

Summary

1. Forests belong to the most important ecosystems of the world. In 2000 it was estimated, that forests, including natural forests and forest plantations, cover 3.86 million hectares or approximately one third of the global terrestrial surface. Due to their diverse and important economic, social, and environmental services, trees and forests represent an indispensable element of human living conditions. Almost half of the world's forests were affected by human activities, artificially created by either afforestation or reforestation or through use and forest management.

2. Forest areas have remained largely unchanged in size in the temperate and northern latitudes (so-called boreal forests), but have significantly declined in the tropics. Between 1990 and 2000, the extent of the world's forests decreased by some 90 million hectares: there was an increase of 13 million hectares in developed countries as a result of afforestation measures, but a considerable net loss of more than 100 million hectares in developing nations; this means an estimate of forest cover change in natural forest in developing countries of an annual loss of 0,65 %, compared with 15.5 million hectares or 0,7 % per year over the decade 1980 - 1990. While the threat to global forests remains serious, there are strong indications that the rate of deforestation is slowing down. The analysis of the new Forest Resources Assessment 2000 by the UN Food and Agriculture Organization (FAO) shows that the global rate of net forest loss has slowed to 9 million hectares per year, a rate 20 percent lower than the global figure previously reported in 1995.

3. Forests play a central role in the conservation of the world's biological diversity. It is estimated that tropical forests provide habitat to about 50 - 90 % of all known plant and animal species. "Biodiversity hot spots" are found in mountains, notably in the tropical eastern Andes and the Atlantic forests of Brazil; other important centres can be found on tropical islands, like Mauritius, Madagascar and Jamaica. Deterioration and loss of forest ecosystems under the impact of humans have led to an hitherto unknown rate of extinction of biological diversity.

Therefore, protecting biological diversity is an essential factor in maintaining forest function.

4. Most forest losses occurred in the world's tropical regions, while in Europe, North America and the Former USSR the total forest area is slowly increasing. Forest areas of the temperate and boreal zone suffer not so much from deforestation but from changes in forest conditions. In many countries a significant percentage of trees are recorded to show over 25 % defoliation, although the causes and significance of these figures are not fully clear. Forests in the developed regions are threatened by so-called new types of forest damage, which are attributable to a multitude of influences. One central factor is air pollution, particularly in Central and Eastern Europe, where forests are coming under increasing stress from sulphur dioxide, nitrous oxides, ammonia, ozone, and acid rain.

5. The qualitative impoverishment of forests is also a severe problem in the boreal zone. Forest quality has reached alarming proportions meanwhile in the former Soviet Union, particularly in Siberia. Regions with a well developed infrastructure have been substantially overharvested. On the other hand Russia's vast areas covered by forests serve as reservoirs by storing carbon in biomass and soils, thereby helping to minimize the release of greenhouse gases. Boreal and temperate forests which are slightly increasing in area, are net carbon sinks. Thus, not only tropical forests but also forest areas of the temperate and northern zones are increasingly moving into the focus of public attention.

6. The demand for food for an increasing world population will continue to put pressure on forest lands. Further forest losses amounting to approximately 90 million hectares for agricultural land in developing countries are expected by the FAO by 2010. If deforestation should continue at its current rate world-wide, it is to be feared that the area of tropical forest will be reduced from its current 2 billion hectares to 600000 million hectares within the next 50 years. Moreover, there are predictions indicating that all tropical rainforests will be annihilated within the next few decades.

7. The dimension and manifestation as well as the direct and underlying causes for the ongoing process of deforestation are manifold, and they differ greatly from region to region. To a large extent, the ongoing decline of the world's forests is due to increasing population figures and economic growth. The effect of population and economic growth on demand for food and forest products can be illustrated by past consumption trends. Since 1960 world population almost more than dou-

bled from 3 billion to today's 6 billion; the world merchandise trade in volume rose by the factor 16 since 1950.

8. There is a complex network of connections between the population explosion and the phenomena of poverty, over-exploitation of resources, and environmental destruction. Particularly in developing countries, population growth is a powerful force inducing people to clear existing forest areas for cultivation. This tendency to re-dedicate natural forests increasingly to agriculture used to be common in Europe in former centuries, and it has been rapidly spreading in tropical regions since the middle of the 20th century. In the early '90s, it was estimated that a total area of about 4.7 billion hectares was used for agriculture world-wide, while a hundred years ago, no more than 2.5 billion hectares were used for this purpose. While the total amount of cultivated land in Europe decreased by 6 % between 1990 and 1980, it tripled in the tropical regions of Africa, and even quadrupled in Southeast Asia.

