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IPF-2 HIGHLIGHTS FRIDAY, 15 MARCH 1996

Delegates completed consideration of programme element III.1(b), methodologies for proper valuation of the multiple benefits of forests during the fourth day of the second session of the Intergovernmental Panel on Forests. In the afternoon, they took up discussion of programme element I.1, progress in national forest and land-use plans.

VALUATION OF THE MULTIPLE BENEFITS OF ALL TYPES OF FORESTS

FAO stated that all forest resources should undergo valuation. The IPF should assess whether existing methodologies are sufficient and if adequate use is being made of existing valuation data. He suggested data may not be acknowledged for political reasons. The EU stated that: valuation methodologies and political issues are closely linked and called for research to clarify their relationship; a lack of scientific understanding should not be cause for inaction; and international and cross-sectoral cooperation in research efforts is vital. The G-77/CHINA stated that a full valuation of forest resources was important to strengthen international SFM, but it should be cost-effective and conducted within the scope of national plans. Methodologies should fully address social and cultural values.

The US stressed the need to adopt valuation methodologies that comport with national accounting systems. She stated that: valuation data should be a neutral tool in decision-making, not a means of advocacy; the methodologies used should depend on the type of decision being made; and valuation may exceed the CSD mandate. NORWAY said that: a proper valuation of forest resources requires cooperation from all sectors, including NGOs; the CBD's COP has indicated a willingness to assist the IPF and should be consulted; non-market goods and services deserve greater consideration in decision-making but may be difficult to quantify.

CANADA supported multiple economic and non-economic indicators. He proposed references to: an appropriate scale of valuation; the comparability of valuation activities, a standard protocol for sensitivity analysis; estimates of net present value; a protocol for valuation transfers; and the needs of developing and developed countries. JAPAN recounted a valuation example that failed for lack of support from the industrial and political communities. It revealed a gap between the general understanding of valuation and the concrete support needed for practical action. He said his statement from Thursday should have noted a contribution to FAO for ¥150 million rather than US\$150 million. MALAYSIA noted a recent cooperative project on non-marketed goods and services and said IPF may wish to elaborate on effective transfer and sharing of experiences with other developing countries.

BELARUS has halted the conversion of its forests into agricultural land and is undertaking further evaluations. He recommended a national level approach and highlighted the importance of protection for forests of strategic national interest. The PHILIPPINES noted that valuation involves increasing knowledge on the range of values, but said the report deals primarily with economic benefits. She recounted local examples of the difficulty in valuation. The REPUBLIC OF KOREA stressed the need for a cooperative framework for exchange of valuation techniques. IPF should consider cost-effectiveness as well as valuation techniques, and the diversity of economic and cultural perspectives. PAPUA NEW GUINEA said the report is academic in nature and will be difficult to apply. He highlighted the difficulties in applying valuation policies when forests are under private ownership.

The G-77/CHINA said valuation is important but should not be promoted at the expense of higher priority activities, such as development of reliable data systems. AUSTRALIA said methodologies can be determined only after considering their purpose, level of data, costs and benefits. Assigning monetary values is not always necessary. INDONESIA said it is difficult to assess social, cultural and environmental indicators. Improvement of valuation methodologies would improve environmental impact assessment. Social, cultural and religious values could be used for decisions in a restricted time frame.

The UK said IPF could set benchmarks as tools to illustrate relative forest values, especially those without obvious market value. Each country could decide how to use the measures. NEW ZEALAND called for guidelines for incorporating timber and non-timber values in national accounts and cost-effective methodologies and guidelines for valuation that note opportunity costs. ECUADOR said IPF-3 should consider criteria to incorporate the deterioration of natural resources in GDP. Without valuation methods, it is difficult to convince budgetary authorities to provide funds for forests.

MEXICO said guidelines are needed to quantify non-economic values. The total economic value of forests, recognizing international implications, should be addressed. The NETHERLANDS said valuation methods may not be capable of including non-monetary values. He noted a programme in which recreational values justified expensive planting in crowded areas and suggested considering "function endowment" that rewards roles forests fulfill.

FUNDACION NATURA DE ECUADOR, on behalf of several NGOs, stated that the report focuses on economic values to the exclusion of spiritual, cultural and other values, and that governments should ensure wider participation in defining criteria for evaluation. ARGENTINA highlighted ecological, cultural and social values, protecting biodiversity and goods and services such as food and medical products, to avoid erroneous forest policies and irreversible degradation of forests. KENYA called for wider participation in economic valuation exercises, including use of simpler and more comprehensible valuation

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methodology. TANZANIA stated that the methodologies in the report are too complex to be easily absorbed by governments and local communities and called for more training opportunities in this field. POLAND posed the question of how to transfer nonmaterial values to material ones, and noted that valuation methodology can be a vehicle for moving toward a non-consumptive society. SWITZERLAND stated that economic valuation should be complemented by an evaluation of socioeconomic and legal methods of policy implementation and asked whether there is a central point for data collection and dissemination.

INDIA noted that forest values have both tangible and intangible aspects, and that the intangibles cannot be easily monetized, leading to undervaluation. He recommended broad estimates using simple models as tools for planning, rather than developing costly models.

