



**REPORT OF THE INTERNATIONAL WORKSHOP
OF EXPERTS ON FINANCING SUSTAINABLE
FOREST MANAGEMENT
22-25 JANUARY 2001**

The International Workshop of Experts on Financing Sustainable Forest Management (SFM) convened in Oslo, Norway, from 22-25 January 2001. This Workshop was a government-led initiative in support of the United Nations Forum on Forests (UNFF), co-sponsored by Brazil, Denmark, Malaysia, Norway, South Africa and the United Kingdom and organized by the Center for International Forestry Research (CIFOR). It brought together 70 participants from over 40 countries representing governments, financing institutions, the private sector, non-governmental organizations, international organizations, academia and UN agencies to consider the advantages of alternatives for financing sustainable forest management (SFM). Among the approaches to financing SFM that Workshop participants discussed were greater private sector involvement, an investment promotion entity, a global forest fund, a consortium approach and better use of existing resources.

The goals of the Workshop were to: identify ways to implement decisions on financial resources resulting from the Intergovernmental Panel on Forests (IPF) and Intergovernmental Forum on Forests (IFF); identify and better understand the broader issues that constrain or promote new and additional flows of finance in the forest sector from all sources; and contribute to the proposed UNFF by advising on its programme of work on finance. The Workshop did not seek to reach consensus options, but rather resulted in a record of highlights that captures the breadth of views expressed at the Workshop. This record of highlights will be submitted to the UNFF to contribute to ongoing debates on this topic.

**A BRIEF HISTORY OF THE INTERNATIONAL
FOREST REGIME AND DIALOGUE ON FINANCING
SFM**

UNCED: At the 1992 UN Conference on Environment and Development, the possibility of developing international forest policy and a mechanism to coordinate such policy was discussed and calls for new and additional financial resources from the international community to support SFM were made. Delegates eventually agreed only to the "Non-legally Binding Authoritative Statement of Principles for a Global Consensus on the Management, Conservation and

Sustainable Development of All Types of Forests," also known as the "Forest Principles," and Chapter 11 of Agenda 21 "Combating Deforestation."

IPF: In 1995, the Commission on Sustainable Development (CSD), at its third session, established the Intergovernmental Panel on Forests to continue the intergovernmental forest policy dialogue. Addressing financial mechanisms and sources of SFM financing formed part of the IPF's programme of work.

While the IPF developed some 150 negotiated proposals for action on issues related to SFM, a number of issues relating to institutions and legal instruments for the management, conservation and sustainable development of all types of forests, including the need for financial resources, remained in need of additional consideration. Subsequently, the fifth session of the CSD, in April 1997, and the 19th Special Session of the UN General Assembly (UNGASS), in June 1997, recommended a continuation of the intergovernmental policy dialogue on forests, and the Economic and Social Council (ECOSOC) established the Intergovernmental Forum on Forests under the CSD.

PRETORIA WORKSHOP ON FINANCIAL MECHANISMS FOR SFM: In support of the IPF's work on finance, the governments of Denmark and South Africa, in collaboration with the United Nations Development Programme (UNDP), organized and hosted the Workshop on Financial Mechanisms and Sources of Finance for SFM in June 1996 in Pretoria, South Africa. Issues discussed at the Workshop were: costs, incentives and obstacles for implementing SFM; status of financial assistance for sustainable management programmes; innovative funding mechanisms; and effectiveness of funding and in-country coordination between financing institutions. The Workshop produced a report containing lists of policy options, recommendations and forward-looking approaches to strengthen coordination and mobilize support for the forest sector and related aspects of sustainable development.

IFF: The Intergovernmental Forum on Forests met four times between October 1997 and February 2000 to identify the possible elements of and work towards consensus on international arrangements and mechanisms for forests. Financial resources for forests continued to be a programme element. At its fourth and final session in February 2000, the IFF concluded its deliberations and issued its final report, which included approximately 120 proposals for action on a variety of topics. The report recommended an international arrangement on forests that would establish the UNFF and invite the

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relevant international organizations, institutions, instruments and UN organizations to participate in a collaborative partnership on forests. Delegates at CSD-8, meeting in April 2000, endorsed the IFF's conclusions and proposals for action and forwarded them to ECOSOC. On 18 October 2000, ECOSOC adopted resolution E/2000/L.32*, outlining an international arrangement on forests and establishing the UNFF as a subsidiary body of ECOSOC.

CROYDON WORKSHOP ON FINANCING SFM: Despite significant conceptual developments, the financing issues remained politically sensitive at the IFF, and the operationalization of financing mechanisms and strategies technically complex. In order to facilitate negotiation and build consensus, UNDP's Programme on Forests (PROFOR) organized a Workshop of Experts on Financing SFM to explore and discuss the IFF agenda on this programme element and other relevant developments on financing SFM. The Workshop took place in Croydon, United Kingdom, from 11-13 October 1999. The primary objectives of the Workshop were to develop a common understanding of strategies and mechanisms for financing SFM at international, national and project levels, and to contribute to the related work of the IFF. The Workshop addressed the following issues: is financing for SFM different from conventional forestry financing?; what are the potential approaches and mechanisms for SFM funding and the related constraints?; and what can be done to facilitate and leverage investment in SFM?

REPORT OF THE WORKSHOP

OPENING SESSION

Mafa Chipeta, Deputy Director-General of CIFOR and Chair of the Workshop Steering Committee, opened the Workshop and welcomed participants. He introduced the Workshop Steering Committee, comprised of representatives from the co-sponsoring governments of Brazil, Denmark, Malaysia, Norway, South Africa and the United Kingdom. He expressed special gratitude to Norway and the United Kingdom for funding the Workshop, and to Norway for hosting the meeting. Stressing the informal nature of the meeting, he noted that participants should contribute as independent experts.

Oluf Aalde, Director General of Forestry, Norwegian Ministry of Agriculture, remarked that, because the issue of finance lies at the heart of meaningful actions to promote SFM, Norway had agreed to provide funding for the Workshop to contribute to the politically-sensitive negotiations on the topic. He hoped the Workshop would devise practical and effective recommendations.

Bjarne Håkon Hansson, Norwegian Minister of Agriculture, welcomed participants to Norway. He remarked that the importance of the environmental and social dimensions of forest resources in Norway had emerged in recent decades, resulting in a new national forest policy. He explained that Norway sees SFM as a responsibility in its activities abroad and emphasizes the management of natural forest resources as a priority in bilateral and multilateral assistance. He said Norway aims to enable recipient countries to identify and implement measures necessary to create SFM.

Jag Maini, Head of the IFF Secretariat, overviewed progress on the finance dialogue, noting that the Workshop is part of a series of meetings that started at UNCED. He commented that, due to the multiple benefits from forests, there are multiple constituencies and multiple beneficiaries. He identified how to compensate forest owners for their products and environmental benefits as a central question. He distinguished between forest-rich countries, where private sector investment

yields financial benefits, and forest-poor countries, where there is no certainty of financial benefits. He stressed the need to identify a "tool box" of instruments for financing SFM that would be appropriate for the varying realities in the world. He said the outcomes of the Workshop would facilitate discussions at the UNFF organizational session on the plan of action for the UNFF.

Aalde next introduced Richard Scothorne, Partners in Economic Development, who served as the Workshop facilitator. Scothorne described the objectives of the Workshop, which included pinpointing key themes regarding SFM financing, identifying issues where there is an emerging consensus, and exploring practical ways to move forward. He outlined processes through which SFM finance issues would be examined: presentations, commentary, points of clarification, plenary sessions and working groups.

