Decision on Means of Implementation for sustainable forest management

The United Nations Forum on Forests decided to complete the consideration of item 6, “Means of Implementation for sustainable forest management” at its next session, based on the bracketed draft text developed in informal consultations during the eighth session, as contained in the annex to the present decision.

Annex

Chair’s negotiating text on Finance

Working Group 2-UNFF8

[The Road Map for Financing Sustainable Forest Management/ [(G77+C) Implementation of the Non Legally Binding Instrument on All Types of Forests]/[Means of implementation for SFM]

The Forum:

PP1. Recalling General Assembly Resolution 62/98 of 2007 adopting the Non Legally Binding Instrument on All Types of Forests [“forest instrument”]/[(G77+ C)NLBI 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 resolution 60/188 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 Principle 7 of the Rio Declaration; (PP 4 of NLBI, GA resolution 62/98)

PP4. [Agreed] Recalling ECOSOC Res. 2007/40, in which ECOSOC decides 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 SFM, the achievement of the global objectives on forests and the implementation of the NLBI on all types of forests;

PP5. [Agreed] Stressing that sustainable forest management contributes extensively to the achievement of the internationally agreed development goals, including the MDGs, in particular

* As presented on Saturday, 2 May 2009, at 5:30 a.m.
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. [Agreed] Emphasizing that effective implementation of SFM 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 SIDS, as well as countries with economies in transition;

PP6 bis (G77+C) 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] financial support, technology transfer, capacity building and education, for the effective implementation of the NLBI and the achievement of the four Global Objectives on Forests for SFM;

PP7. Recognizing the insufficiency of current financing from all sources for SFM 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/ NLBI 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, LDCs, LFCCs, HFCC, HFLD, MFCCs and SIDS;

PP8. Further recognizing the need for efficient use of current and future financing for sustainable forest management;

PP9. [Agreed] Recognizing also the difficulties of Member States, particularly developing countries as well as countries with economies in transition in accessing funding for SFM; and in this regard emphasizing the need to simplify and clarify relevant procedures and improve access to these funds;

PP10. [Agreed] Recognizing the need to raise the level of priority given to the forest sector by all member States;

PP11. [Agreed] Stressing the importance of creating effective enabling conditions for investments, including private investments, in SFM, and emphasizing the need to support efforts of countries in this regard;

PP12. [Agreed] Recognizing further 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 SFM, and the need to further enhance these efforts;

PP13. [Agreed] 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 SFM, from all sources, is a key aspect of building resilience in many countries, in particular developing countries;
PP14. [Agreed] Reaffirming also 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; (Para 5d Res 60/188)

PP16. [Agreed] Emphasizing also that implementation of SFM is critically dependent upon good governance at all levels;

PP17. [Agreed] Emphasizing that the UNFF, as the global forum to address SFM policy issues, is in a unique position to strengthen coherence, cooperation and coordination in policy development related to forests and financing for SFM;

PP18. [Agreed] Recognizing the important role of the CPF in supporting the implementation of the NLBI;

[(Facilitator) PP19 Recognizing the need to consider the creation of a voluntary global forest fund in order to promote SFM, implement the NLBI in all types of forests, and to achieve the four global objectives on forests, and emphasizing the need to take a step-wise approach in addressing this issue:] (Merge of original 14 of the Chair’s text and 14 alt of G77) (Facilitator will revisit at the end of the review of Ops)

[14. (USA) Emphasizing the need to take a step-wise approach in addressing the issue of financing sustainable forest management;]

[14 alt (G77+C) Recognizing the need for the creation of a global forest fund in order to promote SFM, implement the NLBI in all types of forests, to allow the transfer of environmentally sound technologies, to promote capacity building for human resources including for forest dependent communities for SFM, and to encourage forest research as a scientific tool for developing countries.]