9. In order to meet the needs for wood and non-wood products of a growing population, forest areas are converted into plantations for products like oil-palm, coconut, and rubber or cash crops, such as soy beans and other feed stuffs. Almost 85 % of forest plantations are located in the Asian and Pacific regions. Particularly in Indonesia, Malaysia, and Thailand, new plantations have come to play an increasingly important role in the agricultural sector. In addition, slash-and-burn clearing accelerates the destruction of tropical forests. Used for many years in the tropics as an important process in controlling the growth of forests, slash-and-burn practices are now applied to clear forest land for export crops and to make room for settlers from overpopulated regions. These fires cause severe environmental pollution, potentially also affecting neighboring countries, as happened in Indonesia 1997-1998.

10. Wood is the predominant commercial product from forests. In many countries, particularly in the tropics and northern latitudes, forests and timber trade form an important sector of the economy, as well as representing a major source of foreign currency. The consumption of wood is steadily increasing world-wide: Within 30 years, the total amount of timber products grew from 2.2 billion m³ in 1965 to 3.27 billion m³ in 1998. About half the volume of roundwood required world-wide is produced in the United States, China, India, Brazil, and Canada. 54 % of the total amount of timber logged in 1998 was consumed for fuelwood and charcoal, while the remainder was used for industrial production, i.e. logs, sawnwood and wood-based panels. The overall pattern of production and consumption of wood products vary between developed and developing countries: In developed countries,

where 23 % of the global population live, industrial roundwood is consumed at almost three times the rate of the developing countries; developing countries, on the other hand, produce and consume ten times as much firewood as the industrialized nations.

11. Trade liberalization through the global reduction or elimination of tariffs or other non-tariff barriers with important impacts on importers and exporters has intensified the global trade in all product categories. International trade in forest products has increasingly been expanding with the growing number of countries exporting and importing various forest products. Over the past few decades, the configuration of product groups in the global timber trade has changed considerably. Industrial roundwood's share of the value of global exports steadily declined, while the share of both wood-based panels, and paper and paperboard increased. The sector of paper and paperboard now accounts for approximately 45 % of the total value of world forest product exports. From 1965 to 1995 global paper consumption more than quadrupled. These trends reflect the increasing importance of higher value forest products in global trade.

12. The global forest product market is highly regionalized with important trading blocs in Western Europe and North America. Nevertheless, there has also been increasing trade between developing countries of the Pacific Rim, which are the main exporters of raw tropical timber. However, tropical timber exports represent only a fairly small share of world's roundwood production (2 %), and only 4.4 % of the tropical wood production enters international trade. Thus, tropical timber trade cannot be considered the major cause of the ongoing decline of tropical forests world-wide.

13. The vast majority of developing country exports comes from Asia (around 75 %), which dominates the export of wood-based panels, logs, sawnwood and paper products. For some Asian countries, forest product exports are of major significance as a source of foreign exchange earning: In 1998, Indonesia and Malaysia have emerged as the dominant world exporters of tropical timber products by value (3.4 billion respectively 2.5 billion US-\$). On the other hand, a number of Asian countries have also increased their imports from outside the region. Japan alone accounted for 35 % of all tropical wood imports in 1997; developing countries with expanding economies, notably China, have also increased their share of global imports. Some developing countries like the Philippines and Thailand are even moving from being net exporters to being net importers of tropical wood products.

Although Latin American exports of all timber products, including pulp and paper, still represent only 2.8 % of the regional tropical roundwood production, they have an increasing impact on the international trade in tropical wood products, dominated by Brazil. African tropical countries play only a subordinated role in tropical timber exports, with major markets in the European Union.