Chipeta then outlined the practical outputs of the Workshop: a series of highlights that will be available on the CIFOR and UNFF websites; this IISD *Sustainable Developments* report; the Workshop's proceedings; and a book comprised of the key papers prepared for the Workshop, to be released by CIFOR. Ralph Schmidt, former UNDP focal point for the Interagency Taskforce on Forests, noted that the actions of all forest managers are primarily determined by economic and financial considerations and, while regulations can help achieve sustainability in some societies, the creation of a financial framework is essential. Emphasizing the importance of public-private partnerships, he called for further development in this area. He observed that the Global Environment Facility (GEF) is poorly designed to address SFM, as it does not take a holistic view of the issue. Regarding efforts toward public international financing, he said small starts should be made, tested and reworked continuously, and underscored the link with poverty reduction programmes. He drew attention to the support needed to increase substantial private sector interest in SFM.

In the ensuing discussion, a regional finance institution representative said the GEF focuses on global issues with limited funds for activities at local levels. A developed country participant stated that although the GEF approaches forestry from a climate change or biodiversity perspective, it is the best financial source available. He inquired about institutional support for the UNFF.

A representative from the GEF recalled that it was designed to work through partnerships and noted the weakness of enabling environments in developing countries. A developed country participant stressed the need to improve the GEF's resources and emphasized the important role of economics in the viability of SFM. Another developing country participant stated that collective responsibility for financing SFM must be taken and drew attention to the role of international trade and the World Trade Organization (WTO).

PRIVATE SECTOR FINANCING

Workshop participants considered private sector financing throughout the day on Monday, 22 January. They met in plenary to hear presentations of papers on the topic and then broke into small working groups for more in-depth discussion of the issues.

TRENDS, OPPORTUNITIES AND CONSTRAINTS: Hans Gregersen, Professor Emeritus of the University of Minnesota, presented *Investing in the Future: The Private Sector and SFM*. He noted that his paper drew upon six regional papers. Regarding the nature and magnitude of private investment, he emphasized that there are many different types of private investors beyond multinational corporations. He identified constraints to private investment, including imperfect markets for SFM outputs, and the higher costs and lower risk-

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adjusted profits of SFM compared with unsustainable forest harvesting. He noted that imperfect markets result due to a lack of information, poor government policies, failure to implement policies and a lack of social infrastructure. He noted that the demand for SFM outputs is insufficient to allow private investors to capture the additional costs associated with certification, which can be as high as 5-15% of production costs.

To overcome these constraints, Gregersen underscored the importance of cultivating enabling environments to encourage investment. He emphasized building on the wealth of information on the subject, changing investment environments, adhering to "guiding principles" for investment and employing existing innovations and policy mechanisms. He noted that the current context is one of changing investment environments, expanding recognition of forests' multiple outputs, increasing plantation-based forestry, evolving international agreements and mechanisms, and emerging new technologies. He stressed the need to clarify objectives, distinguish between types of private investors and their needs, consider SFM in the broader context of the production-to-consumption continuum and identify both demand and supply side incentives. In closing, he stressed the need for country-specific approaches, and commented that public payments may be required for non-market forest services.

A participant from Southeast Asia stressed that the private sector is motivated by private benefit and, due to market failures, some SFM benefits are not related to profits. He remarked that in Southeast Asia illegal activities debase market prices for forest goods. He commented that increased market transparency through, for example, a futures market would reduce market risk.

Another participant noted that private incentives have been extremely successful in South Africa. Commenting that 90% of plantation forests in South Africa are certified by the Forest Stewardship Council (FSC), she highlighted certification as a market incentive that has resulted in economic benefit to forest plantation owners by allowing them access to niche markets. A private sector representative commented that certification lowers the risk for investment in places like South Africa. A developed country representative remarked that, due to the cost of certification, there is inadequate economic compensation for producing certified products. He also suggested that the FSC is trying to keep other certification schemes from becoming accepted.

An NGO representative drew attention to the private sector perception of certification as an additional cost that it is required to bear, with the benefits going to society at large. Another NGO representative lauded certification as the only concrete intervention on forests in the last decade. He stressed the need for flexibility and plurality in certification along with some basic standards and suggested government involvement with certification.

A developing country participant commented that, in his country, investing in forests is considered the role of the government and private sector investment is perceived to be foreign direct investment (FDI), not domestic private sector investment. Another developing country participant remarked that FDI seeks out quick returns, not markets with long-term gestation, uncertainty and high risk. She said the global infrastructure for financial investment must be reconsidered. A developed country expert underscored enacting laws and enforcing existing laws to ensure guidance for markets to create an enabling environment for private investment, and suggested that this is the role of official development assistance (ODA). One participant cautioned that enabling environments are utopian. A developed country participant emphasized the importance of forest law enforcement.

Noting differences between plantations and natural forests in attracting private investment, a developing country expert commented that, in natural forests that are difficult to access, a number of SFM costs cannot be borne by the private sector, necessitating government investment in capacity building and monitoring to ensure that forest resources are properly managed.

PRIVATE INVESTORS' PERSPECTIVES: Peter Mertz, Managing Director, UBS Asset Management, highlighted the benefits of timber investment: competitive, long-term rates of return; positive impact on portfolio returns; predictable tree growth; favorable demand and supply outlooks; and management and market flexibility. He emphasized investment in and sustainability of plantations, noting that sustainable rural development in forestry can provide year-round jobs and other social benefits. He summarized UBS's criteria for investment, including relative risk, land tenure rights, government interest in and support for forestry and global competitiveness. He called for developing investment models that use a landscape approach and stated that low-impact sustainable indigenous forest use alongside intensive plantation development should be encouraged.

David Brand, Director, Carbon Programs, Hancock Natural Resource Group, reviewed mechanisms to encourage private capital investment in the environmental services of forests. Noting that the world is becoming wealthier and commodity prices are decreasing, he stated that growing consumption is leading to, *inter alia*, climate change, biodiversity loss, economic losses from natural disasters, and degradation of land and water resources. He outlined the relationship between the Kyoto Protocol and forests, highlighting the potential income from carbon sequestration and timber values. He concluded that: environmental challenges are emerging as greater drivers than commodity markets for forestry; new investment forms are needed to link environmental services and product markets; and the UNFF can assist the process of developing new markets for forests.

In the ensuing discussion, a developing country representative asked for clarification on issues surrounding the use of forests as sinks, observed the focus on plantations, and questioned the experience and role of small-scale investors. Mertz responded that because plantations grow quickly they are less risky, and compared natural forest management to venture capital. Another developing country participant drew attention to inequalities among countries, stating that those at the low end of the GDP scale are subsidizing inexpensive commodities in rich countries. A developed country participant inquired about the investors' view of the reliability of science regarding carbon sinks in forests and soil. Another developed country participant asked how investors select investment locations.

SESSION PERSPECTIVE: In his overview of the session, Lael Bethlehem, Chief Director of Forestry, South African Department of Water Affairs and Forestry, highlighted local, national and global benefits from forests, which she said can be further categorized as market and non-market benefits. She stated that the cost of SFM should be internalized through regulation or certification, but pointed out that global benefits are mainly non-market.

WORKING GROUP DISCUSSIONS: Participants divided into small working groups to consider and discuss the three questions noted below.

What are the main opportunities to attract/leverage more private sector funding into SFM and what practical steps could be taken to realize these opportunities?: Noting decreasing profit margins, participants underscored the importance of certification. With respect to the relationship between producers and consumers, they

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noted a lack of linkage or understanding and called for sharing of benefits and costs. Participants commented that additional funding is needed for the transition from unsustainable forest management to SFM.

