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Agenda item 6

Means of implementation for sustainable forest management

Chairman's draft text**

The road map for financing sustainable forest management/ [(Group of 77 and China): implementation of the non-legally binding instrument on all types of forests]/[means of implementation for sustainable forest management]

The United Nations Forum on Forests,

PP1. *Recalling* General Assembly resolution 62/98 of 17 December 2007, in which the Assembly adopted the non-legally binding instrument on all types of forests [“forest instrument”]/[(Group of 77 and China) **non-legally binding instrument on all types of forests**],

PP2. *Reaffirming* the commitment to the global partnership for development set out in the United Nations Millennium Declaration, the Monterrey Consensus of the International Conference on Financing for Development, the Plan of Implementation of the World Summit on Sustainable Development (“Johannesburg Plan of Implementation”), and the 2005 World Summit Outcome, (pp8 of resolution 60/188 on financing for development)

PP3. *Reaffirming* the commitment of Member States to the Rio Declaration on Environment and Development, including the principle that States have, in accordance with the Charter of the United Nations and the principles of international law, the sovereign right to exploit their own resources pursuant to their own environmental and developmental policies, and the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction, and to the common but differentiated responsibilities of countries, as set out in

* Reissued for technical reasons.

** As presented on Friday, 1 May 2009.



Principle 7 of the Rio Declaration, (**pp 4 of NLBI, General Assembly resolution 62/98**)

PP4. *Recalling* Economic and Social Council resolution 2007/40, in which the Council decided to develop and consider, with a view to its adoption at the eighth session of the Forum, a voluntary global financial mechanism/portfolio approach/forest financing framework for all types of forests, aiming at mobilizing significantly increased, new and additional resources from all sources, based on existing and emerging innovative approaches, also taking into account assessments and reviews of current financial mechanisms to support the implementation of sustainable forest management, the achievement of the global objectives on forests and the implementation of the non-legally binding instrument on all types of forests,

PP5. *Stressing* that sustainable forest management contributes extensively to the achievement of the internationally agreed development goals, including the Millennium Development Goals, in particular with respect to poverty eradication and environmental sustainability as well as global efforts to fight climate change, combat desertification, and the conservation and sustainable use of the biodiversity, along with numerous other benefits for the betterment of the livelihoods of the people,

PP6. *Emphasizing* that effective implementation of sustainable forest management is critically dependent upon adequate resources, including financing, capacity development and the transfer of environmentally sound technologies, and recognizing in particular the need to mobilize increased financial resources, including from innovative sources, for developing countries, including least developed countries, landlocked developing countries and small island developing States, as well as countries with economies in transition,

PP6 bis (*Group of 77 and China*) **Recognizing the crucial catalytic role of international cooperation, including [(Japan) North-North, North-South, South-South and triangular cooperation both in public and private sectors] [(Japan) financial support, technology transfer, capacity-building and education,] for the effective implementation of the non-legally binding instrument and the achievement of the four global objectives on forests for sustainable forest management,**

PP7. *Recognizing* the insufficiency of current financing from all sources for sustainable forest management and the urgent need to mobilize new and additional financial resources from all sources for sustainable forest management, in particular, for the effective implementation of the **[forest instrument]/[non-legally binding instrument on all types of forests]** and the achievement of the four global objectives on forests, taking into account the special needs and circumstances of Africa, least developed countries, low forest cover countries, high forest cover countries, high forest cover low deforestation countries, medium forest cover countries and small island developing States,

PP8. *Recognizing also* the need for efficient use of current and future financing for sustainable forest management,

PP9. *Recognizing further* the difficulties of Member States, particularly developing countries as well as countries with economies in transition in accessing funding for sustainable forest management; and in this regard emphasizing the need to simplify and clarify relevant procedures and improve access to these funds,

PP10. *Recognizing* the need to raise the level of priority given to the forest sector by all Member States,

PP11. *Stressing* the importance of creating effective enabling conditions for investments, including private investments, in sustainable forest management, and emphasizing the need to support efforts of countries in this regard,

PP12. *Recognizing* the efforts that have been made by the international community, national Governments, the private sector and other relevant stakeholders to generate new and additional resources to address major socio-economic and environmental challenges in recent years, including for sustainable forest management, and the need to further enhance these efforts,

PP13. *Underscoring* the negative impacts of the current financial and economic crisis on forests and people's livelihoods, and further emphasizing that financing for effective implementation of sustainable forest management, from all sources, is a key aspect of building resilience in many countries, in particular developing countries,

PP14. *Reaffirming* that each country has primary responsibility for its own development and that the role of national policies and development strategies cannot be overemphasized for the achievement of sustainable forest management, and recognizing that national efforts should be complemented by supportive global programmes, measures and policies aimed at expanding the development opportunities of developing countries as well as countries with economies in transition, while taking into account national conditions and ensuring respect for national ownership, strategies and sovereignty,