14. Very likely, the next decades will be characterized by shifts in the supply and demand of tropical timber. On the one hand, the supply of some of the main exporters of tropical timber will soon be exhausted, while on the other hand, demand from developing countries will increase because of high population-growth rates and improved living standards. Since 1970, there has been a substantial increase in fuelwood consumption by 60 %, reaching almost 1.75 billion m³ in 1997. Over the 1970-1994 period, developing countries expanded their share of global consumption for fuelwood and charcoal from 84 % to 90 %. In Africa, for example, fuelwood consumption grew about 3 % per annum between 1980 and 1994 and about 2.2 % between 1994 and 1998. In the future, fuelwood, charcoal and wood energy will remain important as a traditional source of energy in developing countries; demand is expected to increase at a rate of about 1.1 % per year until 2010; then developing countries will consume eleven times more firewood as compared to the industrialized nations.

However, on the other hand, demand for industrial wood is also predicted to grow substantially at an annual rate of about 1.7 % between 1996 to 2010. Although developed countries will continue to dominate the market in absolute terms, developing countries will take an increasing share in this growth. In so far, in some developing countries tropical forests are expected to reach their capacity or even exceed it in the near future.

15. The underlying causes of forest destruction are various and differ from region to region, just as forests perform highly diverse economic, ecological, and social functions. The increasing international awareness of forest-related issues has led to a number of existing instruments on the international, regional, and local level concerning the management and protection of forests. At the moment, the international regime regulating forest-related aspects is composed by different instruments and arrangements addressing only specific sectors of the forestry issue. Some of these instruments are legally binding, like global or regional conventions; several other programmes, initiatives and concepts without any legally binding force have been launched in the past decades,

too. What is still missing is a specific international legal framework to deal with forests in their entirety.

The existing strategies concerning forest-related issues include a number of concepts and regulations with a potentially significant contribution to the sustainable development approach with its three dimensions of ecological, economic and social acceptability. In addition, the multitude of global and regional initiatives with cross-sectoral linkages to technical, social and economic aspects give guidance to policy-makers for actions in support of sustainable management, conservation and development of forests. Nevertheless, regarding the various benefits of forests on the one hand and the regional and global dimensions of the ongoing forest destruction on the other hand, the different existing instruments are not adequate to regulate the complexity of all forest sector issues.

16. In order to safeguard the role of forests in the natural regimen, as well as their socio-economic and cultural importance, further coordination and harmonization of objectives and priorities of forest policy are necessary to avoid undue fragmentation of forest issues among many initiatives. Regarding the global dimensions of the very diverse forest services - such as carbon storage, the conservation of biodiversity and genetic resources, the maintenance of a balanced hydrological cycle, soil conservation, and the preservation of natural heritage, cultural values and knowledge -, the issue of forests represents a major challenge to international cooperation. What is more, to combat world-wide deforestation and forest degradation, a closer participation of stakeholders, including local communities and indigenous peoples, timber industries, and non-governmental organizations would be useful.

17. It is one of the major disadvantages of international discussions on forest issues that the question of whether forests belong to the category of "common heritage of mankind", such as parts of the Antarctica, the deep-sea bed or the outer space, or at least to the level of "common concerns of mankind", like the conservation of biological diversity, is not yet resolved. Depending on the outcome of that debate it will have to be determined whether or not forests should be regulated by a global instrument. The international debate remains heavily burdened by these sovereignty concerns. Whereas most developing countries nowadays recognize forests as national commons within their jurisdiction and sovereignty, the above mentioned complex global or regional functions of forests are now increasingly being understood and acknowledged as well. In order to bring forward the international discussion about an effective instrument against the loss and degradation of the world's for-

ests, it will be indispensable that both developing and developed countries with large proportions of the total forest land cover are willing to give up to a certain extent, the sovereignty over their natural resources.

18. States generally have very different perspectives on what constitutes a global issue. Efforts to draft an international legal instrument on forests, which will inevitably affect the sovereign rights of states, will almost certainly trigger strong resistance, especially from the side of developing countries. This will reflect a country's readiness to treat forests as a global common as opposed to considering it sovereign domain, taking into consideration possible restrictions of use and of higher costs, i.e. due to measures of protection for forest areas. Thus, any move towards a legally binding convention will necessitate a high level of consensus among states on the question of sovereignty and - closely related - of possible financial compensation.