1. [Agreed] [(Japan) Shares the view] that the main objective of [(Japan, Switzerland, Australia) financing] SFM [(Japan, Switzerland, Australia) financial architecture] is to support the implementation of SFM, the achievement of the GOs on forests, and the implementation of the NLBI on all types of forests;

(G77+C move to another place in the OPs: “in addition to simplifying and clarifying procedures to access financial resources”)

[(G77+C) 1 bis (EU, Switzerland, Japan, Norway, NZ, USA, Australia) Stresses that the development and implementation of national financing strategies for SFM 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.]
Eighth session of the United Nations Forum on Forests

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 (G77+C financial) initiatives and partnerships (on) (Japan, G77+C related to) sustainable forest management, and in particular (USA among the group) (with those) (G77+C among) (of) the CPF member organizations;

2 bis Invites CPF member organizations to increase (G77+C financial resources for SFM) 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 SFM. (EU, Japan propose to move to another place in the OPs)

2 ter Also invites the CPF member organizations to improve the coordination and to streamline the mechanisms, procedures and processes of the different CPF members as well as make them more accessible and understandable to Member States and other relevant stakeholders. (EU, Japan propose to move to another place in the OPs) (G77+C would like to consider under facilitative process)

3. Stresses the need for (G77+C reversing the declining trend of ODA) (G77+C increased) (Japan)ODA (Japan)financial resources from all sources targeted and dedicated to) (G77+C 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.) (G77+C with fair and equitable distribution), (EU in particular in light of various recent pledges made to the international financial institutions and multilateral development banks); (EU suggests to move this para to the preamble)

[Agreed] Recalls that the fourth global objective on forests calls for reversing the decline in ODA for SFM and mobilizing significantly increased, new and additional financial resources from all sources for the implementation of SFM;

(Switzerland, Australia, EU ask to include in the OPs text on enabling environment for private sector investment) (G77+C ask for an OP on implementing the GOF 4)

4. Invites relevant intergovernmental processes and institutions, (G77+C in particular UNFCCC and the World Bank,) to ensure that the [final] outcome of their work related to [financing] SFM,[ including on reducing emissions from deforestation and forest degradation] is consistent with the principles of SFM and reinforces the implementation of the [forest instrument]/[NLBI] and its four GOs on forests;

[(EU) 4 bis Invites the GEF, in its new replenishment cycle spanning 2010 to 2014, to consider programming a substantive budget for SFM 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:]
6. (G77+C and Australia) [(USA) Agrees]/(USA) [Decides] further to adopt this [road map]/(EU)[facilitative process] for financing SFM consisting of [(USA) short and medium term measures and] concrete action to be taken by the Forum [(Switzerland) and its actors, including the CPF] to address financing SFM on a sustained basis;

[(G77+C) 6 alt (EU, Australia) Decides to establish a facilitative process to catalyze the implementation of the forest instrument/NLBI and the achievement of the GOs 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 SFM;

b. Assist countries in accessing and making effective use of existing financial resources from all sources for SFM.

c. Stimulate the provision of new and additional financial resources from all sources for SFM.]

[(G77+C) pre 6 bis (Switzerland) Invites developing countries to apply a coordinated approach to national development policy by showing how much SFM brings benefits to other national priorities.] (Switzerland to consider moving to preamble)

[(G77+C) 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.]

[(G77+C) 6 ter (Norway, Switzerland, EU) Encourage greater public sector investment in creating enabling conditions for SFM that yield goods and services of societal importance, through a framework of policies, incentives and regulations.]

[6 ter alt (G77+C) Emphasizes the need for increased investment in SFM at the international level and in capacity building for creating enabling conditions for SFM.]

[Agreed] 7. Emphasizes that the facilitative process works under the guidance of the Forum;

8. Emphasizes further the important role of the CPF in implementing the forest instrument/[NLBI] (EU) and invites the CPF members to participate actively and to support the work of the facilitative process and further invites relevant stakeholders to actively engage in the facilitative process;

8 alt. (G77+C) Recognizing the role of the CPF in implementing the NLBI;

(EU) 9. [Invites]/[(NZ) Encourages] the CPF member organizations to [(NZ) continue to] support the work of the [(G77+C) global forest fund and the] facilitative process;]
[10. (EU, Switzerland) [(Japan) Agrees also to [allocate]/ (G77+C) [provide]][(Japan) Shares the view that creating enabling conditions is essential in order to mobilize] new, additional [(Senegal) and predictable] financing [(G77+C) particularly for developing countries for the promotion of] [for] sustainable forest management [(G77+C) the achievement of the four global objectives on forests,] and for the implementation of the [forest instrument]/[NLBI] [(G77+C) through the following:], and in this regard emphasize the need to establish necessary arrangements through the following [step-wise approach];]

[(G77+C) Taking concrete action]

[The global forest fund]/[(EU) New global financing arrangement]

10 bis [(USA, Australia, Korea, NZ, Norway) Decides to consider the need, appropriateness and feasibility of establishing a [global forest fund]/[(EU) new global financing arrangement] for the promotion of SFM, the achievement of the four Global Objectives on Forests, and the implementation of the NLBI based on the result of the review of [(EU) the international arrangement on forests and the NLBI 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 NLBI 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 2011/Ninth Session of the UNFF.

