



## HIGHLIGHTS FROM IFF-3 THURSDAY, 6 MAY 1999

On the fourth day of IFF-3, delegates in Plenary began substantive discussion on international arrangements and mechanisms to promote the management, conservation and sustainable development of all types of forests. WG1 revisited underlying causes of deforestation, TFRK, and forest conservation and protected areas to consider the Co-Chairs' Reports on these topics. The contact groups on trade and environment and the transfer of ESTs met in the afternoon.

### PLENARY

Jag Maini, IFF Secretariat, introduced the Secretary-General's Report on international arrangements and mechanisms to promote the management, conservation and sustainable development of all types of forests (E/CN.17/IFF/1999/16). Several delegations, including CHINA and COSTA RICA, emphasized that existing instruments on forests are inadequate because they do not address forests in a holistic manner. The EU, with ESTONIA, LATVIA and POLAND, underscored the need to ensure that efforts towards consensus do not prevent continued action to implement the IPF proposals for action. The EU underscored the need to identify necessary functions for the process beyond the year 2000. The G-77/CHINA expressed concern that the report contained a subliminal message leading readers to a legally binding instrument (LBI) and reiterated the G-77/CHINA's call for a forest fund. The G-77/CHINA, supported by BRAZIL, KOREA, COLOMBIA, NAMIBIA, NIGERIA, PERU and others, deemed consideration of a LBI premature due to a lack of consensus on many elements. COSTA RICA highlighted the Costa Rica-Canada Initiative's (CRCI) aim to build consensus and provide basic elements. The RUSSIAN FEDERATION, with SWITZERLAND, supported the CRCI process and a LBI. TURKEY, SENEGAL and SOUTH AFRICA also endorsed the CRCI.

CANADA emphasized the need for a LBI, and requested that the option of negotiating a LBI by 2002 be included. MALAYSIA called for a LBI with an emphasis on trade and financial resources. CHINA said a sound financial mechanism should be the basis for a LBI. The US doubted institutions with forests in their mandate would relinquish jurisdiction to a new institution. AUSTRALIA questioned the need for a LBI. NIGERIA underscored that capacity building is a greater priority. BRAZIL favored continuing the forest policy dialogue beyond 2000 through existing arrangements such as the CSD. NEW ZEALAND agreed that some form of inter-

national policy dialogue is needed in the future. AUSTRALIA, supported by KOREA, asked the Secretariat to prepare a separate list of objectives and actions with an analysis of policy options, including: existing mechanisms, an ongoing intergovernmental forum, the International Tropical Timbers Agreement, a new LBI or a combination of these options.

NORWAY emphasized a comprehensive approach to the international forest dialogue with wide stakeholder participation. JAPAN underscored that any arrangement or mechanism should ensure: SFM as a national priority; development of effective NFPs based on internationally shared ideas; further development and application of C&I; and wood products traded internationally come from sustainably managed forests. MALAYSIA proposed additional elements for consensus building including forest resource security, forest management of tree crops, timber production and forest ecosystem health. IRAN proposed addressing concerns of low forest cover countries. INDIA said international arrangements and mechanisms must address underlying causes of deforestation, the situation of developing countries and funding sources for reforestation. The US identified areas for future international forest discussions or arrangements: biodiversity conservation; forest health maintenance; soil and water conservation; carbon cycle; forest productivity maintenance; social and economic benefits; and legal, institutional and economic policy frameworks. SOBREVIVENCIA called for proposals to, *inter alia*, protect the remaining ancient forests and prohibit trade in such forests, establish a world conservation fund and forgive debt. GREENPEACE INTERNATIONAL called on the IFF to urge the WTO not to conclude a forest trade agreement until CSD-8 had adequately considered the issue and to request the WTO to report on the progress of its deliberations on this issue.