19. Due to a growing awareness of the global dimensions for tropical deforestation, calls for limiting or banning tropical timber imports by non-governmental organizations and consumers have arisen in many industrialized countries with strong environmental lobbies since the early '90s. These calls rely on the presumption that export trade has contributed significantly to forest degradation in the tropics. Protectionist practices have often been considered an essential strategy to overcome the pressures on the world's forests. At the same time, comprehensive consumer-led boycotts of tropical timber as well as local or sub-national government bans on the use of tropical timber, with possible negative effects on market access of (tropical) timber are controversial, because of their potential discriminatory effect and for constituting a non-tariff barrier to trade. Although the impact of bans and boycotts on the international trade of tropical timber was relatively small, these measures did focus public attention on the ongoing forest destruction in the tropics.

20. The main target of unilateral trade measures relating to forest protection has usually been set on tropical timber. However, more recently, efforts have been made to extend such restrictions to unsustainable timber extraction practices in temperate and boreal forest areas as well. Today, many consumer interests see forest certification and eco-labelling schemes, which provide a quality mark for timber and timber products from sustainably managed resources, as a means of achieving sustainable forest management. The forest certification movement has taken off rapidly through multi-stakeholder initiatives, largely in Western Europe and North America. The two main international approaches are those of the Forest Stewardship Council (FSC) and the

International Standardization Organization (ISO). But there are also regional certification initiatives, including those of the African Timber Organization (ATO) or the Pan-European Forest Certification (PEFC); major exporting countries such as Indonesia, Malaysia, Canada and the European Nordic countries are actively developing their own national certification schemes.

The World Bank/WWF Alliance for Forest Conservation and Sustainable Use has set a target of 200 million hectares to be certified by 2005, evenly divided between tropical and temperate/boreal forests. However, among the main exporters of tropical timber, interest in certification and labelling-issues is still low: it is notable that only 12 % of forests independently certified to meet the criteria of FSC (which has certified over 20 million ha world-wide) are situated in tropical regions. In this respect, it is still uncertain whether certification will significantly contribute to improve forest management in developing countries with highest rates of deforestation.

21. During the last decades, the interlinkage between trade and environment is increasingly becoming an important issue in international trade relations. Unilateral trade-measures in many developed countries, like quantitative restrictions or bans of “unsustainably produced” timber to protect the world’s (tropical) forests, are reflecting the correlation between the per capita income and the increasing environmental awareness of citizens to intensify the pressure on national governments to establish measures for the protection of the environment. The growing interest for environmental issues in societies with higher incomes is not only concentrated on the domestic environment, but increasingly tries to influence the environmental policy of foreign countries by unilateral trade measures. Whether or not being used intentionally for these purposes, such regulations may lead to trade distortion and discrimination. There is considerable debate as to whether unilateral controls under the guise of environmental protection are compatible with WTO/GATT rules.

22. In this context it can be referred to the problem of public environmental restrictions with regard to the utilization of tropical timber in government procurement and corresponding requirements for private clients. These unilateral measures have to be regarded as discriminatory and therefore as being inconsistent with Article III para. 4 GATT respectively Article III para 1 lit. a GPA (national treatment obligation) and Article I para. 1 GATT respectively Article III para. 1 lit. b GPA (most-favoured nation treatment).

The same goes for public recommendations to use only tropical timber produced in a sustainable manner; they also violate the discrimination clauses of GATT and GPA because distinguishing products on the basis of their environmental friendliness doesn't affect the likeness of products: according to the GATT-Panel practice, the discrimination articles only call for a comparison between the treatment accorded to domestic and imported like *products*, not for a comparison of the policies or practices of the country of origin with those of the country of importation.

23. According to the GATT-Panel Report concerning the second tuna-dolphin dispute between the EEC/Netherlands and the United States, the exceptions of Article XX lit. b and g GATT are also applicable to policies related to the conservation of exhaustible natural resources or living things located outside the jurisdiction of the importing country. But the panel also concluded that measures taken in order to force other countries to change their policies, could not be considered to be "necessary" for the protection of animal life or health within the meaning of Article XX lit. b GATT, and that such measures have to be made effective in conjunction with restrictions on domestic production or consumption (Article XX lit. g GATT).

Regarding public requirements concerning the restricted use of tropical timber, they are influencing the policy of the tropical exporting countries in a manner to change national forest practices and therefore do not meet the "necessity"-requirement in Article XX lit. b GATT. To be consistent with Article XX lit. g GATT, public requirements have to promote not only the sustainable forest management in tropical countries, but necessarily domestic sustainable forest practices as well.