Participants also underscored the importance of providing correct information at the right time to the right people. They noted that the criteria for investment is different for small investors, and that investment in natural forests is easy if there is an opportunity for timber extraction. Participants stated that criteria and indicators processes have helped in defining SFM, and suggested that innovative uses of afforestation and reforestation under the clean development mechanism (CDM) of the UN Framework Convention on Climate Change would be beneficial for SFM. A developed country participant questioned the characterization of the transition to SFM and said the process requires, *inter alia*, capacity building, legislation and decentralization. Another developed country participant pointed out that SFM is a moving target.

What are the main constraints to attracting more private sector funding into SFM and what practical steps could be taken to minimize or remove these constraints?: Participants identified market, policy and institutional failures as constraints to SFM. Other constraints identified included lack of knowledge of what SFM means, private sector reluctance to invest in SFM, the high cost of investment, lack of capacity for processing and marketing products, instability of monetary and fiscal policy and corruption. Participants suggested fostering an enabling environment based on appropriate policies and laws as a way to overcome these constraints. They identified capacity building for both the private and public sectors as a step forward and stressed that certification schemes must seek to develop and pass on a premium to the private sector. They also urged working with existing instruments before introducing new ones, providing resources for institutions to address enabling conditions for private investment, urging governments to develop explicit commitments to SFM, and promoting good governance.

What form could public-private partnerships take to enhance the funding of SFM and what practical steps could be taken to align their interests? : Participants noted a need for partnerships in unattended natural forests and suggested that the first step would be to build a common understanding of sustainability between the private and public sectors. They suggested forms for partnership, including: technical assistance; risk mitigation; support for market mechanisms; options pricing; environmental services; and certification.

Participants developed a matrix that illustrates the relationship between public or private sources of support and funding, and public or private ownership and management. They identified forms of a partnership, including: national forest programmes (NFPs); model forests; national forest funds; incentive mechanisms; and the CDM. They suggested inventories of potential partners as the first step.

A participant from an international financial institution pointed out a Central American example of a public-private policy dialogue. A developing country participant said governments should not be left out of plantation management. Another developing country participant emphasized restrictions and constraints for governments in a time of downsizing. A developed country expert suggested industry-wide levies to fund activities. An NGO expert called for sensitizing the private sector to the long-term interest of SFM.

INVESTMENT PROMOTION ENTITY

The Workshop considered the feasibility of an Investment Promotion Entity (IPE) throughout the day on Tuesday, 23 January. Pedro Moura Costa, Managing Director, EcoSecurities, discussed the findings

of a feasibility study conducted for CIFOR on an IPE. He summarized trends in public sector sources of funding, highlighting insufficient and declining ODA and a gap in funding needs. Describing institutional investor behavior, he stated that there is a complex allocation of investment within five asset classes: securities, equities, international equities, alternative assets and real estate. He emphasized the importance of low risk, short maturity and liquidity for investors, and pointed out investors' perception that, *inter alia*, plantations are less risky and natural forest management yields low returns. With respect to current investment by Western investors, he said there are currently 43 funds with over US\$7 billion in forest-related investments and an average rate of return of 13%. He suggested that Western participation could be extended through: better information on deals in different countries; demystification of technical issues; technical assistance on natural forest management projects; risk mitigation mechanisms; and support from public and non-commercial entities.

Regarding Asian investors, he noted that investment has traditionally been focused on logging and a shortage of opportunities in Asia has led to interest in Africa and South America. He drew attention to issues related to Asian investors, including: lower risk aversion resulting in demand for high returns and excessive environmental degradation; a perception that sustainability may wipe out profits; and a lack of knowledge on certification and markets.

He described the proposed IPE as an agency to carry out investment facilitation activities. It would use a limited amount of public sector resources to leverage a higher amount of private sector capital. He said the IPE would be composed of foresters, financiers and development staff, and would be a bridge between public and private sector finance sources and between investors and project developers. He stated that services and activities provided would include information flow, identification of opportunities, investment packaging and risk mitigation activities. He described possible options for the IPE's structure, governance and corporate organization.

In terms of financial feasibility, he estimated a total capital requirement of US\$4 million, a payback period of five years, a 16% return rate and four-year accumulated revenue of US\$10 million. He proposed a start-up strategy and concluded that the IPE is a feasible concept and presents a new, self-sustaining model for SFM financing that includes public/private partnerships and innovate financing mechanisms. He suggested that testing the proposed IPE would not be very costly.

Markku Simula, Indufor Oy, presented highlights from *An Investment Promotion Entity as an Instrument for Financing SFM: Demand and Supply Aspects*. He said the IPE's role on the demand side would be to overcome barriers to investment. Regarding the supply side, he suggested that private investment sources could be enticed by access to complementary concessionary funding, information services and risk reduction, and that public sources could be engaged if the IPE, *inter alia*, implements their policies, meets their investment criteria for market-based instruments, and leverages private instruments. He commented that the IPE's success will require: flexibility in providing services to different types of clients with varying requirements and scales of activities; the capability to leverage concessionary resources; the ability to identify SFM projects; and the capacity for self-financing. He suggested that the IPE should focus on, *inter alia*, medium-risk countries, the early stages of projects, implementing NFPs financing strategies and providing financing and investment advice on SFM.

He noted a shortage of IPE-type services for potential SFM investors, but flagged possible duplication with international organizations and investment banks and funds with in-house expertise in forestry. He

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concluded that the IPE would have a comparative advantage in bridging the gap between supply and demand for SFM financing and recommended conducting a complete feasibility study to clarify its operational strategy and to identify investment criteria.

In the ensuing discussion, a developed country participant asked why, given the estimated level of profits, the private sector is not already involved. Costa responded that private sector investments are currently limited to plantations in low-risk countries and the purpose of the IPE would be to persuade the private sector to invest in other areas. Noting that ODA is not allocated to medium-risk countries, a developed country participant said governments would not be interested in funding the IPE if medium-risk countries are the target group, and suggested targeting higher-risk countries. A UN agency representative stressed the need to address rural development and to invest in risky countries. One participant called for clarification as to what aspects of SFM would be addressed by the IPE.

Another developed country participant remarked that ODA is not intended to support forests or the private sector, but to develop national policy. He said the obstacle to private investment is not a lack of information, but rather the lack of an enabling environment for investment. Another developed country participant suggested that there is a lack of discriminating information about some developing countries in the private sector and supported a pilot phase of the IPE. A developing country participant indicated that an IPE could be useful for countries beginning to market plantation timber. An NGO representative suggested that the IPE could assist the private sector in assessing risk in terms of corporate image.

With regard to financing activities in natural forests, an international organization representative cautioned against recommending logging in natural forests before ensuring that all SFM conditions have been met. A developing country participant called for a decentralized IPE structure. A developed country participant recalled that the goal of the IPE would be to involve the private sector in SFM, not to make money, and supported further deliberation on the topic. A developing country participant highlighted obstacles to engaging the private sector that stem from structural problems in markets or the private sector, and questioned how the IPE could solve these problems. In closing, Costa said the goal of the IPE would not be to replace ODA, but to facilitate the transition to a market-based economy in places where this is not happening naturally.

WORKING GROUP DISCUSSIONS: Participants met in small working groups to discuss the following questions: what would the IPE add to the existing organizations working in forest financing, particularly those in the private sector, should the concept of IPE be pursued further, and why?

