



## UNFF10 HIGHLIGHTS THURSDAY, 11 APRIL 2013

UNFF10 continued on Thursday, 11 April. Plenary convened throughout the day to discuss agenda items on emerging issues and MoI for SFM. Side events took place on a variety of issues during the lunch period, including on: private sector and forest funding; implementing the Forest Instrument; and means of implementing forest conservation. In the evening, side events took place on: new tools for the Bonn Challenge; outcomes of the UNFF Major Groups Global Workshop; and outcomes of the Lviv Forum.

### PLENARY

**EMERGING ISSUES:** UNFF10 Chair Mario Ruales Carranza opened this agenda item, which was discussed during the morning and afternoon. On the **post-2015 development agenda**, many countries supported ensuring that it addresses the issues of forests and SFM. Ireland, for the EU, said the UNFF should encourage Member States to include the sustainable management of natural resources, including forests, as an important principle under the post-2015 development agenda. INDONESIA proposed having a cross-cutting SDG that includes poverty eradication, sustainable growth and equity, and forests.

GHANA, highlighting cross-sectoral linkages, supported the inclusion of safeguarding ecosystems in the SDGs. CHINA noted that there is an onus on forests to assume a poverty alleviation role in the post-2015 development agenda.

The US, with BRAZIL, urged providing a strong rationale for including forests in the post-2015 development agenda, with the US and COLOMBIA cautioning against specific recommendations at this point. Noting calls for including forests in the post-2015 development agenda and having an SDG on forests or natural resources, NEW ZEALAND and ARGENTINA warned against prejudging the outcomes of the post-2015 development agenda process.

CHINA called for strengthening the global dialogue on forests. MEXICO, with COLOMBIA, identified the need to ensure broad participation in discussions on forests in the post-2015 development agenda. GUATEMALA proposed linking the UNFF's discussion on forests in the context of the post-2015 development agenda with discussions in other processes such as the UNFCCC and UN Convention to Combat Desertification.

On an **AHEG for the future IAF**, Fiji, for the G-77/CHINA, with BOLIVIA, TURKEY, SWITZERLAND, IRAN, CAMEROON, SWAZILAND, INDIA, the EU, BRAZIL and CUBA, supported the establishment of an AHEG to review various aspects, components and options for the future IAF, as recommended in the Report of the Secretary-General on

Emerging Issues (E/CN.18/2013/6). With regard to a roadmap for the 2015 review, the G-77/CHINA called for the immediate formation of the AHEG.

CUBA said the AHEG should be open-ended, and with SENEGAL suggested that it meet twice during the intersessional period. CHINA supported convening an AHEG to meet once before UNFF11, and lamented the weakening of the consideration of forests as an independent issue and the fragmentation of the forest community. Highlighting financial constraints, TURKEY suggested limiting the number of AHEG meetings.

The US, with BRAZIL, the EU, NEW ZEALAND, MOROCCO and KENYA, underscored the need for a clear, concise and simple mandate for work carried out intersessionally by the AHEG. CAMEROON said the AHEG should consider progress made by the Central African Forests Commission.

The G-77/CHINA noted that although stakeholders should be invited to provide input, the decision-making should only be by Member States. BRAZIL, with ARGENTINA, stressed that this process must be led by Member States. BRAZIL further noted that the CPF's role is to support Member States. SWITZERLAND urged that the review be an independent process with a clearly defined methodology.

CUBA supported the establishment of a global forest fund, highlighting that this is closely linked to the review of the IAF. The EU suggested that the two-year review process include an analysis of the IAF facilitated by the CPF members, another analysis of the IAF by countries and Major Groups, and preparation of background papers with contributions from CLIs, region-led initiatives and organization-led initiatives.

On a **legally-binding agreement on forests**, the PHILIPPINES and TURKEY called for establishing a legally-binding instrument on forests that encompasses all pillars of sustainable development, with TURKEY saying it would be the best option for achieving the goals of SFM.

MALAYSIA expressed concern about the proliferation of multilateral environmental agreements, and said that although open to the development of a legally-binding agreement on forests post-2015, there is a need to evaluate the impact of such an agreement on countries. BRAZIL called for a specific body or locus to deal with forests, underlining that this issue is different from the issue of having a legally-binding instrument.

On **natural capital accounting**, the EU requested the UNFF Secretariat to provide further information on natural capital accounting initiatives by the World Bank and by the UN Statistical Commission on "beyond GDP."

BOLIVIA rejected the concept of natural capital accounting based on decisions from Rio+20, adding that the anthropocentric view does not represent the indigenous peoples' concept of nature as an entity with rights, rather than as a resource to



exploit. BURUNDI and SWITZERLAND supported natural capital accounting, with SWITZERLAND describing its role in defining the value of forests in national accounting and attracting interest from beyond the forest sector. ARGENTINA observed that since it is a relatively new concept, additional analysis should be undertaken before applying it to SFM.

The REPUBLIC OF CONGO urged strengthening regional and subregional cooperation to conserve the Congo Basin rainforest. He further underscored that “forests can pay for themselves” calling for support for fair trade of local and national forest products. PAPUA NEW GUINEA called for continued and improved stakeholder collaboration, underscoring the importance of the timber industry taking ownership of initiatives.

GABON called for institutional measures to share efforts and resources to help meet commitments made at the Rio Earth Summit and Rio+20, especially for developing countries.