24. From a trade law perspective, promoting the certification and labelling of (tropical) timber products may raise the question whether the distinctions drawn between unsustainably produced tropical timber and timber products from other forest regions are legitimate or are disguised trade barriers and, hence, illegal. First of all a distinction has to be made between the unilateral introduction of a mandatory and a voluntary labelling scheme: An example for a mandatory labelling scheme is the Australian legislation of 1992 ("Federal Law for the Labelling of Tropical Timber and Timber Products from Sustainable Exploitation"), which triggered vehement protests by producing countries - with the consequence that Australia dropped the mandatory labelling scheme and extended the scope of voluntary certification quality mark to timber from all types of sustainably managed forests. The Australian Labelling Law, although no formal GATT panel decision has been initi-

ated, would have been considered to be in violation of GATT obligations, being inconsistent with the most-favoured-nation clause in Article I para. 1 GATT and the national-treatment clause in Article III para. 4 GATT with no justification under Article XX lit. b and g GATT.

Today, most labelling approaches are implemented on a private basis and therefore cannot be characterized as an *act of the state* and are outside the scope of the GATT/WTO disciplines, even when they have adverse effects on trade - presupposed that the private activities in question are not effectively influenced and determined by a government. For this case, voluntary eco-labelling programmes including government involvement may avoid a potential conflict with the GATT/WTO legal system as they are open to all importers and their environmental criteria apply equally to all countries. Moreover, to be in conformity to GATT trade requirements, a voluntary international certification scheme should respect national sovereignty, be cost-effective and be based on transparent and credible internationally recognized guidelines that are compatible with the specific local conditions affecting each producer.

25. The instruments of timber labelling and market-oriented forest certification schemes still continue to be the centre of privat-sector initiatives. Forest certification systems are seen by many as tools to influence industry and trade to contribute to sustainable forest management. However, certification systems, even when they are consistent with international law in accordance with the requirements mentioned above, are no sufficient alternative to an holistic international legal instrument for the protection of all kind of forests; nevertheless, they can play an important complementary role in the ongoing international policy dialogue on forests, together with regulation, incentives and other instruments.

26. In recent years, the potential of unilateral trade measures as a tool for maintaining and promoting sustainable forest management in the producing countries was, with few exceptions, quite low. Regarding eco-labelling and certification, there is a considerable effort under way to certify forests under various independent systems in several countries, but completed exercises are still few. Certainly, FSC-endorsed certification and other international or national certification approaches will continue to increase rapidly in the next decade, intending to influence the forest policy process not only in the temperate and boreal forest regions, but also in tropical countries.

To ensure that eco-labelling and certification schemes will finally arrive, the development of appropriate international criteria and standards is

necessary. This can be seen as even more important when you look at the growing complexity and globalization of timber trade markets.

27. Despite their potential use as trade barriers and the possible negative impact on market access of (tropical) timber, unilateral trade restrictions at least act as a signal to combat the ongoing forest destruction, as long as an international agreement on global forests is still missing.

Nevertheless, regarding the diverse causes and effects of the global forest decline, unilateral trade-measures don't adequately allow for the multitude of aspects involved in protecting and utilizing all kind of forests. They constitute no effective method to protect the world's forests; therefore multilateral agreements and concepts are indispensable.

28. At the UN Conference on Environment and Development in Rio de Janeiro 1992 (UNCED), several legal instruments were adopted with direct bearing on the use and management of forests. Although a legally binding agreement on forests was not secured by the Rio-Conference, chapter 11 of the Agenda 21 recognizes the cross-sectoral nature of forests as well as their socio-economic benefits and environmental services, thereby actually representing the most detailed instrument of global forest protection. Another soft-law instrument, the so-called Forest Principles ("Non-Legally Binding Authoritative Statement of Principles for a Global Consensus on the Management, Conservation and Sustainable Development of All Types of Forests") defines a world-wide basis for the management and conservation not only of tropical but also of forests in the temperate and boreal zone. In addition to these principles, UNCED agreed on the terms of three conventions - the Framework Convention on Climate Change, the Convention on Biological Diversity and the Convention to Combat Desertification - which are relevant to, but not exclusively concerned with forests and forestry. These international environmental agreements have underlined the importance of sustainable forest management practices.