Participants identified the need to examine existing mechanisms and access to existing sources of international capital for SFM, highlighted the importance of international processes in shaping the UNFF, and emphasized that the IPE concept should not limit consideration of other financial mechanisms. Some participants underscored that all markets and investors are different, with distinct priorities. Participants agreed on the necessity for greater private sector investment and involvement, but called for: more detail on innovative financing options; examination of common ground; longer-term partnerships; and country coverage beyond low-risk countries. Some participants expressed concern over the modest enthusiasm of the private sector. Participants acknowledged the existence of medium- and high-risk situations, with some advising that high-risk situations are not appropriate for an IPE. They suggested creating capital protection schemes to reduce risk, while others main-

tained that an IPE might not have the capacity or mandate to address risk. Some also called for a focus on reduced transaction costs, rather than on risk mitigation.

On the issue of transaction costs, participants highlighted: rural development costs, such as education, infrastructure and technical development; and preparation costs, such as clarified property rights, complex inventories, and bidding and auction procedures. Some participants said levels of domestic sources of capital were underestimated and emphasized the importance of and relationship to NFPs. On plantations, some participants noted that both plantations and natural forest management have high start-up costs, based on sustainability issues.

Some participants called for deeper market analysis, wider consultation and emphasis on SFM financing strategies that focus on public-private partnerships at the national level. Participants stated that an IPE should: focus on additionality of SFM; have a more advisory role than brokering role; be involved in packaging proposals; and proceed on a deal-driven methodology. Some participants pointed to unclear issues such as the IPE's mission and goals, geographic scope and organization, scale and functions. They suggested possible functions such as: identification of investment opportunities in SFM; investment packaging and structuring of financing; risk mitigation; development assistance packaging; and an information clearing-house. Some suggested the IPE should not be a rural development scheme and the final product should not be solely profit, as some investors may want to improve raw material procurement, diversification and image. Some participants called for an initial pilot project.

One developed country participant stated that the group should be specific about the type of private sector investment possible through an IPE. Another questioned the role ODA would play in relation to the proposed IPE. A developed country participant stated that, contrary to current perceptions, ODA levels are starting to increase, although not in the forestry sector. One developing country participant drew attention to possible domestic financing sources, such as large pension funds. An international organization expert pointed out that consultants currently carry out the function of deal making and highlighted programmes linking agro-industry and private banks.

SESSION PERSPECTIVE: Everton Vargas, Minister, Brazilian Ministry of External Affairs, provided overview remarks on the discussion regarding the proposed IPE. He reminded participants that the important decisions on the IPE will be taken in a negotiation setting and that the IPE concept must be practical, transparent and have the potential for success in order to gain negotiators' support. He noted agreement that ODA cannot be replaced by the private sector. He said that any scheme for funding SFM must be based on three legs: private investment, ODA and national resources. He cautioned against relying too much on the CDM as a method to finance SFM, and stressed that SFM financing cannot wait for the final negotiation of the CDM. He emphasized that the success of SFM lies in solving the structural problems that countries face in implementing SFM and recalled that SFM is not a preset recipe, but is conditioned by local and regional situations.

WORKING GROUP ON IPE: A small working group on the IPE was established to identify areas of general consensus and areas of uncertainty that require additional work, and to propose how to proceed. To help guide the group's discussions, participants exchanged views on where there is agreement on the IPE.

A representative from the Convention to Combat Desertification (CCD) stressed the need to specify what aspects of SFM the IPE would address. A developing country participant called for clarification as to

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how small and medium enterprises in developing countries would have access to the proposed IPE, and noted the need to consider the proposed IPE in terms of regional and national realities.

A developing country representative reinforced that all problems associated with SFM cannot be loaded onto the IPE and ODA must be provided to address some issues. Another developed country participant said the goal of an IPE should be to assist countries that have not attracted private investment to do so, identify more private investment and identify national-level partners for international investors. A developed country participant said there is agreement that the IPE would be project-based and commercially-driven. A representative of an international organization noted agreement that SFM is the precondition for the IPE projects and that the IPE will perform a brokerage function, including the reduction of transaction costs. He indicated that there is support for an IPE pilot project. Some participants expressed support for continuing with a feasibility study. A representative of an international financing institution suggested that the private sector be approached for seed funding for the IPE. A developed country participant suggested identifying functions and a process for moving forward.

On Wednesday, 24 January, Harrison Kojwang, Ministry of Environment and Tourism, Namibia, reported back to plenary on the working group's observations and conclusions on IPE. He identified general observations, including: a need to attract private sector investment in SFM; the importance of addressing bottlenecks that preclude advancements in SFM; the differing views of risk, such as volatile currency situations; and that private sector investment is not a replacement for ODA. He noted general conclusions, including: a broader analysis of financing SFM might be useful for consideration by experts; studies should consider investor experience in large, medium, small and regional settings; investor views on risk are fundamental, but there must be realism about the role of private investors; and the study should broaden the scope of the IPE from traditional private sector investment and look at funding from a wide variety of sources such as foundations and NGOs.

In the ensuing discussion, participants debated the value of conducting a feasibility study on the proposed IPE. A developed country participant remarked that, if there were still questions about scope, a feasibility study should not be undertaken. Another developed country representative said a feasibility study assumes agreement on fundamental issues. A developed country participant said there was no need to seek agreement and suggested that individual efforts toward a feasibility study would be more appropriate. A developed country representative commented that ODA was never intended to be a permanent solution and is not sustainable. A developing country participant suggested creating of a clearing-house mechanism that would re-route projects to an investor or agency, depending on whether the project is commercial or non-commercial. A developing country representative reiterated that the Workshop was tasked with examining possibilities for a feasible package to be taken to the political level. He noted that the group had discussed the IPE from the perspective of big investors at the global level, but had overlooked small and medium enterprises and the regional perspective.

OTHER MEANS OF INCREASING FINANCIAL RESOURCES FROM ALL SOURCES INCLUDING THE GLOBAL FOREST FUND

GLOBAL FOREST FUND: Mahendra Joshi, Forestry Advisor, IFF Secretariat, stated that the demand for an international forest fund is based on a need to generate new and additional resources, ensure

sustained financing to SFM, and address the concerns of the international community to combat deforestation. He described: the arguments for a Fund, such as insufficient and declining ODA and the need for additional funds toward the transition to SFM; and the arguments against a Fund, such as the low priority of SFM and the existence of several international mechanisms. Pointing out that finance is prominent in the UNFF mandate, he described future challenges, such as developing financial provisions related to the future legal framework and devising appropriate financial approaches to implement the IPF/IFF proposals for action. He advised Workshop participants to assist the political process through a systematic examination of the concept, without negotiating any such targeted funds.

Per Ryden, Managing Director, CCD Global Mechanism, over-viewed the Mechanism's history, highlighting lessons that could be applicable to financing forests. He explained that the Global Mechanism is not a fund, but was established to increase the effectiveness and efficiency of existing financial mechanisms and to promote actions leading to the mobilization and channeling of substantial financial resources for desertification projects. He informed participants that the Global Mechanism's operational strategy is based on mainstreaming desertification, building partnerships and the multiplier effect. He commented that the Global Mechanism represents a compromise among CCD Parties, established in imprecise terms open to interpretation, and cautioned participants against repeating such an approach. He acknowledged the interface between SFM and desertification, noting possible synergies for financing SFM through the GEF's integrated ecosystems management programme.