PP15. *Recognizing* the importance of enhancing the quality of aid and increase its impact, including the Paris Declaration on Aid Effectiveness, **(General Assembly resolution 60/188, para. 5 (d))**

PP16. *Emphasizing* that implementation of sustainable forest management is critically dependent upon good governance at all levels,

PP17. *Emphasizing also* that the United Nations Forum on Forests, as the global forum to address sustainable forest management policy issues, is in a unique position to strengthen coherence, cooperation and coordination in policy development related to forests and financing for sustainable forest management,

PP18. *Recognizing the important role of the Collaborative Partnership on Forests in supporting the implementation of the non-legally binding instrument,*

PP19. [(Facilitator) *Recognizing also* the need to consider the creation of a voluntary global forest fund in order to promote sustainable forest management, implement the non-legally binding instrument on all types of forests and achieve the four global objectives on forests, and emphasizing the need to take a step-wise approach in addressing this issue,] **(Merge of original para. 14 of the Chair's text and para. 14 alt of the Group of 77 text)** (Facilitator will revisit at the end of the review of ops)

14. *(United States of America) Emphasizing* the need to take a step-wise approach in addressing the issue of financing sustainable forest management;

[14 alt (Group of 77 and China) Recognizing the need for the creation of a global forest fund in order to promote sustainable forest management, implement the

non-legally binding instrument in all types of forests, allow the transfer of environmentally sound technologies, promote capacity-building for human resources, including for forest dependent communities for sustainable forest management, and encourage forest research as a scientific tool for developing countries,]

1. [Agrees]/[(Japan) **Shares the view**] that the main objective of [(Japan, Switzerland, Australia) **financing**] sustainable forest management [(Japan, Switzerland, Australia) financial architecture] is to support the implementation of sustainable forest management, the achievement of the global objectives on forests and the implementation of the non-legally binding instrument on all types of forests;

(Group of 77 and China move to another place in the operative paragraphs: “in addition to simplifying and clarifying procedures to access financial resources”)

[(Group of 77 and China) 1 bis (European Union, Switzerland, Japan, Norway, New Zealand, United States, Australia) **Stresses that the development and implementation of national financing strategies for sustainable forest management is the responsibility of countries in order to coordinate funding from different sectors and sources, bearing in mind that such strategies would significantly contribute to strengthening the implementation of national forest programmes and to an effective and coordinated approach when addressing the aggregated impacts of climate change, deforestation and forest degradation, including desertification and biodiversity loss on forest ecosystems;**]

[(Group of 77 and China) 2. alt (Switzerland) **Calls for mobilizing significantly increased, new and additional resources from all sources, based on existing and emerging innovative approaches, and also calls for increasing the effectiveness** of all existing financial resources from all sources and improving effective cooperation among existing and new [(Group of 77 and China) **financial**] initiatives and partnerships [on] /[(Japan, Group of 77 and China) **related to**] sustainable forest management, and in particular [(USA) **among the group**]/[**with those**]/[(G77+C) **among**] [of] member organizations of the Collaborative Partnership on Forests;]

2 bis *Invites* member organizations of the Collaborative Partnership on Forests to increase [(Group of 77 and China) **financial resources for sustainable forest management**] and further harmonize the collection, updating and wider dissemination to countries of information on funding mechanisms and funding sources, including through the “Sourcebook on funding” for sustainable forest management; *(European Union, Japan propose to move to another place in the operative paras.)*

[2 ter *Also invites* the member organizations of the Collaborative Partnership on Forests to improve the coordination and to streamline the mechanisms, procedures and processes of the different members of the Partnership as well as make them more accessible and understandable to Member States and other relevant stakeholders;] *(European Union, Japan propose to move to another place in the OPs)(Group of 77 and China would like to consider under facilitative process)*

[(Switzerland) 3. **Stresses** the need for [(Group of 77 and China) **reversing the declining trend of official development assistance**] [(Group of 77 and China) increased] [(Japan) **official development assistance**]/(Japan) **financial resources**

from all sources targeted and dedicated to][[Group of 77 and China) and providing new and additional financial resources] [(EU) targeted at and dedicated] to sustainable forest management] [(EU) in particular in order to improve the enabling environment for private sector investments.] [(Group of 77 and China) with fair and equitable distribution], [(European Union) in particular in light of various recent pledges made to the international financial institutions and multilateral development banks];] *(European Union suggests to move this para. to the preamble)*

3. *Recalls* that the fourth global objective on forests calls for reversing the decline in official development assistance for sustainable forest management and mobilizing significantly increased, new and additional financial resources from all sources for the implementation of sustainable forest management;