Thus, the UNCED follow-up dialogue relating to forests mainly aimed at casting the concept of sustainable development into a more concrete shape by formulating guidelines, criteria and indicators for the management, conservation, and sustainable development of all types of forests. Major intergovernmental initiatives on forestry have been launched following the Rio-Conference, including the ongoing international processes, aiming at developing criteria and indicators for sustainable forest management, covering about 85 % of the world-wide forests area at the moment.

29. Apart from the global debate on forest issues, several regional forest-related legal agreements have also been elaborated after the UN-Conference in 1992, some of them have not yet entered into force. Regional agreements, however, often tend to support the national economies of the countries involved and reaffirm the sovereign right of countries over their forest resources, allowing countries flexibility to manage their natural resources pursuant to their own environmental and development goals and policies. Although some regional treaties address specific environmental issues they alone will not be sufficient to reach the goals of conservation and sustainable use of forests without the cooperation of the international community.

30. One proposal is to regulate forest related issues under the Framework Convention on Climate Change (FCCC), emphasizing the role of forests as carbon sources and sinks, or under the Convention on Biological Diversity (CBD), aiming at the conservation of (forest-based) biological diversity. This approach would have the advantage that existing institutions like the secretariats of the conventions or the Global Environment Facility (GEF), serving as a (provisional) financial mechanism of FCCC and CBD, could be utilized. The proponents of this approach further argue with the time-consuming negotiation and implementation of a “new instrument” at great cost.

31. Many attempts have been made to establish consensus on an international instrument on forests, thus leading to the question of a proper legal framework. In this context, the option to regulate forest related issues in a protocol to the Biodiversity Convention, although not concerned with forests per se, has often been suggested. Like the FCCC, the CBD is a framework convention that may be complemented by protocols to further develop the international law applying to forests. Indeed, with a view to the acceleration of the decline of global forests, the negotiation of a protocol to the CBD would avoid both the effort and the cost of elaborating a separate forest convention, including the establishment of another secretariat. A protocol could build on internationally-agreed objectives and a basic institutional framework of the Biodiversity Convention.

32. However, the CBD has only the potential to cover particular aspects of sustainable forest management. As mentioned above, the CBD aims at the conservation of biological diversity (as forests are the primary habitat for animals and plants), the sustainable use of its components and the fair and equitable distribution of the benefits derived from using genetic resources. Apart from these main objectives, the CBD does not necessarily reflect for instance the role of forests in preserving cli-

mate or the issue of international timber trade. A protocol to the CBD could therefore not cover the entirety of factors that require international forest regulation.

33. The same would apply to a protocol to the FCCC on forests. It would primarily be concerned with the ecological role of forests as a carbon sink. It might be effective in regulating biomass and carbon issues, but it would not cover many other regional and global forest services in different climate regions. After all, forest specific issues still play a secondary role in the FCCC, even if the Kyoto-Protocol, adopted at the third Conference of the Parties in 1997, now contains provisions for developed countries to take into account afforestation, reforestation, and deforestation and other agreed land use, land-use change, and forestry activities (LULUCF) in meeting their commitments of reducing greenhouse gas emissions between 2008 and 2012. Thus, the carbon sequestration potential of trees is recognized. However, the Protocol is still awaiting ratification by most countries and many of the rules that make that protocol operational, are still lacking. Many details of how carbon emissions from sources and removals by sinks from forestry activities can be calculated or verified remain unclear and have to be clarified. Finally, at COP-6 held in Bonn in July 2000, negotiators could achieve an agreement on operational details for commitments on reducing emissions of greenhouse gases under the Kyoto-Protocol, with issues relating to LULUCF turning out to be a particular sticking point.

34. In order to avoid fragmentation of forest issues among many initiatives, a legally-binding global forest convention would fulfill various forest-related commitments under a holistic framework.

Looking at the history of attempts to negotiate an international convention of forests, major intergovernmental initiatives have been launched following UNCED in 1992, including the work of the Intergovernmental Panel on Forests (IPF). IPF completed its work in 1997; various matters, however, were left pending, including the question of a legal instrument to protect the world's forests. Therefore, the UN General Assembly at its special session in June 1997 (UNGASS), reviewing progress made in implementing Agenda 21, decided to continue the intergovernmental policy dialogue on forests through the establishment of the ad hoc open-ended Intergovernmental Forum on Forests (IFF) under the aegis of the Commission on Sustainable Development (CSD). After four sessions, the IFF issued its final report in 2000; because of divergent views among countries, a general agreement on the need for a global legally binding instrument on forests remained elusive. Never-

theless, as a result of the IFF's deliberations and proposals, a new UN Forum on Forests, established in October 2000 by the UN Economic and Social Council (ECOSOC), is now considering the parameters of a mandate for developing a legal framework on all types of forests, including financial provisions, within five years. In so far, the discussion about a legal framework of forests will continue.