(EU) Recognizing that the arrangement for financing SFM 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 11th 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 SFM at the global level

[(Japan, EU, USA, Australia Korea, NZ, 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 SFM and implement the NLBI 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 HFLDs, SIDS, LFCCs and HFCCs countries, as well as Africa, shall be taken into account, including for access to funding.]

[(Japan, EU, USA, Australia, Korea, NZ, Norway) 10 bis b Resources: contributions to the Fund, including new and additional funds from all sources, including voluntary for promoting SFM.]
Facilitator proposal (03:28 a.m, 2 May 2009)
(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 [USA: the establishment of] a voluntary global forest fund [CH, Norway, USA: including its terms of reference], [(G77+C) as well as other relevant dedicated financing arrangements] to mobilize resources from all sources [CH, Norway, USA] to support the implementation of SFM for the achievement of the GOFs and the implementation of the NLBI, 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 SFM-related financing processes;

Decides further that the open-ended ad hoc expert group will meet before the ninth (EU, CH, Japan, Norway, NZ, Australia) and tenth sessions and submit (G77+C, USA) 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]/[EU, CH, Japan, Norway, NZ, Australia] tenth] session for
its [consideration]/[(G77+C, USA) consideration and decision.][(G77+C, EU, CH, Japan, Norway, NZ, Australia, USA), and subject to decision by the Forum, the Group may meet before the tenth session.]

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**EU and JUSCANZ inputs to G77+C proposal on Facilitative Process**

(This section originally proposed by G77+C at 8:15 p.m., 30 April 2009. The subsequent changes including brackets and bold fonts submitted by the EU and JUSCANZ 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 UNFF Secretariat and invites CPF members and relevant stakeholders including regional organizations to actively engage [are invited] to immediately following UNFF-8 and in the framework of the MYPOW to catalyze the implementation of the NLBI and the achievement of the GOF in all types of forests taking into account the special needs and circumstances of Africa, LDCs, LFCCs, HFCCs, MFCCs, HFLDs and SIDS, to provide advice and share best practices on policies and practices to create an enabling environment for investment in SFM; assist countries in accessing and making effective use of existing financial resources from all sources for SFM; 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 SFM and share examples of good practice.

b. Facilitate and simplify access to all sources of finance for SFM.

b bis: **Assist countries in developing national financing strategies for SFM within the framework of NFPs or their equivalence [as called for in the NLBI].**

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 NLBI 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 SFM.**

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

Decides also that the UNFF shall monitor the implementation and performance of the
facilitative process supported by reports prepared by the UNFF Secretariat in close cooperation with the CPF members and other stakeholders [through an implementation committee composed by three countries from each of the UN regional groups.]

Invite CPF members to improve dedicated information and advice services on all sources of finance for SFM.

Invites CPF members to consider an Organization Led Initiative (OLI) to support the work of the Forum in helping countries on financing for SFM.

Invites donors to improve their data quality and monitoring and reporting on SFM financing.

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Facilitative process

[(G77+C, EU) 10 ter Decides to establish under the auspices of the Forum a facilitative process to be undertaken by the UNFF Secretariat and the CPF with functions outlined below.]

[(G77+C) [(USA) Short-term Step: Establish the [(USA) Forest Instrument] Facilitative Process [(USA) for [(Switzerland) sustainable forest financing]]

[(G77+C) [(EU) and (Japan) with dedicated funds] [(Japan) building on existing initiatives and frameworks related to SFM] to catalyze the implementation of [(Switzerland) SFM,] the forest instrument and the achievement of the global objectives on forests [(Switzerland) through flexible, varied financial international and national mechanisms] [(EU) and invites countries to support the process through voluntary financial contributions];]}

[11 bis (Previous OP 7) (EU) 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 (EU) merge): Emphasizes further the important role of the CPF in implementing the forest instrument and invites the CPF member organizations to support the work of the facilitative process;]

12. Decides [also to start the work of] [(EU) that the implementation of the facilitative process should be initiated], immediately following the eighth session of the Forum [(EU), in the framework of the MYPOW] [(USA), as voluntary funding permits];

[13. (USA, Switzerland, EU) 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 further that the facilitative process [undertake]/[(EU)should have] the following functions:

- a. [Contribute to the enhancement of]/[(EU) Enhance] coordination and coherence among relevant funding sources and mechanisms [(G77+C)at all levels] to catalyze the implementation of the [forest instrument]/[(G77+C)NLBI] and the achievement of the global objectives on forests [(G77+C)at all levels];

- [a.bis (EU) Identify ways to streamline and simplify access to existing sources of finance for SFM and share examples of good practice.]

