



## HIGHLIGHTS OF IFF-3 WEDNESDAY AND THURSDAY, 12-13 MAY 1999

On the eighth day of IFF-3, delegates met in a morning Plenary to further deliberate international mechanisms and arrangements. WG1 convened to finalize Co-Chairs' Reports on forest conservation and protected areas, forest research and monitoring progress in implementation. WG2 met briefly to hear contact group reports. A contact group to negotiate text on WG2 programme elements met throughout the day. Contact groups on trade and environment, transfer of ESTs, and international mechanisms and arrangements met intermittently throughout the day and into the night. Although regular sessions were not held on Thursday, due to a holiday, the contact group on international mechanisms and arrangements reconvened.

### PLENARY

Co-Chair Ristamäki opened the Plenary to resume discussion on international arrangements and mechanisms. On the need for consensus on international arrangements and mechanisms, AUSTRALIA supported an action-oriented approach and reference to monitoring progress in implementing the IPF and IFF proposals. On the proposal to analyze arrangements and mechanisms, CANADA, supported by the RUSSIAN FEDERATION and GABON, suggested an additional function ensuring the strongest level of commitment to SFM. He also proposed an additional element relating to effective governance of a forest agenda and proposed voluntary mechanisms, existing LBIs and a new LBI as options for future arrangements. BENIN, supported by GABON, said that existing instruments are inadequate and supported an LBI. The EU said that elements should relate to future global forest policy dialogue. He reformulated an element to refer to a forum for the promotion of trade in sustainably produced forest goods. On international cooperation, BRAZIL added reference to technology transfer and new and additional financial resources.

On preparation for IFF-4, the EU proposed adding text to elaborate on basic functions of the global forest policy dialogue beyond 2000. The US, supported by BRAZIL, suggested including reference to cost implications. CUBA proposed text regarding a matrix combining elements of existing instruments and mechanisms. AUSTRALIA called for an analysis of options, *inter alia*, improved coordination of existing arrangements, a new permanent forum for intergovernmental dialogue, designation of an existing organization as the lead body, and a new global legal instrument.

### WORKING GROUP 1

In conclusions on forest conservation and protected areas, the G-77/CHINA suggested adding watershed protection as a benefit and the US added reference to biodiversity and ecological functions. On adopting policies towards forest conservation, TURKEY stressed the introduction of appropriate legislation. Regarding the IUCN definition of protected areas, the EU recognized it as one of several existing definitions and said categories being developed need to be flexible and encompass the range of forest protection regimes worldwide. On awareness of forest conservation benefits, INDONESIA called to include biological resources and noted the need to emphasize international cooperation for forest conservation. Regarding proposals for action, AUSTRALIA added text recalling relevant IPF proposals. On proposed commitment to the conservation and representativeness of all types of forests, ESTONIA requested, and BRAZIL opposed, deletion of representativeness. The US suggested that countries be encouraged to identify conservation as necessary and consistent with national priorities. CANADA called for commitment to protection and conservation. On development and implementation of conservation strategies and integral elements, BRAZIL suggested adding emphasis on the continued integrity of genetic diversity. The US called to delete, and COLOMBIA opposed, integration of indigenous peoples "rights."

On recognition of forest protected areas under the stewardship of private owners, NIGERIA and BRAZIL, opposed by the US, preferred the term control. Regarding criteria for identifying new protected areas, the EU, supported by EGYPT, called for criteria on adequacy, consistency and effectiveness.

On innovative mechanisms for financing forest conservation, JAPAN, TURKEY and the EU, opposed by AUSTRALIA, proposed deleting reference to the Clean Development Mechanism and Joint Implementation activities of the Kyoto Protocol. The EU proposed, and BRAZIL opposed, replacing this reference with possible returns from carbon sequestration. ESTONIA suggested bracketing reference to private law contracts in protected area management regimes. INDONESIA proposed, and CHILE opposed, deleting reference to tax deductions for private forest conservation. On establishing joint protected areas, the US proposed, and BRAZIL opposed, deleting reference to corridors of global significance. On providing resources to support forest conservation, the US suggested, and INDONESIA, the G-77/ CHINA and BRAZIL opposed, deleting language on providing adequate resources and technology transfer.

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Regarding the use of IUCN categories for protected areas, INDONESIA called for deletion of legal objectives in relation to protected areas management. The FAO suggested, and AUSTRALIA opposed, deleting reference to IUCN categories. The CBD proposed taking account of its own work. Regarding international financial institutions and improving coordination, BRAZIL proposed language referring to market access and protective measures. The EU suggested bracketing the whole paragraph.