35. The different positions of states, NGOs, and the private forest sector towards a global forest protection concept have been partly changed considerably over the last ten years. At the Rio Conference in 1992, the goal of industrialized nations, which was to start negotiations on a legally binding forest convention, or at least to agree on a convention mandate, could not be accomplished because of the irreconcilable differences between developed and developing countries. While the results of the Rio Conference were largely influenced by the North-South conflict, five years later, at UNGASS, neither the industrialized nations nor the developing countries formed any homogenous group. Instead, the participating nations formed coalitions which shifted with every single issue so as to promote the interests of a particular nation or state group.

36. In the area of conflict between sovereign rights over natural resources and global requirements for protecting the environment, support for a global forest convention will depend on a sufficient political will for such a legally binding treaty; the central question in this context is whether sovereign states will voluntarily decide to cooperate in the management of regional and global forest problems. Additionally, public awareness, mainly in the tropical countries, has to be raised for the necessity and urgency of taking immediate and concrete steps towards the sustainable use of the world's forests, as they provide not only economic, but also a range of social and environmental benefits and therefore are serving as a basis for human life in the future.

37. A holistic global forest convention would be advantageous because of its comprehensive approach covering all major aspects related to the management, conservation, and development of all kinds of forests. Another argument in favor of a forest convention, dealing with forests in their entirety, is that it would avoid fragmentation of forest issues among many initiatives. The issues of global forest conservation would benefit from a permanent international platform which would serve not only to continue but also to strengthen cooperation in forest matters. Moreover, an international convention would elevate forest concerns to a higher rank within the UN system. Besides, more institutional or technical capacities could be mobilized and the international dialogue

on innovative funding mechanisms within the forestry sector would continue, like for example a fifth focal area of the GEF concerning forest issues.

38. Another advantage of a legally binding convention as opposed to non-legally binding options of sustainable forest management is that it would further enhance the acceptance of indispensable measures to protect the forest area in the countries concerned. Nevertheless, the effectiveness of such an undertaking would depend on the extent to which it is supportive and synergistically related to other relevant instruments. A new forest convention would necessarily need to be complementary to and harmonized with existing legal agreements, notably those covering biological diversity conservation (like the Convention on Biological Diversity and the Convention on International Trade in Endangered Species of Wild Fauna and Flora, CITES), climate change and carbon sinks (Framework Convention on Climate Change) and the protection against desertification (Convention to Combat Desertification).

39. Following the model of the UN Convention to Combat Desertification, one option for a legally binding forest convention would be a framework or constitutive instrument with special Annexes, outlining how the agreement is to be implemented by national and regional action programmes. The principal purpose of this mechanism would be to take into account the diverse underlying causes of forest destruction in different developed and developing regions of the world. Furthermore, it would recognize that the ongoing forest destruction is first and foremost based on local and regional factors, and that there are still no effective regional instruments to combat the depletion of forests. Indeed, to facilitate effective implementation of such a forest convention, it would be necessary to formulate stronger obligations in the text of the convention itself than the Desertification Convention does.

40. Regardless of which international instrument will eventually be selected to protect the world's forests, the following prerequisites will contribute to a successful progress in negotiating global forest issues:

Current efforts to develop guidelines, criteria and indicators of sustainable forest management have to be supported; in addition, the further development of participatory national forest programmes aiming at the integration of all relevant actors and institutions is necessary.

Because of the distributional interests of multi-stakeholders in the global forest debate, such as forestry industries, consumers, local communities, private property owners and indigenous peoples, interlink-

ages with trade and agricultural politics as well as with minority people's rights are essential.

The present situation calls for world-wide and well-coordinated action to preserve the global forest resources. The potential for synergy and the avoidance of overlapping or even counterproductive policies and procedures can only be explored through a careful analysis of existing international legal and non-legally binding instruments and institutions affecting forests and through close cooperation between these different processes.