CORRIDORS

UNFF8’s second week got off to a quick start with speedy first readings of the negotiation texts in both working groups. WGI’s deliberations were described as a warm-up lap as delegates decided – once more – to avoid the group’s major hurdle of deciding on a message to UNFCCC. While some wondered whether UNFF8 will attempt jumping this hurdle at all, others grimaced at the introduction of contentious stumbling blocks such as references to illegal logging and climate change mitigation. On a positive note, there was a high degree of support for regional cooperation and a related side event to be organized at the World Forestry Congress in Buenos Aires this October.

In contrast, WGII deliberations were perceived as the start of a marathon, as delegates made numerous amendments along polarized lines, potentially prolonging discussions on the roadmap for financing. Some said they would have preferred to engage in the long run towards consensus in a somewhat more strategic fashion. Others, however, noted that winning this marathon will require a group finish. Despite the polarized views expressed today, some believe that this is still possible.