Regarding forest research conclusions, AUSTRALIA, supported by the US, proposed emphasizing the importance of engaging major groups in identifying priorities in improved forest research mechanisms. On proposals for action, AUSTRALIA, supported by the US and CHILE, proposed improving linkages between forest science and policy by creating opportunities for policymakers, scientists and other stakeholders to provide research guidance at the national level. The EU emphasized particular attention on research on underlying causes of deforestation and degradation and examining new ways of mobilizing funding. BRAZIL, supported by GABON, called on international organizations and financial institutions to fund forest research in developing countries. On strengthening research networks, BRAZIL proposed reference to joint ventures between public and private sectors.

On a conclusion on monitoring progress in implementation, the US, the G-77/CHINA and others agreed that all countries should give greater priority to financial and technical assistance to strengthen capacity building in developing countries. BRAZIL sought clarification on the validity of synthesized information and reiterated the importance of adequate financial resources for monitoring and reporting at the national level. The US proposed text recognizing the costs involved in information collection. INDONESIA supported the EU proposal on the need for effective feedback mechanisms. BRAZIL, supported by the G-77/CHINA and AUSTRALIA, and opposed by CANADA and the US, suggested an additional proposal requesting adequate financial resources for capacity building to support national reporting.

#### **CONTACT GROUPS**

**TRADE AND ENVIRONMENT:** The contact group on trade and environment reached no agreement on references to sustainably managed forest products, in the context of market transparency, and forest biological resources. While some developed countries opposed including reference to trade liberalization, developing countries said it was essential for SFM promotion. The group discussed a suggestion to add text urging that C&L schemes promote SFM. Developing countries said consensus could not be reached until the trade liberalization issue was resolved. These proposals were bracketed and will be forwarded to IFF-4.

**TRANSFER OF ESTs:** The contact group on EST transfer did not reach consensus on text regarding developing technologies. A group of developing countries indicated their preference for more active and operational language and proposed adding a paragraph in the proposals to reflect this. Most developed countries felt that developing technologies is not within the purview of government.

**WG2 PROGRAMME ELEMENTS:** The contact group on WG2 programme elements discussed economic instruments, future supply and demand and financial resources. On economic instruments, a proposed conclusion was accepted recognizing the extensive effects on the forest sector of macroeconomic policies. Also accepted was a conclusion noting that developments and inconsistent policies in other sectors can lead to unintended changes in the forest sector and can undermine the use of forest policy tools. Dele-

gates did not reach consensus regarding a proposal on the development of transparent goals and conditions in SAPs. A group of developing countries called for replacement text requesting international lending and financial organizations to consider mitigating the impacts of SAPs on forests consistent with SFM.

On future supply and demand conclusions, delegates added "natural forests" and "planted forests" as increasing sources of wood fiber in some regions. A proposal to consider the impact of policies on consumption and production patterns and on market efficiency was deleted. A proposal to add reference to local and/or indigenous communities to a paragraph on ownership was accepted.

In the proposals for action, delegates deleted a proposal to segregate data on products derived from plantations and those from natural forests. Delegates concurred on adopting an internationally agreed definition of "planted forests" instead of "forest plantations." Delegates agreed policies promoting sustainable production of wood and non-wood forest goods and services should encourage equitable distribution of benefits from such activities to the people who protect and provide them. A new proposal recognizing that appropriate prices can encourage and support SFM was accepted. On the need for financial resources, delegates discussed, but did not agree on, two conclusions regarding sources of funding for SFM in developing countries and strategies for mobilizing resources.

**INTERNATIONAL ARRANGEMENTS AND MECHANISMS:** Discussion centered on guidance to the Secretariat for IFF-4 preparations to support deliberations on possible elements of and work towards consensus on international arrangements and mechanisms. Delegates agreed the Secretariat's report should elaborate possible functions of international arrangements and mechanisms, possible elements for future work in this area and an analysis of various options. Regarding possible elements, delegates debated whether the work or the results of the IPF and the IFF should form the basis. Delegates did not agree on whether specific reference should be made to country-led initiatives. On analysis of options, delegates agreed that such arrangements and mechanisms would further develop the international forest policy dialogue for action. On designation of a lead body as an option for analysis, one regional group proposed, and others opposed, singling out the FAO as an example. As a result, delegates agreed to delete all examples of institutions and instruments in the options. A new proposal for analysis, relating to a framework convention allowing for regional mechanisms, was included.

#### **IN THE CORRIDORS**

While some delegates feel that the debate on technology transfer is close to resolution, others believe that a significant North-South divide remains. Some delegates are hoping that a regional group will come forward with an olive branch.

#### **THINGS TO LOOK FOR TODAY**

**PLENARY:** Plenary will meet at 10:00 am in Salle XIX to further discuss international arrangements and mechanisms and to consider and adopt Co-Chairs' Reports.