(Switzerland, Australia, the European Union ask to include in the operative paragraphs text on enabling environment for private sector investment)

(Group of 77 and China ask for an operative paragraph on implementing the fourth global objective on forests)

4. *Invites* relevant intergovernmental processes and institutions, [(Group of 77 and China) in particular the secretariat of the United Nations Framework Convention on Climate Change and the World Bank,] to ensure that the [final] outcome of their work related to [financing] sustainable forest management [, including on reducing emissions from deforestation and forest degradation] is consistent with the principles of sustainable forest management and reinforces the implementation of the [forest instrument]/[non-legally binding instrument] and its four global objectives on forests;

[(EU) 4 bis. *Invites the Global Environment Facility, in its new replenishment cycle, spanning 2010 to 2014, to consider programming a substantive budget for sustainable forest management, seeking to deliver multiple benefits in biodiversity conservation, combating desertification and land degradation, climate change mitigation and adaptation, and in support of the livelihoods of forest dependent people;*]

[5. *Calls* for new funding and commitments from Governments and other donors, philanthropic and private sector sources to scale up the available funding for the United Nations Forum on Forests Trust Fund and for the relevant members of the Collaborative Partnership on Forests for the start of a facilitative process;]

(Japan will revisit this para. later)

(European Union proposes to move later in the operative paragraph text)

[6. (Group of 77 and China and Australia) [(United States) *Agrees*]/(United States) [*Decides*] further to adopt this [road map]/(European Union)[facilitative process] for financing sustainable forest management consisting of [(United States) short- and medium-term measures and] concrete action to be taken by the Forum [(Switzerland) and its actors, including the Collaborative Partnership on Forests] to address financing sustainable forest management on a sustained basis;]

[(Group of 77 and China) 6 alt. (European Union, Australia) *Decides* to establish a facilitative process to catalyse the implementation of the forest instrument/non-legally binding instrument and the achievement of the global

objectives on forests, and invites countries to support the process through voluntary financial contributions, in order to:

(a) Provide advice and share best practices on policies and practices to create an enabling environment for investment in sustainable forest management;

(b) Assist countries in accessing and making effective use of existing financial resources from all sources for sustainable forest management;

(c) Stimulate the provision of new and additional financial resources from all sources for sustainable forest management;]

[(Group of 77 and China) **pre 6 bis.** (Switzerland) *Invites* developing countries to apply a coordinated approach to national development policy by showing how much sustainable forest management brings benefits to other national priorities;] (Switzerland to consider moving to preamble)

[(Group of 77 and China) **6 bis.** (Japan) *Invites* developing countries to set up and maintain a process that facilitates the coordination among relevant domestic organizations and institutions in each developing country and among relevant donors;]

[(Group of 77 and China) **6 ter.** (Norway, Switzerland, European Union) *Encourages* greater public sector investment in creating enabling conditions for sustainable forest management that yield goods and services of societal importance, through a framework of policies, incentives and regulations;]

[**6 ter alt.** (Group of 77 and China) *Emphasizes* the need for increased investment in sustainable forest management at the international level and in capacity-building for creating enabling conditions for sustainable forest management;]

7. *Emphasizes* that the facilitative process works under the guidance of the Forum;

8. *Emphasizes also* the important role of the Collaborative Partnership on Forests in implementing the forest instrument/[non-legally binding instrument] (European Union), **invites the members of the Collaborative Partnership on Forests to participate actively and to support the work of the facilitative process, and also invites relevant stakeholders to actively engage in the facilitative process;**

8 alt. (Group of 77 and China) *Recognizes* the role of the Collaborative Partnership on Forests in implementing the non-legally binding instrument;

(Group of 77 and China proposes to move to preambular)

[(European Union) 9. [*Invites*]/[(New Zealand) *Encourages*] the member organizations of the Collaborative Partnership on Forests to [(New Zealand) **continue to**] support the work of the [(Group of 77 and China) **global forest fund and the**] facilitative process;]

[10. (European Union, Switzerland) [(Japan) *Agrees* to [[**allocate**]]/(Group of 77 and China) [**provide**]] [(Japan) **Shares the view that creating enabling conditions is essential in order to mobilize**] new, additional [(Senegal) **and predictable**] financing [(Group of 77 and China), **particularly for developing countries for the promotion of**] [for] sustainable forest management [(Group of 77 and China) the achievement of the four global objectives on forests,] and for the implementation of

the [forest instrument]/[non-legally binding instrument] [(Group of 77 and China) **through the following:**], and in this regard emphasizes the need to establish necessary arrangements through the following [step-wise approach];]

[(Group of 77 and China) ***Taking concrete action***

[The global forest fund]/[(European Union) new global financing arrangement]

