

**Summary Report: 19th Meeting of the Collaborative Partnership on Forests
12 March 2007, Rome, Italy**

In Attendance:

CBD:	Jo Mulongoy	IUFRO:	Peter Mayer
CIFOR:	Markku Kanninen	UNCCD:	Regrets
FAO:	Jan Heino (Chair) Micheal Martin Tiina Vähänen Marguerite France- Lanord	UNDP:	Regrets
ICRAF:	Regrets Represented by CIFOR	UNEP:	Bakary Kante Barbara Ruis
IUCN:	Tamás Marghescu Tim Christophersen	UNFCCC:	Neeta Hooda
ITTO:	Emmanuel Ze Meka	UNFFS:	Pekka Patosaari Mahendra Joshi Ghazal Badiozamani (Secretary)
		World Bank:	Gerhard Dieterle

1. Opening of the Meeting

Mr Peter Mayer, Executive Director of IUFRO, opened the meeting on behalf of Mr. Jan Heino, Assistant Director-General of FAO and Chair of the CPF, who joined the meeting after a short delay. The Chair thanked members for attending the meeting, stating that it was a timely gathering that will help to ensure that members provide the best possible input to the forthcoming UNFF session.

Mr. Pekka Patosaari, Director of the UNFF Secretariat thanked the FAO for hosting the meeting and invited other members to consider hosting CPF meetings in conjunction with other major international events in the future. He stated that recent developments have shown a stronger commitment on the part of member States to sustainable forest management, and particularly the Global Objectives on Forests, agreed by UNFF at its sixth session and by ECOSOC in its resolution 2006/49, and emphasised the need for the support of CPF members in the process. He pointed to three challenges to be faced in the forthcoming process: creating a suitable set of modalities of work for the two year cycle of meetings; providing for strong regional inputs into the UNFF process; and developing a financial mechanism to support the implementation of the non-legally binding instrument on forests. He encouraged members to improve coordination and collaboration at the regional level in support of the Global Objectives on Forests and in an effort to achieve true system wide coherence.

2. Forest Finance

2.1 Background paper on means of implementation – World Bank (PROFOR)

The World Bank briefed members on progress on the PROFOR paper which aims to assess existing and potential emerging types of funding for forest-related activities. Two consultants had been hired to complete the paper, Mr. Hosny El-Lakany, Adjunct Professor of University of British Columbia and Mr. Michael Jenkins of Forest Trends. The consultants have been working on the assignment for two months and completed a very raw draft. The World Bank explained that the authors argue that it is unlikely that there will be a single source of forest funding in the future but that there will be a range of complimentary funds and programmes that build on each other. They outline a portfolio approach to forest finance that integrates funding from diverse sources in a dynamic way. They further argue that overseas development assistance could also be directed to create an enabling environment for private investment and payments for environmental services. The World Bank stated that they will circulate a draft to CPF members for comments as soon as a more complete version is available.

The UNFF Secretariat thanked the World Bank for taking the initiative, stressing the importance of completing a final draft before the start of the session in April.

The FAO asked how the paper would be presented at the UNFF session. The UNFF Secretariat indicated that the paper could be contributed as a background document, subject to further discussion with the World Bank/PROFOR. It was explained that though the issue of funding for SFM will undoubtedly not be completely resolved at the session, it is hoped that a process for discussing the issue in greater depth could be started.

2.2 Forests and the Clean Development Mechanism (CDM) – UNFCCC

The UNFCCC presented progress of forest-related mechanisms and processes within its mandate. An update on reforestation and afforestation (A/R) projects under the CDM was given, and UNFCCC reported that although there is only one registered project to date, 7 methodologies for large scale projects have been approved, with 8 in the pipeline, and 1 methodology for a small scale projects has been approved with 1 in the pipeline. This is in comparison to the 526 registered projects in other sectors and over 1600 in the pipeline. One explanation for the discrepancy may be the high transaction costs coupled with the lower prices provided to A/R projects because of the lack of permanence of the credits.