COLOMBIA said that: valuation should complement the decision-making process and be based on national priorities; local communities should be the subject of the process, not the object, and that their participation is key. BRAZIL stated that valuation measures should be incremental in nature and suggested that significant changes in behavior, perceptions and attitudes were required. SWEDEN stated that the best ways to achieve SFM were through increasing the resource capacities of developing countries and support for scientific research. He urged cooperation among all sectors.

The RUSSIAN FEDERATION stated that all forest benefits must be identified and evaluated. The economic, social and environmental roles must be addressed, as should contradictions between forest owners and users. FRANCE noted the need for valuation methodologies that provide data which is useful in decision-making. The role of industry and lobbying groups in decision-making should also be acknowledged. The UKRAINE stated that international cooperation is crucial in developing valuation methodologies. Economic, legal, administrative, cultural and scientific factors should be considered. All forests of significant cultural heritage should be protected against intense industrial use.

The FUNDACION PERUANA PARA LA CONSERVACION DE LA NATURALEZA stated that: the aesthetic and cultural aspects of forests must be valued; additional studies are needed to assess the global economic effects of the world's forests; and decision-making processes should recognize the value of sustaining non-renewable resources.

NATIONAL FOREST AND LAND-USE PLANS

The FAO introduced the report on progress in national forest and land-use plans (E/CN.17/IPF/1996/8). The Chair suggested that delegates indicate issues to be highlighted for the substantive discussion at IPF-3. The EU noted the various intersessional initiatives undertaken by EU members. He recognized the need for full integration of environmental issues to ensure multiple benefits, further development of approaches to participatory planning and the development of international guidelines for NFPs. CANADA noted several issues for further consideration: linking NFPs and the implementation of the Forest Principles; improving accountability through monitoring and reporting; obtaining long-term commitments to facilitate planning in the forest sector; considering the role of decentralized planning; involving major groups in planning processes; and integrating the conservation and sustainable use of biodiversity into forest sector plans.

NORWAY said the report should be more balanced on forest ownership and related plans. Implementation of UNCED requires the development of democratic strategies for NFPs and a wide spectrum of policy means. INDONESIA said ownership varies widely and proposed measures must be in accord with national legislation. TANZANIA noted actions taken following UNCED, but also noted constraints such as lack of national capacity and financial means and sectoral coordination. He described the implementation of the NFP and noted policy revisions based on agreements such as CBD.

MALAYSIA said the IPF should focus on interactions between forestry and other land-use sectors and between national

and state plans. The process should be country-driven. Constraints and donor coordination have technical as well as financial components. The US said open, participatory practices are necessary at all levels. National forest sector plans are only one tool alongside other effective approaches. He called for coordinating donor-supported planning efforts. ZIMBABWE called for details on achieving country-driven planning frameworks and asked how sectoral investment would promote multisectoral planning.

IUCN and the ASIA FOREST NETWORK called for: planning that recognizes the role of indigenous people; identifying priority areas for community involvement; and management systems responsive to local economic and environmental needs. GERMANY noted its plans to host an experts consultation on national forest and land-use plans. The meeting will concentrate on national plans, instruments and institutional mechanisms to coordinate political, socioeconomic, and environmental interventions. SWEDEN said all countries need reliable forest inventories and national analysis units. The IPF-3 discussion should explore capacity building. He noted an October workshop planned with Uganda on consensus building. UGANDA said the meanings of participation and of local communities need to be discussed. Successful experiences in one country might not translate to other communities and societies. Legal, political and field elements of sectoral integration should be described in practical steps.

The UK stated that sector planning should facilitate national discussion and underlined the importance of facilitating this among interest groups. He called for information on: tackling problems in national forest planning; participatory planning; and integrating multiple planning frameworks. NEW ZEALAND described his nation's Resource Management Act as an incentive-based approach that is output- rather than input-oriented. He noted the need to consider land-use planning and to adopt plans and policies at the highest national level. DENMARK stressed that national forest programmes should include concrete targets and timetables, and be action-oriented and participatory. He requested specific guidelines on this for discussion at IPF-3.

The PHILIPPINES emphasized that forestry planning requires participation. She echoed Finland's call for local experts. She stated that recognition of indigenous peoples' property rights in the National Forestry Action Plan will create a need to resolve conflicting land claims. The INTERNATIONAL INDIAN TREATY COUNCIL stressed conflict resolution as well, stating that land is synonymous with indigenous cultures, and that honoring land treaties must be included in panel discussions. KENYA highlighted coordination and leadership in forest planning, suggesting that the FAO could provide leadership for better coordination of proliferating plans. He noted the excessive reliance on foreign consultants.

IN THE CORRIDORS

Discussion of methodologies for proper valuation of the multiple benefits of forests prompted a plethora of reactions, from praise to confusion, over the multitude of econometric models presented in the Secretary General's report. Some delegates noted that the report was not explicit enough in suggesting practical ways to integrate theoretical economic calculations into national accounting systems for forestry and land-use planning. Others questioned the very utility of econometric models, stating that, while suitable perhaps for guiding macro-policies, such models do not describe village-level economics, where land-use decisions occur daily.

THINGS TO LOOK FOR TODAY

ISSUES FOR INITIAL CONSIDERATION: Delegates are expected to continue discussion of progress in national forest and land-use plans and then consider programme elements I.3, traditional forest related knowledge, III.2, criteria and indicators for SFM and possibly IV, trade and environment.

DRAFT REPORT OF THE SESSION: Look for sections of the draft report of IPF-2 to circulate in the afternoon.