10 bis. [(United States, Australia, Republic of Korea, New Zealand, Norway)

Decides to consider the need, appropriateness and feasibility of establishing a [global forest fund]/[(European Union) new global financing arrangement] for the promotion of sustainable forest management, the achievement of the four global objectives on forests, and the implementation of the non-legally binding instrument based on the result of the review of [(European Union) the international arrangement on forests and the non-legally binding instrument, including the review of the performance of the facilitative process;] (Japan proposes to move this paragraph after the text of the facilitative process)

10 bis alt. (G77+C) ***Decides to establish a global forest fund for the implementation of the non-legally binding instrument and global objectives on forests following a review to be undertaken by an ad hoc expert group established with the mandate to elaborate the terms of reference of the fund by the ninth session of the United Nations Forum on Forests in 2011;***

(European Union) ***Recognizing that the arrangement for financing sustainable forest management continues to evolve and based on the review of the facilitative process decides to convene an ad hoc expert group with a mandate to consider the need, appropriateness and the feasibility of a global forest financing arrangement including the possibility of a voluntary global forest fund, for the consideration of the eleventh session of the Forum as part of the review of the effectiveness of the international arrangement on forests.***

pre 10 bis. a (Switzerland) **definition of sustainable forest management at the global level**

[(Japan, European Union, United States, Australia, Republic of Korea, New Zealand, Norway) 10 bis a. **Objective: the Fund shall aim at providing new and additional financial resources to developing countries, in order to achieve the four global objectives on forests, promote sustainable forest management and implement the non-legally binding instrument in all types of forests. The Fund shall be equally accessible to developing countries [(Switzerland) without conditionalities] and enable direct access to funding by all developing countries with all types of forests. Special needs and circumstances of high forest cover low deforestation countries, small island developing States, low forest cover countries and high forest cover countries, as well as Africa, shall be taken into account, including for access to funding;**]

[(Japan, European Union, United States, Australia, Republic of Korea, New Zealand, Norway) 10 bis b. **Resources: contributions to the Fund, including new and additional funds from all sources, including voluntary funds for promoting sustainable forest management;**]

[(Japan, European Union, United States, Australia, Republic of Korea, New Zealand, Norway) 10 bis c. Structure: in order to operationalize the Fund immediately, hosting of the Fund should take full account of keeping to a minimum its overhead costs, including a possibility of hosting it in an already existing agency that can later be elaborated;]

[(Japan, European Union, United States, Australia, Republic of Korea, New Zealand, Norway) 10 bis d. Governance: the Fund would function under the guidance of the United Nations Forum on Forests, aiming for better access to funds; the Governing Body, composed of at least three countries from each of the United Nations regional groups based on equitable, geographical distribution, [(Switzerland) and representatives of the private sector, major groups etc.] would be responsible for examining and approving project proposals submitted by developing countries; the members of the Governing Body shall be appointed by the United Nations Forum on Forests;]

[(Japan, European Union, United States, Australia, Republic of Korea, New Zealand, Norway) 10 bis e. Communication strategy: a communication strategy to engage all stakeholders and attract potential donors is essential; this strategy would be implemented by the secretariat of the United Nations Forum on Forests and the Collaborative Partnership on Forests;]

[(Japan, European Union, United States, Australia, Republic of Korea, New Zealand, Norway) 10 bis f. Funding targets: a funding target could be defined by the United Nations Forum on Forests, aimed at institutional strengthening, capacity-building and transfer of environmentally sound technology, in order to guide the efforts in mobilizing voluntary contributions for the Fund;]

[(Japan, European Union, United States, Australia, Republic of Korea, New Zealand, Norway) 10 bis g. Operational procedures: the United Nations Forum on Forests should adopt simple and transparent operational procedures for the functioning of the Governing Body in order to allow for the quick disbursement of funds from the Fund;]

[(Japan, European Union, United States, Australia, Republic of Korea, New Zealand, Norway) 10 bis h. Eligible activities and priorities: the Fund would provide grants to projects that aim at implementing the national policies and programmes and actions outlined in section V of the non-legally binding instrument;]

[(Japan, European Union, United States, Australia, Republic of Korea, New Zealand, Norway) 10 bis i. Reporting procedures: simple reporting procedures for projects that receive resources from the Fund should be established, in order to assess the efficiency of the Fund in contributing to the implementation of the four global objectives, sustainable forest management and the non-legally binding instrument;]

Facilitator's proposal

(to replace 10 bis to 10 bis i above)