The G-77/CHINA called for UNFF11 to be organized and hosted at a UN facility. SUDAN, supported by GHANA, NIGER, GABON, KENYA, MOROCCO, SENEGAL, SOUTH AFRICA, NAMIBIA, SWAZILAND, TURKEY, UGANDA and NAMIBIA, proposed holding UNFF11 in Africa, specifically at UNEP Headquarters in Nairobi, Kenya. ANGOLA supported holding a UNFF11 preparatory meeting in Nairobi.

In closing, UNFF Director McAlpine explained that the components of the roadmap or work programme for the intersessional period up to UNFF11, for the Rio+20 follow-up and for the post-2015 development agenda need to be clearly defined by Member States in a decision. She said the Secretariat, ECOSOC and other UN departments require a clear mandate regarding what is expected from them in terms of supporting the UNFF on these matters. She highlighted funding issues that will affect the ability to convene an AHEG, explaining that holding an AHEG meeting costs US\$270,000, but that there is only US\$90,000 left in the budget for 2013 and US\$180,000 for the entire biennium. McAlpine said the Secretariat will continue to provide funding information to Member States to assist their discussions on the work programme and the proposal to hold UNFF11 in Nairobi.

The Secretariat clarified that if the agreed intersessional work is not a “one off,” a programme budget will have to be drafted and approved by the General Assembly. Director McAlpine underlined that UNFF10 needs to make a decision on the roadmap to inform the intersessional work of the UNFF so that a decision can be taken at UNFF11 on whether a legally-binding agreement should be negotiated. Chair Carranza said Member States should set priorities in order to allocate resources realistically, rather than making all decisions “subject to the availability of funds.”

**MOI:** Discussions on this agenda item took place during the morning. On **creating a new global forest fund or using existing mechanisms**, the G-77/CHINA, BRAZIL, CHINA, NIGER, CUBA, the REPUBLIC OF CONGO, ARGENTINA, PALESTINE, BOLIVIA and SOUTH AFRICA supported establishing a global forest fund. TURKEY highlighted the need for both a global funding mechanism and *ad hoc* funding instruments, as well as for just and equitable access to such funds. ARGENTINA, CHINA, SOUTH AFRICA and KENYA supported establishing a standalone window for forest financing at the GEF that is easily accessible by Member States, especially for developing countries.

The EU said the Report of the Secretary-General on MoI for SFM (E/CN.18/2013/11) does not provide adequate explanation of how such a fund would overcome barriers to SFM. Noting that the role of ODA is to catalyze other sources of finance, the US opposed the establishment of a new global forest fund and called instead for increasing the effectiveness of existing funds and mechanisms. He also opposed requesting the GEF to create a

new standalone focal area on forests, suggesting instead sending a “strong message” to the GEF that SFM should be a key part of its work.

SWITZERLAND called for flexibility in forest financing, highlighting that such financing should come from all sources. With the US, she emphasized that enabling conditions, such as a functioning forest governance sector, are essential for generating additional forest financing and investment.

SWITZERLAND added that the UNFF, given its policy mandate and structure, can only play a limited role in forest financing as it does not have the mandate to establish new financing structures or mechanisms. She said that CPF member organizations should focus on providing the UNFF with information on financing, for example by updating the CPF Sourcebook on Funding for SFM.

PAPUA NEW GUINEA called for improved stakeholder collaboration on MoI and carrying forward lessons from the current Multi-Year Programme of Work.

On **funding for SFM**, the EU noted a significant gap between public funding and private investment for SFM, identifying the need for streamlining international forest financing mechanisms to ensure access.

The G-77/CHINA, INDONESIA, MALAYSIA and IRAN called for providing additional funding to developing countries to achieve the four GOFs, removing stringent conditions for accessing these funds and increasing technology transfer for SFM. CUBA, lamenting the cost of implementing SFM, noted that the goals of donors and recipient countries are not always aligned.

LESOTHO outlined national experiences in implementing the Forest Instrument, pointing out current financing challenges and calling for an integrated plan of action to facilitate the provision of technical support and finance to developing countries.

CHINA supported synergies between funding mechanisms to identify thematic and geographical gaps for prioritized funding. TOGO proposed establishing a programme to support low forest cover countries (LFCCs) in assessing the contribution of forests and trees outside forests to their economies and called for increasing funding for SIDS and LFCCs in order to reverse the on-going decline in forest cover.

### IN THE CORRIDORS

On Thursday morning, as the rain threatened to return, the mood at UNFF10 was noticeably more serious and intense as participants began discussing MoI and Emerging Issues. These discussions were limited to Member States, a fact that displeased many Major Groups. Member States could also be heard questioning whether the Multi-stakeholder Dialogue is sufficient for Major Groups to participate in decision making, with one suggesting that the UNFF invite the Major Groups to participate throughout the negotiations. Several Major Group representatives could be heard discussing this suggestion, but with varying degrees of support. Some agreed that they are being sidelined in discussions, while others expressed satisfaction with Wednesday’s Dialogue, noting it had generated greater interest and discussion from Member States.

As the day progressed, there was an increasing sense of encouragement expressed by some after developing countries called for defining a roadmap for the 2015 review. Some put this down to the intersessional work accomplished at the forest financing AHEG held in January 2013. Others, however, expressed frustration with certain countries that were seemingly standing alone in their statements, which could potentially slow progress. As the sun set on the day, a clear and refreshed feeling washed through the Forum with many representatives expressing positivity that UNFF10 would deliver meaningful decisions.