- b. [Identify]/[(G77+C)mobilize]/[(EU)Assist countries in identifying and accessing] new [(G77+C),](G77+C) and additional [(G77+C)and predictable] financial resources from all sources [(EU) to complement the existing portfolio,] [(G77+C),] and explore investment opportunities and funding [(EU)including a portfolio approach [(USA) and the creation of targeted financial mechanisms/funds for the implementation of the forest instrument]];

- (USA) 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 ODA;

- c. facilitate access of [(GC77+C)the] Member States [(GC77+C)with all types of forests] to new [(G77+C),](G77+C) and additional [(G77+C)and predictable] financing [(USA) from all sources for SFM], including through capacity building, consultative meetings, dissemination of information on [(GC77+C)relevant] financing and technical activities[(G77+C), and project financing analyses];

- [c bis (G77+C) facilitate the transfer of environmentally sound technologies and capacity building to developing countries;]

- [d. (EU and G77+C) encourage the development of [(USA) national financing] strategies to outline short, medium and long-term planning for achieving sustainable forest management;]

- e. establish systematic link to the regional processes [(G77+C) 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 [(G77+C), LDCs] and high forest cover countries with low deforestation;

- e alt (EU) improve systematically communication, cooperation and coordination with relevant regional processes and entities

- e bis (EU) 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** (EU) 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 SFM at national level;

**e quar** (Switzerland) Invites the regional processes to facilitate SFM financing in close cooperation with the CPF members with a view to respond to the needs for SFM financing of groups of countries and regions with serious forest management challenges and financial constraints, for example, Africa, LFCCs, SIDS and HFLD.

[f. (EU and G77+C) engage actively with other relevant processes in particular climate change forest related mechanisms such as WBFIP, [(USA) with a view to enabling the Forum to provide policy advice to them];]

[g. (G77+C) identify, in consultation with [(EU)representative] Member States, opportunities and obstacles to attracting or retaining financing for SFM 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 UNFF to facilitate addressing systemic obstacles to financing, and provide associated policy recommendations for the consideration of the Forum;

[i. (G77+C) provide the basis for a substantive analysis on SFM financing to inform the decision to be made in 2015 on reviewing the effectiveness of the international arrangement on forests;]

**(EU) i. bis** Build upon the CPF collaborative work on sustainable forest management finance to improve access to source of finance through a dedicated service to provide information and advice services of all sources of finance.

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

**(EU) i. quar** 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. (G77+C and USA) Decides also to establish a facilitative [(EU)process] implementing group [hosted]/[(EU)convened] by the UNFF Secretariat, and invite the participation of the CPF, and in this regard: ]

**Alt 15.** (Japan) convene an *ad hoc* expert group meeting on the implementation of the facilitative process on the margins of other forest-related meetings and invite the participation of the CPF, and in this regard:

a. Work closely with existing programs that provide bilateral, regional and global [(EU)project] support to individual countries e.g. the NFP Facility, the GEF, ITTO, PROFOR, bilateral donors [(EU) as well as private sector investments and philanthropic bodies];
(Switzerland: move 15a to after 14 e quar and follow with 14g) [(Switzerland) 15 a alt Invites the regional processes to work closely with existing programs that provide bilateral, regional and global project support to individual countries e.g. the NFP Facility, the GEF, ITTO, PROFOR, bilateral donors;]

b. [(USA) Address]/[Identify] thematic and geographic gaps and obstacles on financing SFM [(EU) including for the implementation of the forest instrument], inter alia, for small island developing States (SIDS), Low Forest Cover Countries (LFCC), High Forest Cover Low Deforestation Countries (HFLD), LDCs and Africa;

c. [(EU) Analyze the absorptive capacity of the programmes of the CPF member organizations and identify their funding levels through 2015;]/[(EU) Identify the likely funding needs of programmes of the CPF member organizations through 2015;

d. [(EU) Assist the facilitative process to] identify the key [(EU) policy] lessons [(EU) for the financing of SFM as a contribution to the review of the effectiveness of the international arrangement on forests] [(EU) needed for the review of the effectiveness of the international arrangement on forests [(Japan and USA) including for the establishment of a dedicated global forest fund] for an informed decision by the Forum];

15 alt (G77+C) Decides also that the UNFF shall monitor the implementation of the facilitative process.