Decides to establish an open-ended intergovernmental ad hoc expert group with a view to making recommendations on [(United States) the establishment of] a voluntary global forest fund [(CH, Norway, United States) **including its terms of reference**], [(Group of 77 and China) as well as other relevant dedicated financing arrangements] to mobilize resources from all sources [CH, Norway, United States) **to support the implementation of sustainable forest management** for the achievement of the global objectives on forests and the implementation of the non-legally binding instrument, taking into consideration, inter alia, the results of the Forum's review of the performance of the facilitative process, views of Member States, and other financing processes related to sustainable forest management;

Decides also that the open-ended ad hoc expert group will meet before the ninth (European Union, CH, Japan, Norway, New Zealand, Australia) **and tenth** sessions and submit (Group of 77 and China, United States) **a preliminary report during the ninth session for consideration, and submit final recommendations at the tenth session for** [its recommendations to the Forum at its [ninth]/[(European Union, CH, Japan, Norway, New Zealand, Australia) **tenth**] session for its [consideration]/[(Group of 77 and China, United States) **consideration and decision**].[(Group of 77 and China, European Union, CH, Japan, Norway, New Zealand, Australia, United States), and subject to decision by the Forum, the Group may meet before the tenth session;]

European Union and Japan/United States/Canada/Australia/ New Zealand inputs to the Group of 77 and China proposal on facilitative process

(This section originally proposed by Group of 77 and China at 8:15 p.m., 30 April 2009. The subsequent changes, including brackets and bold fonts, submitted by the European Union and Japan/United States/Canada/Australia/New Zealand at 11:30 p.m., 30 April 2009)

Decides to establish [under the guidance of the Forum] a facilitative process **working under the guidance of the Forum** to be [undertaken] **convened** by the Forum secretariat, **and invites the members of the Collaborative Partnership on Forests and relevant stakeholders, including regional organizations, to actively engage** [are invited] immediately following the eighth session of the United Nations Forum on Forests **and in the framework of the multi-year programme of work** to catalyse the implementation of the non-legally binding instrument and the achievement of the global objectives on forests in all types of forests, taking into account the special needs and circumstances of Africa, the least developed countries, the low forest cover countries, the high forest cover countries, the medium forest cover countries, the high forest cover low deforestation countries and small island developing States, **to provide advice and share best practices on policies and practices to create an enabling environment for investment in sustainable forest management; assist countries in accessing and making effective use of existing financial resources from all sources for sustainable**

forest management; and stimulate the provision of new and additional voluntary financial resources from all sources, with the following functions:

(a) Assist countries in mobilizing [Mobilize] new [,] **and** additional [and predictable] financial resources from all sources for sustainable forest management **and share examples of good practices;**

(b) Facilitate and simplify access to all sources of finance for sustainable forest management;

(b) bis. Assist countries in developing national financing strategies for sustainable forest management within the framework of national forest programmes or their equivalence [as called for in the non-legally binding instrument];

(c) Facilitate the transfer of environmentally sound technologies and capacity-building to developing countries;

(c) bis. Assist countries in improving the enabling environment, including forest law enforcement and governance for attracting public and private sector investment and philanthropic funding;

(d) Enhance coordination, **cooperation** and coherence among relevant funding sources and mechanisms to improve the implementation of the non-legally binding instrument and the achievement of the global objectives on forests at all levels **and to improve the effective and efficient use of available financial resources for its implementation;**

[(e) Support and complement the implementation and functioning of the Global Forest Fund;]

(f) Identify obstacles, gaps and opportunities to financing sustainable forest management;

Calls upon countries to support the facilitative process through new and additional **voluntary** financial contributions.

Decides that the United Nations Forum on Forests shall monitor the implementation **and performance** of the facilitative process **supported by reports prepared by the Forum secretariat in close cooperation with the members of the Collaborative Partnership on Forests and other stakeholders** [through an implementation committee composed by three countries from each of the United Nations regional groups;]

Invites **members of the Collaborative Partnership on Forests to improve dedicated information and advice services on all sources of finance for sustainable forest management;**

Also invites **members of the Collaborative Partnership on Forests to consider an organization-led initiative to support the work of the Forum in helping countries on financing for sustainable forest management;**

Invites **donors to improve their data quality and monitoring and reporting on sustainable forest management financing;**

[(Group of 77 and China) Facilitative process]

[(Group of 77 and China, European Union) 10 ter. *Decides* to establish, under the auspices of the Forum, a facilitative process to be undertaken by the Forum secretariat and the Collaborative Partnership on Forests with functions outlined below;]

[(Group of 77 and China)[(United States) Short-term step:] *Establishes* the [(United States) Forest Instrument] Facilitative Process [(United States) for [(Switzerland) sustainable]forest financing;]

[(Group of 77 and China, European Union) 11. *Decides* to establish, under the auspices of the Forum, a facilitative process [(United States) to support a portfolio approach] [(European Union and Japan) with dedicated funds]/[(Japan), building on existing initiatives and frameworks related to sustainable forest management] to catalyse the implementation of [(Switzerland) sustainable forest management,] the forest instrument and the achievement of the global objectives on forests [(Switzerland) through flexible, varied financial international and national mechanisms][(European Union), and invites countries to support the process through voluntary financial contributions];]