### WORKING GROUP 1

In discussion on the Co-Chairs' Report on underlying causes, the EU and US requested bracketing text on financial matters. NORWAY called for reference to trade and WTO in the proposals, and reiterated his request for reference to indigenous peoples rather than indigenous people. AUSTRALIA expressed concern over duplication with the IPF proposals for action and suggested a general reference to the IPF proposals. BRAZIL, supported by INDONESIA and MALAYSIA, remarked that some proposals overlooked, *inter alia*, competitiveness of SFM relative to other land uses, credit availability, access to markets, tariffs and trade barriers. The US, supported by AUSTRALIA, added the private

This issue of the *Earth Negotiations Bulletin* © <enb@iisd.org> is written and edited by Ian Fry <lfry@pegasus.com.au>, Laura Ivers <laurai@iisd.org>, Leila Mead <leila@interport.net>, Mark Schulman <markschulman@hotmail.com> and Anny Wong, Ph.D <annywong@compuserve.com>. Digital editing by David Fernau <david@virtualstockholm.net> and logistics by Juana Espasa <espasa@hotmail.com>. The Editor is Pamela Chasek, Ph.D. <pam@iisd.org> and the Managing Editor is Langston James "Kimo" Goree VI <kimo@iisd.org>. The Sustaining Donors of the *Bulletin* are The Netherlands Ministry of Foreign Affairs, the Government of Canada (through CIDA), the United States (through USAID), the Swiss Agency for Environment, Forests and Landscape, and the United Kingdom Department for International Development (DFID). General Support for the *Bulletin* during 1999 is provided by the German Federal Ministry of Environment (BMU) and the German Federal Ministry of Development Cooperation (BMZ), the Danish Ministry of Foreign Affairs, the European Community (DG-XI), the Ministries of Environment and Foreign Affairs of Austria, the Ministries of Foreign Affairs and Environment of Norway, the Ministry of Foreign Affairs and Ministry of Environment of Finland, the Government of Sweden, the United Nations Development Programme (UNDP), the Global Environment Facility (GEF) and the Ministry for the Environment in Iceland. The *Bulletin* can be contacted by e-mail at <enb@iisd.org> and at tel: +1-212-644-0204; fax: +1-212-644-0206. IISD can be contacted by e-mail at <info@iisd.ca> and at 161 Portage Avenue East, 6th Floor, Winnipeg, Manitoba R3B 0Y4, Canada. The opinions expressed in the *Earth Negotiations Bulletin* are those of the authors and do not necessarily reflect the views of IISD and other funders. Excerpts from the *Earth Negotiations Bulletin* may be used in non-commercial publications only and only with appropriate academic citation. For permission to use this material in commercial publications, contact the Managing Editor. Electronic versions of the *Bulletin* are sent to e-mail distribution lists and can be found on the Linkages WWW server at <http://www.iisd.ca/linkages/>. The satellite image was taken above Nairobi, Kenya, (c)1999 The Living Earth, Inc. <http://livingearth.com>. For information on the *Earth Negotiations Bulletin*, send e-mail to <enb@iisd.org>.



sector to those responsible for deforestation and questioned the reference to a process leading specifically to agreements on commitments for addressing underlying causes. ECUADOR emphasized a partnership with NGOs, indigenous peoples and other groups, and suggested an additional proposal on national policies to change production and consumption patterns.

CHILE called for reference to beneficial subsidies to recover degraded areas. In reference to the impacts of international financial institutions AUSTRALIA suggested reference to more transparent decision making. ECUADOR opposed reference to poverty and illiteracy as underlying causes.

Co-Chair Asadi introduced the Co-Chairs' Report on TFRK. NORWAY regretted the brevity of the report and the absence of reference to the CBD, the International Labour Organisation Convention 169 or the UN Draft Declaration of the Rights of Indigenous Peoples. He proposed reference to the recognition of indigenous peoples' rights to natural resources in their traditional areas. NORWAY, with CANADA, sought the addition of IPR systems and reference to the expected conclusions of COP-5 of the CBD.

