

**STATEMENT BY THE NEW ZEALAND MINISTER FOR THE
ENVIRONMENT, HON SIMON UPTON, TO UNFCCC COP4, BUENOS
AIRES, 12 NOVEMBER 1998**

Madame President

New Zealand is very concerned to ensure that we make progress at this Conference with those matters that are important for the entry into force of the Kyoto Protocol. This Conference needs to agree, as a minimum, on a work programme that will lead to early agreement on those elements of the flexibility mechanisms that require further elaboration. This is essential for the ratification and entry into force of the Protocol. We cannot understand how any delegation could come to this Conference briefed to oppose deadlines for this work. There is a problem to be solved and there is not unlimited time available.

The mechanisms, and especially emissions trading, will enable modern economies to integrate action on climate change into their normal processes at least cost. It is important for all of us to realise that within some of the leading industrialised countries there is significant opposition to action on climate change. This is based in part on a rejection of the scientific basis for application of the precautionary principle and also on fears of excessive costs. We need to support the governments of those countries, whose participation in climate change action is absolutely vital, in their battle to convince electorates and businesses that this action is necessary, and that it can be undertaken without damage to their economies.

Agreement on the flexibility mechanisms is fundamental for this purpose. The advocacy of an artificial ceiling on emissions trading between Annex 1 countries undermines this purpose, for it would raise the cost of action. We reject completely the view that trading avoids domestic action. The blunt fact is that permits will cost

money and these costs will be borne domestically. It is those domestic costs that will drive a reduction in emissions and provide the incentive for technological innovation. The extent to which any economy might purchase permits from abroad will depend on the particularities of that economy. But it is inconceivable that any economy could avoid domestic action. And the more wasteful an economy's energy use is, the more opportunities businesses will find to reduce emissions.

Madame President, New Zealand is part of a region, the South Pacific, where most countries are small island developing states and members of AOSIS. These countries face special challenges. The surrounding ocean is of particular importance to their survival. They are very vulnerable to the effects of climate change.

New Zealand hopes, through its chairmanship of the Commission on Sustainable Development this year, to assist the world community to find ways of responding to the particular needs of these and other small island states and of the oceans which are at once a source of their wealth and a threat.

Madame President, the Conference of Parties to this Convention also has an important responsibility to the small island states. Unlike the vast majority of nations, they come to this debate with clean hands. They are victims, not perpetrators, in their predicament. We believe we must look carefully at extending the ways we can assist them.

Like them, we believe that the onus lies on Annex 1 countries to take substantial action to reduce greenhouse gas emissions. The Kyoto Protocol, once in force, will be an important step in this regard but it is not enough. The burden cannot be pushed off on to developing countries. However, like them we also realise that, in the long term, action by Annex 1 countries alone will not be enough. In due course, action must become global.

Madame President, Argentina has taken a courageous step in announcing its intention to assume commitments in the period 2008 to 2012. We believe it to be essential that we find ways to assist those countries like Argentina wishing to do more. We applaud Argentina's initiative. We hope that others will follow suit and that, eventually, we will develop the basis of global action that is essential to meet the objectives of the Convention on Climate Change.

Thank you, Madame President, and thanks to the Government of Argentina for hosting this important conference.