[11 bis. (*Previous* operative para. 7) (European Union) *Emphasizes* that the facilitative process [(Switzerland) is not a policy setting process and] works under the authority and guidance of the Forum];

[11 ter. (8 and 9 alt. (European Union) merge): *Emphasizes also* the important role of the Collaborative Partnership on Forests in implementing the forest instrument, and invites the member organizations of the Collaborative Partnership on Forests to support the work of the facilitative process;]

12. *Decides* [also to start the work of]/[(European Union) that the implementation of the facilitative process should be initiated], immediately following the eighth session of the Forum [(European Union), in the framework of the multi-year programme of work] [(United States), as voluntary funding permits];

[13. (United States, Switzerland, European Union) *Reiterates* that the process requires solid funding basis for its immediate implementation;]

[13 alt. (Japan) *Reiterates* that the process works with the effective and efficient use of available financial resources for its implementation;]

[Functions]/[(Switzerland) Actions]

14. *Decides* that the facilitative process [undertake]/[(European Union) should have] the following functions:

[(European Union) pre (a) Assist countries in developing national financing strategies for sustainable forest management within the framework of national forest programmes or their equivalents;]

(a) [Contribute to the enhancement of]/[(European Union) Enhance] coordination and coherence among relevant funding sources and mechanisms [(Group of 77 and China) at all levels] to catalyse the implementation of the [forest instrument]/[(Group of 77 and China) non-legally binding instrument] and the

achievement of the global objectives on forests [(Group of 77 and China) at all levels];

[(a) bis. (European Union) Identify ways to streamline and simplify access to existing sources of finance for sustainable forest management and share examples of good practice;]

(b) **[Identify]/[(Group of 77 and China) mobilize]/[(European Union) assist countries in identifying and accessing] new [(Group of 77 and China),][(Group of 77 and China) and] additional [(Group of 77 and China) and predictable] financial resources from all sources [(European Union) to complement the existing portfolio,] [(Group of 77 and China), and explore investment opportunities and funding [(European Union) including a portfolio approach [(United States) and the creation of targeted financial mechanisms/funds for the implementation of the forest instrument]]];**

(United States) **(b) bis. Identify the framework of policies, incentives and regulations that countries can take to mainstream forest financing within their broader development strategies, improve forest related governance and create an enabling environment for attracting private sector investment and more effectively utilizing official development assistance;**

(c) Facilitate access of [(Group of 77 and China) the] Member States [(Group of 77 and China) **with all types of forests]** to new [(Group of 77 and China),][(Group of 77 and China) and] additional [(Group of 77 and China) **and predictable]** financing [(United States) **from all sources for sustainable forest management]**, including through capacity-building, consultative meetings, dissemination of information on [(Group of 77 and China) relevant] financing and technical activities [(Group of 77 and China), and project financing analyses];

[(c) bis (Group of 77 and China) Facilitate the transfer of environmentally sound technologies and capacity-building to developing countries;]

[(d) (European Union and Group of 77 and China) Encourage the development of [(United States) **national financing]** strategies to outline short-, medium- and long-term planning for achieving sustainable forest management;]

(e) Establish systematic link to the regional processes [(Group of 77 and China) **through specific programmes]** and give due regard to the needs of groups of countries and regions with serious forest management challenges and financial constraints, for example, Africa, low forest cover countries, small island developing States [(Group of 77 and China), **least developed countries]** and high forest cover countries with low deforestation;

(e) alt. (European Union) Improve communications cooperation and coordination with relevant regional processes and entities systematically;

(e) bis. (European Union) pre (e) (Palau) Give due regard to the needs of groups of countries and regions with serious forest management challenges and financial constraints, such as Africa, low forest cover countries, small island developing States and high forest cover countries with low deforestation;

(e) ter. (European Union) Engage actively with international financing institutions, instruments, programmes and funds in order to ensure their

contributions upon request to formulating and implementing financing strategies for sustainable forest management at the national level;

(e) quater (Switzerland) *Invites* the regional processes to facilitate sustainable forest management financing in close cooperation with the members of the Collaborative Partnership on Forests with a view to responding to the needs for sustainable forest management financing of groups of countries and regions with serious forest management challenges and financial constraints, for example, Africa, low forest cover countries, small island developing States and high forest cover low deforestation countries;

[(f) (European Union and Group of 77 and China) Engage actively with other relevant processes, in particular climate change forest-related mechanisms such as the World Bank Forest Investment Programme, [(United States), with a view to enabling the Forum to provide policy advice to them];]