Lennart Ljungman, Director of the Forestry Policy and Planning Division, Food and Agriculture Organization (FAO), reported on the results of an FAO analysis of national forest funds. He said the purposes of such funds are to, *inter alia*: ensure that some portion of national revenue is set aside for forestry purposes; provide secure, sufficient and long term funds; and overcome political cycles that influence forestry. He identified sources of funds, including forest revenue, taxes, bonds and loans, fines and penalties, capturing environmental benefit and debt-for-nature funds. He highlighted benefits from national forest funds such as: allowing a long-term planning horizon; shielding the sector from fluctuations; permitting greater oversight of sector spending; stimulating more effective forest management; strengthening government institutions; and harmonizing work. However, he cautioned that national forest funds may trap funds in the forest sector, prevent ideal allocation of government budgets and, if not properly controlled, allow for corruption. He flagged challenges for national forest funds, including decentralization and devolution of forest management, encouraging private initiative, increasing transparency and accountability, and promoting the production of environmental goods and services.

Ljungman then addressed the topic of implementing capacity in developing countries and changing perceptions on technical assistance. He noted a global trend in development assistance from project support to programme support. He said enabling conditions for SFM are strongly associated with reforms in governance, empowerment and freedom of choice, and highlighted a new approach to creating enabling conditions for SFM by building national capacities through NFPs. He highlighted the FAO's NFP implementation facility, which will aim to, *inter alia*: strengthen knowledge for implementation, extend this knowledge within countries, facilitate learning via feedback through country-level knowledge management, and provide an international electronic information exchange network.

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A representative from a regional development bank questioned the governance of these funds, indicating that a participatory approach can improve transparency. A UN agency representative highlighted the potential for capacity building and learning through establishing national forest funds. A developed country participant said ODA trends risk not giving enough attention to specific sectors like forests, and underscored the need to highlight the role of forests in programmatic approaches such as poverty reduction. An NGO representative commented that there are several experiences with environmental funds in Latin America and suggested looking at the case of the Brazilian fund. Another participant suggested considering joining such funds with micro-credit facilities.

CONSORTIUM APPROACH: Barin Ganguli, President, Foundation for Forestry and Rural Development, explained that the consortium approach is based on four premises: financing trends give little hope for new or additional resources for SFM; SFM has dimensions beyond the range of interest of any one funding agency; public-private partnerships can deliver resources to a greater number of countries; and a consortium would have the ability to raise new and additional resources for, *inter alia*, ecological and social attributes. He described the consortium concept as a broadly inclusive cooperative effort among all relevant funding agencies, bodies and institutions, aimed at helping countries, notably developing countries and countries with economies in transition, to achieve SFM through leveraging new, additional and stable funding to enable investment in activities beyond the abilities of individual funding bodies. He said the approach could be global, regional or subregional in scope, and pointed out potential linkages with PROFOR, FAO and the proposed Global Forest Fund or IPE. He concluded that new and additional funding would have to come from the private sector and the consortium approach would help combine environmental ODA and commercial private forestry.

Kanta Kumari, Biodiversity Programme Manager, GEF, overviewed GEF's operations and described its forestry portfolio. Regarding SFM, she stated that forest issues are covered in an operational programme under the biodiversity programme. She highlighted the prominent nature of the programme, which has high and increasing support. She noted that there are 81 projects in the forest portfolio, 75% of which are focused on protected areas. She pointed out a shift to productive landscape and landscape approaches, with recent additions regarding temperate and boreal forests. She said 110 concepts were in the biodiversity pipeline, 40 of which address forest landscapes. In terms of GEF's role in SFM, she highlighted a scope for collaboration and partnership. Frank Kufakwandi, Senior Forestry Specialist, African Development Bank, said the consortium approach proposal is intended to be a financing and implementation vehicle that would concentrate, coordinate and mobilize more resources.

EXISTING FINANCIAL SOURCES AND MECHANISMS: Jim Douglas, Forest Advisor, World Bank, discussed general themes with financing forests. He stated that SFM is only better than the non-sustainable use of forests if it is more attractive financially. He said forests should only be financed from international funds when: excessive forest loss or degradation carries environmental or social costs that are unacceptably high to a government and when the impact of forest destruction falls disproportionately on the local poor. He suggested the focus should be on using financial flows to change incentives to those who damage forests. He noted that excessive logging can be destructive and the differences between SFM and its alternatives are often poorly assessed. He discussed prospects for environmental services payment schemes and tradable development rights and identified other financing

possibilities, such as: disincentive systems; financing innovations; and monitoring, evaluation and disclosure. He stated that the Bank's performance in the forest sector has not been impressive, pointing to problems due to a lack of global commitment and the lack of an implementation strategy.

Kari Keipi, Senior Natural Resource Specialist, Interamerican Development Bank (IDB), addressed how to shift from unsustainable to sustainable forestry through providing adequate financing for the transition and attracting investors. He commented that there are many self-financing opportunities and stressed focusing on sustainable use and protection of forests through market-based approaches. He suggested that financing for SFM can come from governments, farmers, banks and enterprises. Stressing that forestry is potentially high-profit, he emphasized the need to increase access to credit, enhance the availability of long-term credit, improve the efficiency of the rural credit market and strengthen the financial retail capacity. He also emphasized correcting negative externalities via tax reformation, removal of perverse subsidies, environmental fines, tradable permits and extraction quotas.

Christian Mersmann, Interim Manager of UNDP PROFOR, highlighted PROFOR's focus on information management regarding the societal processes of developing NFPs, work on financing strategies for SFM at the national level, goal of assisting partners in lesson-learning and improving the application of available instruments and strategies, and emphasis on partnerships among governments, the private sector and NGOs. He noted that, in July, PROFOR will move into a second stage and will be hosted at the World Bank under the directorate of UNDP, FAO and partner countries.

WORKING GROUP DISCUSSIONS: Participants met in small groups to consider the following questions: where are the real opportunities for increasing funding and what are practical steps to increasing funding?

Participants identified the following steps: host an international meeting of representatives of the national and international private sector to discuss enabling conditions from their perspectives; disseminate lessons learned from the Congo Basin to other regions; consider and promote, via the UNFF, instruments and national financing strategies; and promote South-South knowledge exchange based on concrete experiences using domestic funding mechanisms.

Other participants recognized that, while some goals can be accomplished nationally, there is still a need for more capacity, and suggested that the UNFF should establish a collaborative financial arrangement and that an IPE could be launched in parallel. Some participants focused on how to increase resources and how to make better use of existing resources by: making SFM more economically competitive by treating SFM as a means and not as an end, internalizing externalities and increasing the cost of unsustainable forestry; attracting additional resources through the creation of enabling conditions for private investments and public funding, ODA and the identification of related investments in other sectors; and improving the effectiveness of existing resources. They also acknowledged the limited scope of the GEF for SFM financing.

Other participants identified opportunities for public funding through a global forest fund, a consortium, the GEF and the CCD's Global Mechanism. They suggested potential private finance sources such as local banks, the IDB and the World Bank. They suggested that an IPE could bridge private and public sources. They suggested the establishment of NFPs, investigation of the linkages between a conven-

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tion on forests and possible GEF funding or a forest fund, further investigation of how the GEF could contribute to SFM, a pilot study of the IPE and an expanded study on national forest funds.

Some participants suggested increasing public willingness to pay for SFM products, finding resources outside the forest sector, and better leveraging of the private sector. They identified potential for financing through: linking ODA, national resources and the private sector; building markets for environmental services; and linking SFM to initiatives on poverty alleviation and sustainable development. Other participants suggested that there is enough agreement to proceed with an IPE and that a positive signal should be given at the political level. A developing country representative cautioned that some of the ideas are radical and recalled that the Workshop's outputs will be forwarded to the UNFF. He said an international financial arrangement should be explored and cautioned against discarding the concept of a global forest fund.