With regard to the second workshop on the proposal on reducing emissions from deforestation, the UNFCCC reported that countries had expressed a common concern that

urgent action be taken to reduce deforestation. Many countries expressed support for a scheme that would allow for prompt start and reward early action. Many countries further agree that appropriate methodologies for measuring emission reductions do exist, degradation should be further considered and that both market and non-market approaches to creating positive incentives should be considered.

The UNFCCC further reported that its secretariat is compiling a study on “Existing and planned investment flows and finance schemes relevant to the development of an effective and appropriate international response to climate change, with particular focus on developing countries' needs” which will include assessment of both the agriculture and forestry sectors. There will be four consultation meetings to prepare the study in 2007. In response to a question regarding the approach to be taken for the study, the UNFCCC stated that it would seek to review and analyze existing and planned investment flows including from IPEC, OECD, IEA and the World Bank. It would highlight the extent to which data on such investment are consistent and complimentary and consider opportunities for further financial sources. The drafting of the paper will also be an open process including a number of stakeholder consultations.

UNEP, IUCN and others pointed out that greater effort was needed by all members of the CPF to bring information regarding such developments to practitioners and countries and that CPF members could also play a larger role in providing the scientific and other knowledge required to Parties to the UNFCCC in order to better inform negotiations.

ITTO stated that it recently completed a handbook for developing countries on project implementation for CDM and that it would hold a series of regional meetings on the issue in the coming months.

2.3 Financing forest biodiversity – IUCN, CBD

Due to the unforeseen late arrival of the CBD Secretariat, IUCN reported that the forthcoming meeting of G-8 + 5 Ministerial meeting in Germany would consider the issue of biodiversity and climate change. There is a proposal to draft a Stern-like report on the effects of climate change on biodiversity which would take a regional approach to its assessment that would take closer consideration of differing socio-economic circumstances. There is also a proposal to develop a follow-up report to the Millennium Ecosystem Assessment.

The Secretariat of the CBD provided an update on work underway within the CBD on financing of protected areas. There are significant running costs associated with ensuring that protected areas are effectively protected, that local communities benefit from them and that the value of protected areas are maintained in perpetuity. Three separate studies estimated the total annual cost for effective management of the existing protected areas in developing countries ranges from US \$1.1 billion to \$2.5 billion per year [1]/ and the funding shortfall (total cost minus current funding) between US \$1 and 1.7 billion per year. The CBD COP recently agreed on a number of decisions in this regard, calling on all Parties and donors to mobilize increased financial resources for protected areas and

ensure the long term financial stability of existing protected areas and set a target of 2008 to sufficiently meet these needs. A meeting of donors was convened in 2005 to assess possible mechanisms. Tourism fees, trust funds, and funding from the GEF as well as the private sector all prove to have their benefits and challenges. Further exploration and development of these and other funding mechanisms are needed.

2.4 Developments in other forest-related funds and mechanisms

Bali Partnership Fund: The ITTO reported that there has been a reduction in contributions to the Fund despite much early progress. The new ITTA, adopted in 2006, provides for a new financial mechanism. A meeting to further discuss this will be held this month in Chiang Mai, Thailand.

PROFOR: The World Bank reported that €1.3 million had been contributed by the European Commission to the Fund but further funds will be required. The World Bank stated that there is a unique opportunity to bring forests back into the international discussions, particularly with respect to the recent reports issued by Nicholas Stern and Ken Chomitz that have included forests into the economic calculations with regard to climate change. The Bank currently has thirty trust funds related to forests with different mandates and requirements. It is aiming to bring greater cohesiveness to its work and its multiple existing partnerships through a new framework it will call the Global Forest Alliance. It is hoped that this will enhance funding. How the CPF will be linked to this Alliance as a major partner should be further considered. The Bank currently has earmarked \$100 million as ground funds and \$300 million for piloting deforestation projects. It will also seek in its future work to enhance the role of global public goods in the development agenda. It will focus its work on sustainable rural development, innovative approaches to SFM, conservation and providing access to markets for sustainably managed and harvested goods. PROFOR will continue to provide cutting edge knowledge and capacity building and forest-related law enforcement and governance will be a 'horizontal' theme that will be addressed in all its work.