[(g) (Group of 77 and China) Identify, in consultation with [(European Union) representative] Member States, opportunities and obstacles to attracting or retaining financing for sustainable forest management at all levels, building as much as possible on existing research and policy work in this field;]

(h) Identify and bring key policy to the attention of the United Nations Forum on Forests to facilitate addressing systemic obstacles to financing, and provide associated policy recommendations for the consideration of the Forum;

[(i) (Group of 77 and China) Provide the basis for a substantive analysis on sustainable forest management financing to inform the decision to be made in 2015 on reviewing the effectiveness of the international arrangement on forests;]

(European Union) (i) bis. Build upon the collaborative work of the Collaborative Partnership on Forests on sustainable forest management finance to improve access to sources of finance through a dedicated service to provide information and advice services of all sources of finance;

(European Union) (i) ter. Support Member States in their efforts to introduce fiscal reforms and build the capacity of the public sector to generate and to collect revenue;

(European Union) (i) quater. Support improvements in forest law enforcement and governance and institutional, policy and tenure reforms that give the private sector, including small forest owners and communities, the confidence to invest their labour and capital in sustainable forest management;

[15. (Group of 77 and China and the United States) *Decides also* to establish a facilitative [(European Union) **process**] implementing group [**hosted**]/[(European Union) **convened**] by the secretariat of the United Nations Forum on Forests, and invites the participation of the Collaborative Partnership on Forests, and in this regard:]

15 alt. (Japan) Convenes an ad hoc expert group meeting on the implementation of the facilitative process on the margins of other forest-related meetings, and invites the participation of the Collaborative Partnership on Forests, and in this regard, to:

(a) Work closely with existing programmes that provide bilateral, regional and global [(European Union) **project**] support to individual countries, for example

the National Forest Programme Facility, the Global Environment Facility, the International Tropical Timber Organization, the Programme on Forests of the United Nations Development Programme and bilateral donors [(European Union) **as well as private sector investments and philanthropic bodies**];

(Switzerland: *move 15 (a) to after 14 (e) quater and follow with 14 (g)*) [(Switzerland) 15 (a) alt. **Invites the regional processes to work closely with existing programmes that provide bilateral, regional and global project support to individual countries, for example the National Forest Programme Facility, the Global Environment Facility, the International Tropical Timber Organization, the Programme on Forests of the United Nations Development Programme and bilateral donors;**

(b) [(United States) **Address**]/[Identify] thematic and geographic gaps and obstacles on financing sustainable forest management [(European Union), including for the implementation of the forest instrument], inter alia, for small island developing States, low forest cover countries, high forest cover low deforestation countries, least developed countries and Africa;

(c) [(EU) Analyse the absorptive capacity of the programmes of the member organizations of the Collaborative Partnership on Forests and identify their funding levels through 2015;]/[(European Union) **Identify the likely funding needs of programmes of the member organizations of the Collaborative Partnership on Forests through 2015;**

(d) [(European Union) Assist the facilitative process to] identify the key [(European Union) policy] lessons [(European Union) **for the financing of sustainable forest management as a contribution to the review of the effectiveness of the international arrangement on forests**] [(European Union) needed for the review of the effectiveness of the international arrangement on forests [(Japan and United States), including for the establishment of a dedicated global forest fund] for an informed decision by the Forum];

15 alt. (Group of 77 and China) **Decides also that the United Nations Forum on Forests shall monitor the implementation of the facilitative process;**

15 alt alt. (Switzerland) **Invites the members of the Collaborative Partnership on Forests to support the work to improve the financing of sustainable forest management through the following activities:**

(a) **Addressing thematic and geographic gaps in sustainable forest management financing in close cooperation with regional organizations;**

(b) **Envisaging the convening of any initiative led by the organizations of the Collaborative Partnership on Forests in support of the work of the Forum, especially in helping countries access and select appropriate financing resources according to their needs and absorptive capacities;**

(c) **Further updating comprehensive analysis on financing sustainable forest management gaps, obstacles, overlaps and progress for sessions of the United Nations Forum on Forests;**

(d) **Submitting to the tenth session of the United Nations Forum on Forests a thorough assessment on the importance of sustained country-based**

funding, sound market regulation, secure investment and financial flows to finance sustainable forest management;

(e) Assisting the United Nations Forum on Forests to identify the key policy lessons needed for the review of the effectiveness of the international arrangement on forests in 2015.