SESSION PERSPECTIVE: Thure Christiansen, Secretariat of Environment and Sustainable Development, Denmark, offered reflections on the day's proceedings. He noted that the basic objective of SFM financing is to increase national and regional SFM in developing countries. He observed a lack of consensus on the functions or types of activities for SFM financing. He suggested that enabling environments and national capacity must be built simultaneously. With regard to the means of implementation, he said there are many options, all of which are part of the solution. He flagged the need to further investigate the purpose of an IPE and how to operationalize it, as well as how to make SFM more appealing to the GEF. He suggested that the UNFF Secretariat prepare a briefing note that would provide a roadmap of the many existing tools and ongoing activities on financing SFM to assist in identifying national-global linkages.

WORKING GROUP ON "DEALING WITH DIVERSITY"

On Monday, 22 January, the Workshop Steering Committee established a working group on "dealing with diversity" tasked with discussing the diversity of investors, mechanisms and forest types, to provide an overview of the complexity of financing SFM. The group convened on Tuesday, 23 January and reported to plenary on Wednesday, 24 January. Lael Bethlehem, Department of Water Affairs and Forestry, South Africa, presented the ideas and concepts from the working group. She noted that: there are only certain areas in which forest management can be simultaneously profitable and sustainable; if it is not profitable, it is not suitable for the private sector and if it is not sustainable, it is not suitable for governments; private investment or an IPE cannot solve all financial needs of SFM; and some activities are already both profitable and sustainable, and could possibly be expanded. Using diagrams and graphs, she illustrated: the relationship between forest management and profitable enterprise; the risk levels in plantations; and the connection between the rate of return to investors and total damage in natural forests. She presented a table that cross-referenced: forest characteristics, such as forest type, ownership and management, scale, access and productivity; and investment characteristics, such as source, period and risk preference.

A UN agency representative suggested that work on enabling conditions and concessionary funding can reduce risk. An NGO participant pointed out assumptions underlying some of the diagrams, such as the assumption that higher forest activity yields greater returns. A developed country representative emphasized that the objective of an IPE would not be to subsidize commercial activity. A developing country

representative reiterated that no conclusions regarding an IPE had been reached and the popular notion of risk is not the same for those who work with high-level investments.

COUNTRY EXPERIENCES WITH FINANCING SFM

On Thursday, 25 January, Nguyen Xuan Nguyen, Deputy Director and Economist, Vietnamese Economic Secretariat, described the Vietnamese experience with forest financing and NFPs. He identified difficulties faced by the government, such as underestimating the necessary funding for protection and overlooking the livelihood of local people who live in forests. He highlighted: a new forest management model, which includes benefit sharing with local people; investment promotion funds to provide loans to the pulp processing industry; and a partnership support programme to organize international projects.

Herman Haeruman, Deputy Chair for Regional Development and Natural Resources, Indonesian National Development Planning Agency, discussed the state of Indonesian forests and their management. He identified a general perception that governments are supposed to protect forests with regulation, while the private sector manages forest production. He pointed out that the government cannot afford to implement or enforce stringent regulations. He emphasized the importance of preventing the loss of forest value, through, *inter alia*: self-financing and non-tax revenue; partnerships with the private sector, such as financing national parks; concessions for SFM; and improved geographical allocation of foresters throughout the country's provinces.

Anatoly Petrov, Professor, Russian Institute of Continuous Education in Forestry, stated that countries with economies in transition hold a large portion of the world's forests, which produce ecological value for all countries. He discussed the effects of economic reform and the nature of the Russian private sector and said countries with economies in transition need help in the form of technical expertise, but not money.

Claudio Giacomino, Secretary to the Ambassador of Argentina to Norway, announced a new regulation in Argentina that encourages private investments in SFM.

HIGHLIGHTS AND THE WAY FORWARD

Markku Simula presented a draft document including highlights from the Workshop that was produced by a small drafting group based on the discussions held in both plenary and the working groups. He emphasized that the document does not represent a negotiated consensus document, but simply aims to reflect the views presented at the Workshop. He noted that there would be a two-stage review process to ensure that all views expressed would be reflected in the document, with the first stage based on comments during the session and the second stage through a process of e-mail review. Participants then reviewed the record of highlights paragraph by paragraph. A number of general comments to guide the tone of the redraft as well as specific substantive points were made. The record is structured according to six subsections from which highlights are summarized below.

ENABLING ENVIRONMENT FOR INVESTMENT IN SFM: This section states that participants noted that funding availability is not the sole constraint to investment in SFM in developing countries and in countries with economies in transition. It draws attention to other constraints including low priority and commitment to forestry, insecure tenure, policy and other market failures, high levels of risk or perceived risk, and weak regulatory environments. It suggests that SFM can be made more profitable and less risky through policy interventions. It also

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acknowledges the need for ODA to supplement domestic resources and to contribute to the creation of enabling conditions and capacity building.

PRIVATE SECTOR FINANCING OF SFM: This section indicates that SFM will require increasing investment by the private sector ranging from small farmers and communities to large international corporations. It states that:

- risk and return are the major drivers of private investment;
- companies have targeted substantial private capital flows at industrial plantations due to their predictable output, relatively short rotations and lower level of perceived risk;
- the private sector is reluctant to invest in SFM in natural forests due to the high investment costs, technical complexity and perception of modest returns;
- ways to promote private sector interest in SFM, including in natural forests, should be promoted; and
- the public sector should make necessary investments for public benefit as well as in enabling conditions to leverage complementary private investment.

INVESTMENT PROMOTION ENTITY AS A POTENTIAL MEANS TO PROMOTE SFM FINANCING: This section notes that the general idea of promoting and catalyzing increased private sector funding was welcomed and there was broad agreement that the IPE concept should be further explored. It also notes that:

- there is a possibility for a pilot phase to gain experience with the IPE concept;
- the proposed IPE is limited in relation to the needs of many countries and SFM activities; and
- the proposed IPE should better reflect the investment service needs of countries beyond those with good conditions for large-scale private investment.

It also suggests that a further in-depth analysis of the IPE concept, with a view to its possible implementation, is warranted to provide broader consideration of its merits. It identifies areas needing further examination, including: review of investment experience, orientation, functions, investment criteria, market analysis, risk assessment, organizational issues and approaches to financing the establishment and functioning of an IPE.

GLOBAL FOREST FUND: This section on the global forest fund states that:

- there is concern that a global forest fund might substitute rather than add to the existing ODA flows to developing countries and countries with economies in transition;
- recent developments in existing international financing institutions and mechanisms might offer new opportunities;
- no individual mechanism or instrument alone can meet all the needs of the wide range of beneficiaries and make use of all the available sources of financing;
- an assessment should be undertaken to identify the implications for the existing mechanisms to fill the gaps in financing SFM;
- there might be greater potential for additional funding for forests through strengthening the forest-related components in poverty reduction, natural resource management and conservation programmes; and
- the search for additional funding should be complemented with efforts to make already available funding more effective.

OTHER MEANS OF INCREASING FINANCIAL RESOURCES FROM ALL SOURCES: This section draws attention to:

- the World Bank's new efforts to compliment project lending with other funding mechanisms such as issue-based lending, greater inclusion of forestry elements in broader development programmes, and systematic resource transfers;
- the IDB's wide array of financing instruments to support SFM and to bring on board both commercial and non-profit private sector funding;
- the expansion of GEF initiatives in the area of integrated ecosystem management, taking into account that the scope of GEF to act on SFM remains constitutionally limited;
- lessons to be learned from the CCD's Global Mechanism, namely that the objectives, functions and operational strategy of any new mechanism should be clear before decisions are made on their implementation;
- the consortium approach or other forms, considered in the context of addressing investment needs beyond the funding possibilities of any specific mechanism or source;
- national-level experience accumulated on forest, environmental and social funds, including NFPs, which could provide a useful framework for mobilizing financing for SFM;
- capacity building as an essential element for the creation of enabling conditions for financing SFM; and
- knowledge management and communication of opportunities and best practices in the field of NFPs and their financing strategies, at the international level.

