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**(estimated to be 5:15 p.m., November 2, 1999, Bonn time)**

**Remarks Prepared for Delivery by Frank E. Loy  
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Fifth Session of the Conference of the Parties to the  
UN Framework Convention on Climate Change  
Bonn, Germany  
November 2, 1999**

It is a great honor to be here in Bonn. For over four decades, this city stood as an emblem of humanity's determination to meet the great challenge of the 20<sup>th</sup> century – the challenge of preserving and renewing human freedom. Today, we draw on that rich legacy as we rise to meet one of the premier challenges of the 21<sup>st</sup> century – the challenge of preserving and renewing the earth itself.

The backdrop to our meeting is a growing scientific consensus on the causes and consequences of climate change. Just yesterday, for example, the officials at the International Coral Reef Initiative meeting passed a resolution calling on us to work with them to address the impacts of global warming on these fragile but vital ecosystems. We welcome their commitment.

Two years ago in Kyoto we put in place the basic architecture of an international strategy to address global warming. Last year in Buenos Aires, we laid out a road map for turning Kyoto's broad concepts into working realities. Our task in Bonn is to achieve the steady, solid progress that is necessary to ensure our ultimate success.

On behalf of President Clinton and Vice President Gore, I affirm to you today that the United States is more committed than ever to meeting this profound challenge – both at home and in concert with the nations assembled here.

Over the past year, the President and Vice President have launched significant new actions to reduce our greenhouse gas emissions. The President issued new Executive Orders to dramatically improve energy efficiency within the Federal government and to promote broader use of renewable energy. He also secured record funding for the research, development, and deployment of 21<sup>st</sup> century clean energy technologies. In addition, new efforts to address climate change are underway at the state and local levels and throughout corporate America. All of these efforts are part of Stage One of the President's larger three-stage plan, which we see culminating in binding domestic emissions targets and a domestic emissions trading system. I look forward to reporting on these efforts in greater detail at the Ministers' session on this topic on Wednesday.

Beyond our robust domestic efforts, our goal is to continue working with other nations to complete the work begun in Kyoto – to construct an international regime that works, to achieve an agreement that can be ratified. Chancellor Schroeder noted the other day that countries must implement at home what they promise abroad. Let us remember also that countries must negotiate abroad what

they can ratify at home. For it would do the world little good for negotiators to reach an agreement that is ultimately rejected by our nations.

Many delegates have expressed great concern over the prospects for U.S. ratification of the Kyoto Protocol. I believe the Kyoto Protocol can be ratified by the United States – but I am realistic about what that will take.

It will take, for starters, an agreement that is cost-effective. We need to develop rules on mechanisms, sinks, and compliance that get us the most environmental gain for each available dollar, euro or yen. We need rules that promote integrity and high standards while at the same time avoiding artificial limits so that nations can meet their commitments at a reasonable and predictable cost.

Realism also demands that we have more meaningful participation on the part of key developing countries. And I will say something more about this in a moment.

If we fail to meet these conditions, the treaty will not be ratified. If we do meet these conditions, we believe it will be.

We have been urged to bring this agreement into force by 2002. The United States strongly supports entry into force at the earliest possible date. But that means we must all redouble our efforts – both at this conference and in the period between now and CoP-6.

First of all, over the next few days here in Bonn, we need a consensus on a stepped-up, more intense, more focused process to complete the work outlined in the Buenos Aires plan of action. We must have more inter-sessional work with clear guideposts for our efforts if we are to ensure a successful outcome at COP-6.

Second, we need a mandate from this Conference to develop negotiating text on a number of important issues, including the Kyoto mechanisms. This is a critical point – negotiators need to have actual text soon if they are to get the job done in a timely fashion.

And third, both here and in the months ahead, we need to foster a new, constructive dialogue about developing country efforts.

Let me congratulate Argentina on the leadership and hard work that led to today's announcement. We are very encouraged also by the commitment of Kazakhstan. By taking on an appropriate emissions target that allows them to engage in trading, nations can simultaneously reduce emissions and contribute to their economic growth.

Other developing countries have also begun making impressive progress towards “de-carbonizing” their economic growth – achieving strong economic gains while dramatically slowing the increase in their greenhouse gas emissions. They are abandoning what President Clinton has called the outdated idea of the industrial revolution – that more economic growth means more pollution. We need to build on these successes and look for market-oriented strategies that will reap rewards for developing countries that voluntarily reduce their emissions.

So in addition to ongoing discussions about the timing and nature of developing country commitments, we would like to work together on a complementary track. We would like to open a new dialogue between developed and developing countries about how to use the Kyoto process to more effectively pursue sustainable development opportunities. We need to explore at a high-level, in an appropriate forum the progress that has been made, and how developed and developing countries can cooperate to broaden and strengthen this encouraging trend.

Everyone – both north and south – would benefit from learning more about how this movement towards sustainable growth has been accomplished, and how even greater progress can be achieved.

In summary, let me reiterate that the United States is fully committed to completing the work begun at Kyoto and looks forward to addressing the critical issues of cost and developing country participation, so the treaty can be ratified. But much remains to be done. And if we fail to move forward – both in Bonn and beyond – we risk missing an important opportunity to protect our climate for generations yet to come.

The German statesman Bismarck is reported to have said that “political genius consists of hearing the distant hoof beats of history and then leaping to catch the passing horseman by the coattails as he thunders by.” Here in Bonn we can hear the hoof beats of not only history, but science as well. Let us muster the political imagination and determination, if not genius, to catch the coattails of the passing horseman, so that we may meet this great challenge and pass on a healthy, livable planet. Thank you.

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