

**Speech delivered by Dr. Agnes Franco,
Vice-Minister of Industry of Peru**

**Mr. President,
Ministers of State,
Chiefs of Delegation,
Ladies and Gentlemen,**

Please allow me to offer my sincere congratulations on your appointment as President of this historic conference which we hope will bring very positive results within the next few hours.

Thanks to the combined efforts deployed by our people and our government, Peru is now a nation that has recovered peace and stability and established the necessary climate for growth and development toward modernity. In fact, in the last seven years, Peru has managed to recover from political turmoil, overcome a serious economic crisis, and gain back the support and trust of the international community.

Mr. President

My delegation is convinced of the urgent need for humanity to reach an international agreement in Kyoto on the effective reduction of the emission of greenhouse

gases from industrialized nations. What is at stake here and now is the safety and survival of future generations.

The task ahead is enormous. The legally binding instrument that we are trying to devise through negotiation must represent the start of a significant reduction of emissions. As pointed out by the Intergovernmental Panel on Climate Change, the worldwide level of greenhouse gas emissions should not exceed 50% of the levels of 1990 to insure that climate change do not trigger harmful consequences of catastrophic dimensions for humanity. Industrialized nations must take on the role of leaders since they are responsible for the production and consumption patterns that have had a negative impact on the climate and on the world economy.

Despite the fact that our country has never been a significant generator of greenhouse gas emissions, our government is keenly aware of the problem and has taken steps to determine how to most effectively reduce emissions. Our efforts are also guided by the belief that the measures we implement should not in any way interfere with the growth of our country's economy nor the wellbeing of the population.

Yet, it is important to stress that our national endeavors must be accompanied by concrete actions to be carried out by industrialized nations within the framework of international cooperation, especially in the area of new and additional financial resources and transfer of clean technology.

Thus, my country firmly believes that the significance of the Protocol of Kyoto depends primarily on the formulation of an agreement regarding the gas emission reduction objectives of nations listed in Annex 1. This agreement should, as matter of principle, include the following considerations:

1. The establishment of a clean development mechanism that allows for the execution of projects aimed at limiting the growth of greenhouse gas emissions in developing countries through clean technologies in sectors related to the production and consumption of energy. The advantages of this mechanism over the pilot phase approach to the activities implemented jointly include the grant of credits, important savings in transaction costs as well as the reduction of risks. This mechanism should also rely on effective emission monitoring and verification methodologies and the systematic cost-benefit analysis of various mitigation options.