ADDITIONAL POINTS FOR PRACTICAL ACTION: This section details practical actions including calls to:

- organize an international meeting of private sector representatives on enabling conditions for private sector investment and other involvement;
- disseminate information on multi-stakeholder cooperation;
- offer better information on the concept and mix of instruments in developing concrete national financing strategies for NFPs;
- arrange for South-South knowledge exchange on innovative funds;
- expand the focus on special forestry funds and initiate discussion about leveraging existing sources;
- develop mechanisms to capture willingness to pay for SFM services;
- develop a demand-driven international financing arrangement that provides for complementarity among international and public finance and innovative arrangements for the private sector; and
- link ODA with national resources and with the private sector by resorting, as needed, to a consortium approach and by proper application of incentives, levies, etc.

SESSION PERSPECTIVE: Lai Har Chan, Malaysia, was invited to close the session. She described: national and global enabling conditions, the global trading system, governance, multilateral organizations, and solutions.

CLOSING SESSION

Facilitator Richard Scothorne invited participants to comment on the Workshop's proceedings. A developing country participant expressed satisfaction with the highlights presented and encouraged more workshops. Emphasizing the need for practical action, another developing country participant cautioned that severe degradation continues while debates continue. A developing country participant

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suggested addressing the topic of international trade and forests in another seminar. A developed country representative noted that discussion had moved beyond "North-South rhetoric."

In closing statements, Mafa Chipeta reiterated that Workshop participants were there to mutually motivate each other and to consider the problems of SFM financing. He thanked the facilitator, the organizing committee, CIFOR staff and the host governments, Norway and the United Kingdom. He wished everyone happiness and success in the coming year.

The following participants were requested to provide closing remarks. Herman Haeruman, Indonesia, reflected on the long relationships among participants in the forest policy sector and the learning process around SFM. Richard Dewdney, United Kingdom, stated that the next steps would be to maintain momentum and bring something to the UNFF process, and identified the challenge to pay for the global services that forests provide. Richard Ballhorn, Canada, emphasized the need to examine issues such as certification and forests as carbon sinks, and pointed out that in the area of forestry, more advances have been made through informal meetings than in formal negotiations. Barney Chan, Malaysia, highlighted the under-representation of private sector individuals, the importance of plantations to the private sector, and his support for steps toward SFM.

Jag Maini, Head of the IFF Secretariat, thanked the host governments, the organizing committee and the authors of the Workshop papers. He said the value of the Workshop is in bringing together different interests and looked forward to the UNFF organizational session. Oluf Aalde, Norwegian Ministry of Agriculture, emphasized that the issue of SFM financing is complex and controversial and noted that the main findings of the Workshop will provide valuable input to future work of the UNFF. He stated that he was impressed by the competence among participants and the high quality of discussions. He thanked the host governments, the organizing committee and the experts. Wishing everyone a safe return home, he declared the Workshop closed.

SIDE EVENT ON THE NORWEGIAN FOREST RESEARCH INSTITUTE

On Monday, 22 January, participants attended a side event on the Norwegian Forestry Sector. Oluf Aalde opened the event and briefly overviewed the Norwegian Forestry Group, a network company comprised of the Norwegian Forestry Association, the Norwegian Institute of Land Inventory, the Norwegian Forest Research Institute, the Norwegian Forestry Society, the Norwegian State Forest Corporation and Silvinova A.

Ivar Jørgensen, Agricultural University of Norway, introduced *Restructuring of the State Forest Organization in Norway: From Department to Dependent Corporation*. He traced the State Forest Organization's history from its establishment in the 1860s to its divestment in 1993. He explained that the main reasons for divestment were to change the way state forests operate, eliminate political interference, allow for greater financial and institutional freedom, streamline ministries, develop business opportunities, create jobs, and provide more responsiveness. Stating that approximately 33% of Norway's land is government-owned, he noted that privatization was deemed infeasible as this land represents the national heritage.

Øystein Aasaaren, Norwegian Forestry Group, discussed Norway's Living Forest Project, briefly outlining the state of forestry in the country. He said the project was created to address forest owners' awareness of the importance of long-term forest management and

increasing worldwide focus on SFM. He summarized the project structure, stakeholders, process and standards. He identified the principles of SFM as: the freedom to decide, with responsibility; and an improved resource base for the next generation.

Harald Aalde, Norwegian Institute of Land Inventory, described the National Forest Inventory of Norway, citing forest policy goals as utilization, development and protection of resources. He noted the heavy exploitation of forests in past years, and the consequent development of inventory activities. He identified results of the different inventories, which indicate a 100% increase in growing stock, and highlighted the value of new technologies and assessment methods for forest management. He pointed out future products from the inventory, such as carbon accounting and monitoring of biological diversity.

THINGS TO LOOK FOR

INTERNATIONAL CONFERENCE ON INDIGENOUS INDIC TRADITIONS IN FORESTRY: LESSONS FOR CONTEMPORARY SUSTAINABLE FOREST MANAGEMENT:

This meeting will convene from 8-10 February 2001 in Bhopal, India. Contact: Deep Narayan Pandey, Associate Professor, Indian Institute of Forest Management, Bhopal, India-462003; Fax: 91-755-772 878; e-mail: deep@inef.org; Internet: <http://www.inef.org/>.

UN FORUM ON FORESTS - ORGANIZATIONAL SESSION:

The UNFF organizational session will convene on 12 February 2001 at UN Headquarters in New York. Informal consultations in preparation for the first substantive session of the UNFF will be held from 13-16 February. Contact: Secretariat, Intergovernmental Forum on Forests, Division of Sustainable Development, UN DESA, New York; tel: +1-212-963-6208; e-mail: vahanen@un.org.

INTERNATIONAL CONFERENCE ON THE APPLICATION OF REDUCED IMPACT LOGGING TO ADVANCE SUSTAINABLE FOREST MANAGEMENT: CONSTRAINTS, CHALLENGES AND OPPORTUNITIES:

This meeting will convene from 26 February-1 March 2001 in Kuching, Sarawak, Malaysia. Contact: Thomas Enters or Patrick Durst, FAO Regional Office for Asia and the Pacific, Phra Atit Road, Bangkok 10200, Thailand; Tel: +66-2-2817844; Fax: +66-2-2800445; e-mail: thomas.enters@fao.org or patrick.durst@fao.org.

CBD SBSTTA-6: The Subsidiary Body for Scientific, Technical and Technological Advice of the Convention on Biological Diversity will meet from 12-16 March 2001 in Montreal, Canada. Contact: CBD Secretariat, Montreal, Canada; tel: +1-514-288-2220; Internet: <http://www.biodiv.org/>.

FOURTH SOUTH AND EAST ASIAN COUNTRIES NON-TIMBER FOREST PRODUCTS NETWORK (SEANN) WORKSHOP: This workshop will be held from 18-21 March 2001 in Manila, The Philippines. Contact: Dr. Ramon A. Razal, College of Forestry and Natural Resources, UP Los Banos, College, Laguna, Philippines; fax: +63-49-536-3340; e-mail: trees@laguna.net.