National Forest Programme Facility: The FAO reported that though it hosted the NFP facility, funding was managed by a steering group that included the World Bank and CIFOR. It is based on voluntary contributions of partner countries and is designed to assist developing countries to develop multi-stakeholder approaches to national forest planning. It provides up to \$300,000 in grants to government or civil society groups active in the partner country over a three year period and has a total disbursement of \$2 million per year.

Mr. Heino summarized the discussion on this issue, stating that there seems to be many opportunities within CPF member organizations for funding to support sustainable forest management. Though coverage has not been complete, performance has been good. This does not exclude the need for significant advances. There appears to be a lack of knowledge in many developing countries with regard to how to access external funding.

Better, more intensive cooperation among CPF members may assist in meeting their need.

3. Preparations for UNFF-7

The UNFF Secretariat briefed members on progress in negotiations and preparations for the session. Countries will decide on a number of issues at the session including the multi-year programme of work (MYPOW), the non-legally binding instrument on all types of forests (NLBI), as well as enhanced cooperation and policy and programme coordination which will include further guidance to CPF. It is anticipated that there will either be 2-3 resolutions or one omnibus resolution. All of the official documentation is now available on the [UNFF website](#). CPF members were encouraged to actively support the process.

3.1 Outcome of the Ad Hoc Expert Group on the non-legally binding instrument (NLBI)

An Ad Hoc Expert Group meeting was held in New York in December 2006 to facilitate discussions on the NLBI and a revised composite draft text of the instrument based on informal discussions among member States will be submitted to the session for consideration. The instrument is not meant to replace any existing processes and will be voluntary. The draft is strongly based on previous decisions, including the Global Objectives on Forests and the principal functions of the international arrangement on forests.

3.2 Outcome of the Bali Country Led Initiative and progress on the multi-year programme of work (MYPOW)

A Country-Led Initiative was hosted by the Government of Indonesia in Bali in February 2007 to begin informal discussions of the MYPOW in which 153 experts from 66 countries and several organizations participated. In collaboration with the co-organizers, the Bureau of the UNFF set the framework for the Bali discussions, in part through the Secretary-General's report on the MYPOW which provided possible elements. Issues of concern included: following up on the implementation of the NLBI and the Global Objectives on Forests; ensuring the adherence to the principal functions of the international arrangement on forests; enhancing the contribution of regional organizations; the International Year of Forests; and required contributions to ECOSOC including to the Annual Ministerial Review and Development Cooperation Forum. The meeting was organized around three working groups on themes, modalities and regional aspects respectively and exposed member States to the challenges that lay ahead in April's session. A wide range of possible themes were discussed and in the end the Co-Chairs of that working group proposed a compromise option that would consider the theme "Delivering Sustainable Forest Management" during one session, including issues such as means of implementation, governance, etc. Another session would consider "Forests: Delivering for Development", including issues related to socio-economic aspects as well as poverty and livelihoods, and a final session theme for a session would be

“Forests: Developing for the Environment” which would include discussions on forests and water, energy and climate change.

In the intervening years, a number of countries have suggested that an inter-governmental preparatory meeting would be needed to prepare for each session. The questions of how regional inputs would be gathered for the session and how to address implementation of the NLBI will still require further discussion. Whether there should be regional or global preparations for each session is also still unclear.

The IUCN stated that forestry has a potential to enhance its profile on the international agenda by making clear linkages with climate change and other issues that are currently high on the political agenda. There are a number of possible threats and opportunities for forests with current changes in land use such as the growth of bio-fuels. UNFF has the potential to address some of these visionary and difficult salient issues.

