

STATEMENT BY THORBJØRN BERNTSEN, NORWEGIAN MINISTER OF ENVIRONMENT

**The first Conference of the Parties under the Climate Convention,
Berlin 28 March - 7 April 1995.**

Thank you Madame Minister,
Dear colleagues, Ladies and gentlemen,

Let me first take the opportunity to express my sincere gratitude to the German Government for hosting this first Conference of the Parties. Let me also applaud the wise words of the Chancellor of the Federal Republic of Germany, Dr Helmut Kohl, this morning.

Climate change is one of the most profound challenges facing humanity, and sustainable development is the only viable answer. It means that we must aim at nothing less than a shift in the overall direction of the world economy, including production and use of energy. It means creating a new kind of economic growth including changes in life style and consumption patterns.

Norway is acknowledging the reports of the IPCC Panel and their conclusions. In my opinion, all the Contracting Parties should now have enough scientific knowledge to act.

The main responsibility for limiting greenhouse gas emissions must lie with the industrialized countries. The OECD countries must take the lead with regard to adopting new commitments to limit and reduce their emissions. In addition, we must increase economic and technical assistance to the developing countries.

It is the view of the Norwegian Government that the present commitments are inadequate to meet the long term objective of the Climate Convention. The priority task here in Berlin should therefore be to launch a process for negotiations with the aim of strengthening the Convention, by the adoption of specific and binding commitments through a protocol. Given the likely future emission trends in developed as well as developing countries, the protocol must be global in scope, having in mind the principle of common but differentiated responsibilities.

For the OECD countries, Norway advocates an approach whereby emission commitments are determined for these countries as a group. Mechanisms for their implementation should be developed, based on cost-effectiveness and criteria for equitable burdensharing between the countries.

Norway is of course prepared to take her share in fulfilling such commitments. In our view, the great merit of a flexible policy based on equitable burdensharing is that it will enable us to agree on more ambitious commitments than would otherwise be possible.

Norway has already implemented considerable measures and is planning new measures, in order to limit emissions of greenhouse gases both in Norway and abroad. I would like to mention some of them:

Our level of carbon taxes is already one of the highest in the world, and they cover 60% of the CO₂ emissions. The experiences so far are promising. Growth in emissions have been limited. By a careful design of the tax the effects on the competitiveness of the industries have been modest. The Government is now considering to extend the tax base to cover a greater part of our CO₂ emissions. A Green Commission is working on a system aiming at further shifting the relative tax burden away from labour and capital towards environmental taxes.

However, for a small and open economy like the Norwegian there is a limit to how far we can go alone in use of economic instruments. Thus international cooperation is essential, and we will have to explore how economies can become both more efficient and more environmentally benign by use of taxes. Unfortunately we still see examples of environmentally harmful taxation. A clear example of this is when national coal production is subsidized while imported natural gas is subjected to taxes and duties.

Norway will also improve its efforts in energy conservation. We are also considering ways and means to increase the use of gas in the transport sector.

Internationally, we will continue to participate in Joint Implementation pilot projects with other countries. To this end, Norway, in cooperation with the Global Environmental Facility, Poland and Mexico, is currently implementing two projects. Our contribution to these projects is additional to our official development assistance allocations and also to our contribution to the GEF. The projects illustrate how joint implementation may provide developing countries, and economies in transition, with access to new and additional financial resources and environmentally benign technology. We are presently considering new pilot projects.

When more generally applied, and in a longer time perspective, Norway feels confident that joint implementation will be a cost-effective instrument essential to achieve the ultimate objective of the Convention.

Madame Minister, dear colleagues,

We, as political leaders, must not fall behind in responding to the challenge in front of us. We now see that steps are taken by the business community, for instance in the banking and insurance branches, setting premiums for the risk of climate change. Should Governments and society in general take the risk not to act? We have the knowledge, we know the risks and we must start to act now.

Thank you Madame Minister.