

FPAC/ICFPA Thoughts on the LULUCF Informal Dialogue Process

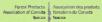
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### ICFPA: Background

Forest Products
Association of Canada foresters du Canada foeca foeca foeca

- ICFPA: Organisation of national forest and paper trade associations from over 40 countries around the world
- History of participation in UNFCCC Process and engagement on LULUCF issues
- Welcome the opportunity to exchange views with governments and other stakeholders



# Informal Dialogue Process: Observations

- > Struck by collegiality and frankness of discussions
- Openness to asking tough questions and to challenging orthodoxies
- Key agenda themes and critical issues covered

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#### Forest Preducts Association of Canada foresters du Canada foxesa fisica

## **LULUCF and Policy-Making Risks**

Two main risks to policy-making in this area:

- Policy framework fails to induce behavioural changes "on the ground"
- Policy does change behaviour but in unforeseen ways LULUCF carries enormous scope for unintended consequences (ie potential to change relative prices of substitute products)

Policy decisions not always necessary to change behaviour -- uncertainty can also have an impact



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## Policy vs Regulation

- Trade-offs and uncertainties are part of policy-making at any level
- > This is particularly true at the multilateral and global level
- Country presentations during this informal dialogue made clear tremendous diversity in national circumstances
- Distinction made between policy and regulation a useful one
- In discussions with partners on an energy and climate conference in Rome in late 2006- details to be confirmed shortly