MCPFE (Meeting on the Improvement of the Pan-European Indicators for Sustainable Forests Management): This meeting will be held from 19-20 or 26-27 March, 2001 in Liechtenstein. It is convened by the Ministerial Conference on the Protection of Forests in Europe (MCPFE). Contact: Peter Mayer, Liaison Unit Vienna, Marxergasse 2, A-1030 Vienna, Austria; tel: +43-1-710-7702; fax: +43-1-710-77-02-13; e-mail: liaison.unit@lu-vienna.at; Internet: <http://www.minconf-forests.net>.

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GLOBAL INITIATIVES AND PUBLIC POLICIES: FIRST INTERNATIONAL CONFERENCE ON PRIVATE FORESTRY IN THE 21ST CENTURY: This conference will convene in Atlanta, Georgia, US, from 25-27 March 2001. Contact: Larry Teeter, School of Forestry and Wildlife Sciences, Auburn University, 201 M. White Smith Hall, Auburn, AL 36849-5418 US; tel: +1-334-844-1045; fax: +1-334-844-1084; e-mail: fpc@auburn.edu; Internet: <http://www.forestry.auburn.edu/forestpolicycenter/news.htm>.

INTERNATIONAL WORKSHOP ON CARBON ACCOUNTING, EMISSIONS TRADING AND COP-6 NEGOTIATIONS RELATED TO BIOENERGY, WOOD PRODUCTS AND CARBON SEQUESTRATION: This Workshop will convene in Canberra, Australia, from 26-30 March 2001. Contact: Internet: <http://www.joanneum.ac.at/iea-bioenergy-task25/announcement.doc>.

INTERNATIONAL SYMPOSIUM ON ECONOMIC SUSTAINABILITY OF SMALL-SCALE FORESTRY: This symposium will convene from 20-26 March, 2001 in Joensuu, Finland. Contact: Dr. Anssi Niskanen or Ms. Johanna Väyrynen, European Forest Institute, Torikatu 34, 80100 Joensuu, Finland; tel: +358 13 252 020; fax: +358 13 124 393; e-mail: anssi.niskanen@efi.fi or johanna.vayrynen@efi.fi; Internet: <http://www.efi.fi/events/2001/iufro3.08.00/Info.htm>.

CSD-9: The Ninth Session of the Commission on Sustainable Development will meet at UN Headquarters in New York from 16-27 April 2001. This session will focus on: atmosphere; energy/transport; information for decision making and participation; and international cooperation for an enabling environment. Contact: Zehra Aydin-Sipos, Major Groups Focal Point, Division for Sustainable Development; tel: +1-212-963-8811; e-mail: aydin@un.org; Internet: http://www.un.org/esa/sustdev/csd9/csd9_2001.htm#.

16TH COMMONWEALTH FORESTRY CONFERENCE - FORESTS IN A CHANGING LANDSCAPE: This Conference will meet from 18-25 April 2001 in Fremantle, Western Australia. Contact: Libby Jones, Standing Committee on Commonwealth Forestry, Edinburgh, UK; tel: +44-131-314-6137; fax: +44-131-334-0442; e-mail: libby.jones@forestry.gov.uk.

TECHNICAL EXPERTS GROUP ON FORESTS: The meeting will convene in Edinburgh, Scotland, from 23-27 April 2001 (tentative). Contact: Ms. Frida Velarde, Convention on Biological Diversity Secretariat; tel: +1-514-287-7001; fax: +1-514-288-6588; e-mail: frida.velarde@biodiv.org; Internet: <http://www.biodiv.org/conv/events/events.asp?cbd>

CSD-10 (PREPCOM): The Tenth Session of the Commission on Sustainable Development will convene at UN Headquarters in New York from 30 April - 2 May 2001 to serve as the Preparatory Committee for the Ten-year Review of UNCED. Contact: Zehra Aydin-Sipos, Major Groups Focal Point, Division for Sustainable Development; tel: +1-212-963-8811; e-mail: aydin@un.org.

MCPFE ROUND TABLE MEETING: This meeting will convene from 14-15 May 2001 in Brussels, Belgium. This meeting is convened by the Ministerial Conference on the Protection of Forests in Europe (MCPFE) and is open to participants and observers of the MCPFE.

Contact: Peter Mayer, Liaison Unit Vienna, Marxergasse 2, A-1030 Vienna, Austria; tel: +43-1-710-7702; fax: +43-1-710-77-02-13; e-mail: liaison.unit@lu-vienna.at; Internet: <http://www.minconf-forests.net>.

FORESTRY IMPACTS OF CHINA'S REFORMS: LESSONS FOR CHINA AND THE WORLD: This symposium on the forestry impacts of China's rural, industrial and financial reforms since 1978 will meet in Beijing in May 2001. The symposium is organized and co-hosted by the Center for International Forestry Research, China State Forestry Administration, the Research Center for Ecological and Environmental Economics under the Chinese Academy of Social Sciences, Chinese Academy of Forestry and the Center for Chinese Agricultural Policy under the Chinese Academy of Agricultural Science. Contact: L.Dachang@cgiar.org and T.Suhartini@cgiar.org.

UNFCCC SB-14/RESUMED COP-6: The 14th sessions of the Subsidiary Bodies of the UN Framework Convention on Climate Change will take place from 21 May-1 June 2001, in Bonn, Germany. This meeting may also serve as the resumed COP-6 (as outlined under COP-6 decision FCCC/CP/2000/L.3). Contact: the UNFCCC Secretariat; tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: secretariat@unfccc.int; Internet: <http://www.unfccc.int>.

30TH SESSION OF THE INTERNATIONAL TROPICAL TIMBER COUNCIL: The 30th Session of the International Tropical Timber Council is scheduled from 28 May-2 June 2001 in Yaounde, Cameroon. Contact: the International Tropical Timber Organization (ITTO); International Organizations Center, 5th Floor, Pacifico-Yokohama 1-1-1, Minato-Mirai, Nishi-ku, Yokohama, 220-0012 Japan; tel: +81-45-223-1110; fax: +81-45-223-1111; e-mail: itto@itto.or.jp; Internet: <http://www.itto.or.jp>.

FIRST SUBSTANTIVE SESSION OF THE UN FORUM ON FORESTS: This meeting will be held from 26 June-6 July 2001 at UN Headquarters in New York. Contact: Secretariat, Intergovernmental Forum on Forests, Division of Sustainable Development, UN DESA, New York; tel: +1-212-963-6208; e-mail: vahanen@un.org

INTERNATIONAL SYMPOSIUM ON ECOLOGICAL AND SOCIETAL ASPECTS OF TRANSGENIC FOREST PLANTATIONS: This meeting will convene from 22-24 July 2001 in Stevenson, Washington, US. The goal is to consider the societal and ethical context within which genetically modified trees are viewed and employed. Contact: Internet: http://www.fsl.orst.edu/tgerc/iufro2001/eco_symp_iufro.htm.

THIRD INTERNATIONAL WORKSHOP ON REMOTE SENSING AND FOREST FIRES: This workshop will convene in Paris, France, from 17-18 September 2001. Contact: Dr. Emilio Chuvieco, Dept. of Geography, University of Alcalá, Coegios 2 - 28801 Alcalá de Henares, Spain; e-mail: emilio.chuvieco@uah.es; Internet: <http://www.geogra.alcala.es/EARSeL/EARSeL.htm>.

XII WORLD FORESTRY CONGRESS: This meeting will take place from 21-28 September 2003 in Québec City, Québec, Canada. Contact: Internet: www.wfc2003.org/.