15 alt alt (Switzerland) to invite the CPF members to support the work to improve the financing of SFM through the following activities:

a. addressing thematic and geographic gaps in SFM financing in close cooperation with regional organizations;

b. envisaging the convening of a CPF organization led initiative (OLI) 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 SFM gaps, obstacles, overlaps and progress for UNFF sessions;

d. submitting to UNFF10 a thorough assessment on the importance of sustained country-based funding, sound market regulation, secure investment and financial flows to finance SFM;

e. assisting UNFF to identify the key policy lessons needed for the review of the effectiveness of the international arrangement on forests in 2015.

[(G77+C) Mid-term step: ]Review of the effectiveness

(Switzerland) pre pre 16 Invites bi- and multi-lateral 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 CPF members.
(Switzerland) Pre 16 Invites donors to improve their data quality and monitoring and reporting on SFM financing means while ensuring that financing to other sectors does not harm forests via perverse incentives.

16. (EU) Decides also to review the [(G77 +C)initial] results of the work of the facilitative process at the ninth [(G77+C)and tenth] session[(G77+C)s] of the Forum, with a view to [(USA)showing experiences of countries, investors and other stakeholders] [(G77+C) 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 [UNFFS]/[(EU)Secretary General, in cooperation with the CPF, to submit a report on the work of the facilitative process to the [(G77+C)nine session of the] Forum [(G77+C)for appropriate consideration] [[to]/(EU) at its future sessions, with a view to taking further measures to improve the functioning of the process];

17 bis (G77+C) Recognizes the need to make immediate arrangements for the interim operationalization of the global forest fund.]

18. (G77+C)Requests further the CPF through an organization-led initiative to submit a comprehensive analysis on financing SFM, gaps, obstacles, overlaps, and progress, [(USA)including for private sector, payments for ecosystem services, and philanthropic funding sources] building on its Source Book [(USA) and the 2008 Report of the CPF advisory group on finance] and taking into account the result of the work of the facilitative process, to the tenth session of the Forum;

19. (G77+C)Invites CPF to submit to the UNFF10 a thorough assessment on the importance of [(USA)and strategies for increasing and mainstreaming SFM funding within country based development strategies and budgets, establishing enabling policy and governance environments to attract and secure increased public and private international financial flows for SFM, and establishing the policy and legal framework for development assistance for payments for ecosystem services.] [(USA)sustained country-based funding, sound market regulation, secure investment and financial flows for the success of short and long terms measures to finance SFM including on appropriate valuation of goods and services;]

20. (G77+C)Decides further to take into account the result of the work of the facilitative process in reviewing the effectiveness of the [(EU) I]nternational Arrangement on Forests in 2015, [(Japan) and to inter alia further consider the necessary future arrangement for financing SFM of all types of forests.] [(Switzerland, NZ, EU and Japan) and to, inter alia, further consider the desirability of establishing a UNFF subsidiary body to review the implementation of forest instrument;]

[(USA, Japan, Switzerland, Australia and NZ) Taking concrete action (and delete annex)

21. (G77+C)Decides to [(EU) review the status of the SFM financial architecture in the framework of the review of the effectiveness of the international arrangement on forests in 2015 and consider further actions needed][[(EU)initiate a process, under the auspices of the UNFF, 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. (EU) Requests the Forum Secretariat [(USA), in cooperation with member organizations of the CPF,] to take necessary steps to implement this decision;]

23. Calls upon donor countries, the UN agencies and programmes as well as other relevant international organizations and convention secretariats to support the UNFF 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 UNFF decisions for 23)
(RF requested to add countries with economies in transition whenever developing countries are mentioned)
[ANNEX: Possible considerations for the establishment of 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 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 (HFLD), small island developing states (SIDs), low forest cover countries (LFCC) and high forest cover countries (HFCC) as well as 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 UNFF. The members of the governing body will be elected by the UNFF, 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.]