A General Assembly resolution initiated by Croatia was agreed this year to name the year 2011 the International Year of Forests. The UNFF Secretariat will act as focal point in facilitating the implementation of the year in collaboration with countries, CPF members, and other stakeholders. The FAO will also play a particular role in supporting the implementation of the year. It is hoped that all CPF members will link their relevant activities to the Year. The Secretariat will draft a Secretary-General’s report on the status of the preparations. The UNFF will launch the preparation stage of the Year during the session on Tuesday 17 April 2007.

3.3 Next Steps: CPF preparations for UNFF7

UNEP noted that the CPF is an important part of the international arrangement on forests, and it could play an even more active role in the discussions of the UNFF sessions. The draft NLBI includes a number of proposals that might be difficult for UNEP, and perhaps other CPF organizations, to undertake and CPF should consider engaging more actively with member States to discuss these challenges. The UNFF Secretariat encouraged more input to the UNFF dialogue on what enhanced cooperation means in practice and what the critical issues will be for implementation of the Global Objectives on Forests.

The World Bank stated that the proposed themes for the MYPOW on Livelihoods, SFM and Environment are a good reflection of the institutional diversity in the CPF and are also those proposed for the Global Forest Alliance. These are also used as a framework for the PROFOR paper on Means of Implementation. The UNFF Secretariat articulated that this could also serve as an example of the contributions CPF members can make to the process.

IUFRO emphasized that there are different expectations of the CPF from different members. The CPF initiatives are a visible outcome of the cooperation that member organizations have developed because of the Partnership that they may otherwise not

have undertaken. It was suggested that a CPF retreat would provide the opportunity to further discuss such issues of concern.

Both UNEP and FAO stated that the CPF should proceed with caution and sensitivity to political concerns under negotiation by countries. UNEP repeated its offer to co-host a CPF retreat together with ICRAF, and FAO noted that a further discussion on how to provide common views and inputs to the UNFF process could be raised after the forthcoming session.

FAO suggested that an event could be organized during UNFF7 to provide an opportunity to have an open discussion between countries and CPF members, possibly through a side event. UNEP agreed that this would be a good opportunity to share concerns with member States. The UNFF Secretariat stated that the panel discussion planned for the morning of Wednesday 18 April with Chairs of governing councils of CPF members could also provide an opportunity for member States to hold this type of open discussion with CPF members and that such a discussion would be most productive if undertaken during the plenary session.

It was agreed that the UNFF Secretariat would further consider how best to incorporate an open dialogue with CPF members into the planned activities of UNFF7.

It was also agreed that a joint CPF statement expressing support for the process would be prepared for the session.

4. Progress on Joint Initiatives / follow-up to previous CPF meetings

Global Partnership on Forest Landscape Restoration (GPFLR) - IUCN

IUCN reported that 9 of the 14 members of the CPF are members of the GPFLR: FAO, UNFF, CBD, ITTO, World Bank/PROFOR, CIFOR, ICRAF, IUCN, and IUFRO. The World Business Council on Sustainable Development has now formally joined the partnership and will participate in several different ways, including: identifying member company sites to participate in the learning network; possibly hosting the first global meeting of sites; providing advice on the design of materials and on learning networks; and providing core support for 3 years aimed at strengthening private sector engagement in the work of the partnership. This year, the GPFLR will move ahead with the establishment of the learning network, including: taking steps to identify the first batch of sites; initiating preparation of profiles of some sites to provide a basis for learning; and exploring options for outsourcing effective management of the learning network, on which they would welcome advice. In addition, the partnership is moving ahead on developing messages on key issues including climate change and planted forests through research and synthesizing member's views and working with a design firm on establishing a clearer identity for the partnership. IUCN is planning on updating partners on progress during a lunch meeting to be held at UNFF.

5. Next Meeting

It was agreed that the next meeting of the CPF would take place on Sunday 15 April 2007. There will be a joint lunch with the Bureau from 13:00 – 13:30 hours to be followed by a briefing of the CPF and the Major Groups by the Bureau of the seventh session of the UNFF and the UNFF Secretariat from 13:30 – 14:30 hours. The CPF meeting will then take place from 14:30 – 16:00 hours.