[(Group of 77 and China)Mid-term step:] Review of the effectiveness

(Switzerland) pre pre 16. Invites bilateral and multilateral donors to improve the coordination and coherence of various donor agencies within the donor country as well as coordinate amongst themselves with regards to the mandate and the funding of the different members of the Collaborative Partnership on Forests;

(Switzerland) Pre 16. Invites donors to improve their data quality and monitoring and reporting on sustainable forest management financing means while ensuring that financing to other sectors does not harm forests via perverse incentives;

[16. (European Union) Decides also to review the [(Group of 77 and China) initial results of the work of the facilitative process at the ninth [(Group of 77 and China) and tenth] session [(Group of 77 and China) s] of the Forum, with a view to [(United States) showing experiences of countries, investors and other stakeholders] [(Group of 77 and China) assess the functioning of the process in particular the provision of new, additional and predictable financial resources, simplifying procedures and improving access to existing financial resources] [taking further measures to improve the functioning of the process];]

17. Requests the [secretariat of the United Nations Forum on Forests]/[(European Union) Secretary-General, in cooperation with the Collaborative Partnership on Forests, to submit a report on the work of the facilitative process to the [(Group of 77 and China) ninth session of the] Forum [(Group of 77 and China) for appropriate consideration] [[to]/(European Union) at its future sessions, with a view to taking further measures to improve the functioning of the process];

[17 bis. (Group of 77 and China) Recognizes the need to make immediate arrangements for the interim operationalization of the global forest fund;]

[18. (Group of 77 and China) Requests the Collaborative Partnership on Forests, through an organization-led initiative, to submit a comprehensive analysis on financing sustainable forest management, gaps, obstacles, overlaps and progress, [(United States), including for the private sector, payments for ecosystem services and philanthropic funding sources], building on its Source Book [(United States) and the 2008 report of the advisory group on finance of the Collaborative Partnership on Forests] and taking into account the result of the work of the facilitative process, to the tenth session of the Forum;]

[19. (Group of 77 and China) Invites the Collaborative Partnership on Forests to submit to the tenth session of the United Nations Forum on Forests a thorough assessment of the importance of [(United States) and strategies for increasing and mainstreaming sustainable forest management funding within country-based development strategies and budgets, establishing an enabling policy and governance environments to attract and secure increased public and private

international financial flows for sustainable forest management, and establishing the policy and legal framework for development assistance for payments for ecosystem services.] [(United States) sustained country-based funding, sound market regulation, secure investment and financial flows for the success of short- and long-term measures to finance sustainable forest management, including on appropriate valuation of goods and services;]

[20. (Group of 77 and China) *Decides* to take into account the result of the work of the facilitative process in reviewing the effectiveness of the [(European Union) **I**nternational Arrangement on Forests in 2015, [(Japan) **and to, inter alia, further consider the necessary future arrangement for financing sustainable forest management of all types of forests.**] [(Switzerland, New Zealand, European Union and Japan) and to, inter alia, further consider the desirability of establishing a subsidiary body of the United Nations Forum on Forests to review the implementation of the forest instrument;]

[(United States, Japan, Switzerland, Australia and New Zealand) Taking concrete action (and delete annex)

[21. (Group of 77 and China) *Decides also* to [(European Union) **review the status of the sustainable forest management financial architecture in the framework of the review of the effectiveness of the international arrangement on forests in 2015 and consider further actions needed]**[(European Union) initiate a process, under the auspices of the United Nations Forum on Forests, to establish a dedicated global forest fund for the implementation of the forest instrument and global objective on forests, taking into account possible considerations contained in the annex, as a critical component of future international arrangement on forests];]

* * *

[22. (European Union) *Requests* the Forum secretariat [(United States), **in cooperation with member organizations of the Collaborative Partnership on Forests,**] to take necessary steps to implement this decision;]

23. *Calls upon* donor countries, the United Nations agencies and programmes and other relevant international organizations and convention secretariats to support the Forum secretariat [(Switzerland and Australia) **in implementing this decision]** [with additional resources, secondments, and contributions to implement this decision];

(EU may propose language used in previous decisions of the Forum for 23)

(Russian Federation requested to add countries with economies in transition whenever developing countries are mentioned)

Annex

Possible considerations for the establishment of a global forest fund

1. Objective:

The main objective should be providing new and additional financial resources to developing countries in order to advance the implementation of the forest instrument and the achievement of the four global objectives on forests as well as the achievement of sustainable forest management in all types of forests, taking into account the special needs and circumstances of high forest low deforestation countries, small island developing states, low forest cover countries and high forest cover countries, including Africa.

2. Resources and financing:

Contributions to the fund should come from all types of sources. The fund should provide grant financing to implement approved project proposals submitted by developing countries including for capacity-building and technology transfer.

3. Governance:

The fund should function under the guidance and authority of the United Nations Forum on Forests. The members of the governing body will be elected by the United Nations Forum on Forests, based on the principle of equitable geographical representation.

4. Operation of the fund:

The fund should adopt transparent and cost-efficient operational procedures, including reporting and evaluation.