Regarding benefit sharing, MALAYSIA urged, and ECUADOR opposed, inclusion of payments where necessary. The EU, with CANADA, suggested adding WIPO after the reference to TRIPs and the CBD. The EU, supported by JAPAN, proposed asking the CBD Secretariat, CIFOR, IUFRO and the FAO to collaborate in recording TFRK. CANADA questioned whether this was already happening within the CBD Clearing House Mechanism. JAPAN noted that TFRK is part of a sensitive discussion within the CBD and TRIPs and that the IFF should not prejudge these outcomes. JAPAN, the US, AUSTRALIA and ECUADOR suggested deleting reference to TRIPs.

On the Co-Chairs' Report on forest conservation and protected areas, the EU emphasized networks. INDONESIA called for reference to innovative forms of cooperation. The US suggested broadening the context of the proposals to include the private sector, NGOs and local communities, and bracketed text referring to financial support mechanisms to encourage interested parties' involvement. INDONESIA supported, and TURKEY opposed, specific reference to water resources as part of SFM.

#### CONTACT GROUPS

**TRADE AND ENVIRONMENT:** The contact group on trade and environment completed preliminary discussion of conclusions on, *inter alia*, valuation, market transparency, consumer choices and illegal trade. Delegates concluded text, *ad referendum*, regarding valuation through full-cost internalization of forest products and services and their substitutes and its influence on competitiveness. The group concurred on text, *ad referendum*, that studies on the relative full life-cycle analysis of the environmental impacts of forest products and their substitutes suggest forest products may be preferable.

On a paragraph regarding the need for increased market transparency to improve market access of forest products and services, some developed countries stressed the need to include reference to sustainably managed forests. Other delegates felt this reference would restrict other forest goods and services from receiving increased market transparency. The reference to SFM was left in brackets. Added to this paragraph was an accepted proposal stating

that increased understanding by producers and consumers of the potential relationship between trade and SFM could help promote responsible consumer choices.

Consensus was not reached on a paragraph regarding illegal trade. Reference to illegal harvesting was deleted after one developing country delegate emphasized that it is a sensitive internal issue. The delegate also supported the inclusion of reference to illegal trade in forest biological resources, while a developed country delegate opposed its inclusion. The reference remained bracketed. Reference to indigenous peoples' loss of revenue due to illegal trade was retained. Delegates agreed to text emphasizing the importance of national policies and international cooperation in reducing with the aim to eliminating illegal trade. A paragraph referring to CITES and the listing of tree species was deleted.

**TRANSFER OF ESTs:** The group reached agreement on text which urged countries and organizations to initiate coordination and cooperation on forest-related technical assistance and capacity building for the transfer and application of ESTs. A developed country sought to avoid language that could imply commitment of new resources.

Developing countries indicated preference for more explicit and specific text committing developed countries to extend assistance and underlining the needs of developing countries. Developed countries remained resistant to such inclusions and stressed the need to streamline language and to avoid overlap with the IPF proposals for action.

Delegates agreed on ESTs transfer that highlight the needs of low forest cover countries and countries with fragile forest ecosystems. Agreement was reached on actions that would facilitate transfer and application of ESTs for use of wood and non-wood waste and byproducts created by logging and wood processing for industrial processes, giving special attention to wood waste materials as an energy source.

Paragraphs with reference to biological forest resources remained in brackets. Some said addressing the issue was beyond the jurisdiction of the IFF as it is addressed by the CBD and other international arrangements. Some delegates said expert consultations would be necessary to resolve the issue.

#### IN THE CORRIDORS

A number of delegates expressed concern over the quality of the content of the Co-Chairs' Reports. Many were concerned that substantive text changes submitted by delegates in the working groups were not reflected in the Reports. Some delegates feel that more contact groups are necessary to ensure that text suggestions are adequately recorded.

#### THINGS TO LOOK FOR TODAY

**PLENARY:** Plenary will convene in Salle XIX at 3:00 pm.

**WG1:** WG1 will meet at 10:00 am to continue discussion on the Co-Chairs' Reports on underlying causes of deforestation, TFRK and forest conservation and protected areas.

**CONTACT GROUPS:** The contact group on trade and environment will reconvene at a time to be announced. The contact group on ESTs will reconvene in Salle XXV at 10:00 am.