

The Third Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change

Statement by H.E. Mr. Guðmundur Bjarnason, Minister for the Environment of Iceland
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Mr. President, your Excellencies, distinguished delegates.

Climate change is an issue of utmost importance and it needs to be addressed as a matter of urgency. The survival of some populations and the well being of the entire human race is at stake. For Icelanders, who have a small economy, which is primarily based on the harvesting of living marine resources, potential change in ocean currents due to changes in the atmosphere could have a detrimental effect on the livelihood of the entire population.

The Berlin Mandate contains an ambitious goal and we are all aware of the difficulties in reaching it. We have gathered here in Kyoto to finalise a protocol that will create a new platform for our effort to combat climate change. We have to be creative and flexible to achieve our goal.

Iceland is committed to the implementation of the Climate Change Convention and has initiated a comprehensive programme of action. Prior to 1990 Iceland implemented an extensive investment programme to replace fossil fuels in energy production with the result that today close to 100 per cent of space heating is based on renewable sources. This effort equals some 40 per cent reduction of greenhouse gas emissions in Iceland in 1990. The electricity consumption is also supplied by renewables. Today almost all stationary energy production in Iceland is from renewable sources.

These efforts prior to 1990 have severely limited the possibilities for Iceland to further reduce the emission of greenhouse gases. Technological improvements in the transport sector would enable further significant cuts in emissions. In my country there is a growing interest in further development of utilising alternative fuels such as hydrogen in this sector, and it is my firm belief that introduction of such fuels is a major challenge in our serious endeavour. My Government would welcome further effort and cooperation on this issue through the Climate Technology Initiative.

The fisheries sector, which delivers over 70 per cent of exports of goods from Iceland, is the source of over one third of carbon dioxide emissions in my country. It is important to point out that our fisheries sector is among the most

efficient in the world and our management of this important resource is based on the principle of sustainable development.

Iceland remains committed to the negotiation of a protocol and is prepared to make further effort in the future for protecting the climate. The further harnessing of Iceland's abundant clean and renewable energy sources, in particular for energy intensive-industries, could contribute towards the global effort to limit greenhouse gas emissions. In order to achieve sustainable development renewable energy will have to play a rapidly increasing role in the world energy supply and needs to be strongly promoted.

Through the negotiations that are now coming to an end, Iceland has advocated the need to take into account differences in starting points as well as economic structure, as is clearly stated in the Berlin Mandate. Iceland's situation differs substantially from other Annex I countries. The economy is very small so even a single investment by one company can add significantly to Iceland's total emissions. Allow me to take an example. A foreign company started construction of an aluminium smelter this year. Even though the electricity is generated by renewables, emissions from the processes will add some 10-15 per cent to Iceland's total emissions. The effect of such an investment in most other Annex I countries would be negligible. This example illustrates the inherent problem in setting quantified emission limitations on very small economies. An alternative could be to apply performance indicators that set the stage for responsible climate change policies.

Finally, Mr. President, I would like to convey my Government's sincere gratitude to the Government of Japan and the people of Kyoto for their hospitality and the effort they have made to make this Conference a success. I would also like to express thanks to the Chairman of AGBM, Ambassador Estrada, the Executive Secretary, Mr. Cutajar, and the entire Secretariat staff for the important and impressive work they have done in the preparation for this session.

Thank you Mr. President.