



FPAC/ICFPA Thoughts on the LULUCF Informal Dialogue Process

April 21, 2006

ICFPA: Background

- 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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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