

IV Conference of the Parties to the Framework Convention on Global Climate Change

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YOUR EXCELLENCY MADAM PRESIDENT,
MINISTERS,
MR. EXECUTIVE SECRETARY,
LADIES AND GENTLEMEN:

It is a privilege and an honor to address for the fourth time a Conference of the Parties to the United Nations Framework Convention on Climate Change, in this beautiful city of Buenos Aires.

We reached a landmark agreement last year in Kyoto, based on the conclusion that the specific commitment of Annex I Parties to stabilize their emissions at 1990 levels was not adequate.

The world cannot afford any delay in the implementation of the Kyoto Protocol and its commitments.

The progress made by the vast majority of the industrialized countries in reducing their emissions after the Rio Conference of 1992 was modest at best.

As a result, the implementation of their Kyoto targets may mean a reduction of emissions of up to one billion tons of carbon per year by 2010, with respect to what they would otherwise be. In monetary terms, this represents tens of billions of dollars.

The costs of inaction are high indeed.

Madam President,

My country has gained substantial experience in dealing with issues relevant to the issue of climate change.

Even before Rio '92, Brazil pioneered initiatives in this field, such as the fully renewable alcohol fuel program, equivalent to over 200 thousand barrels of oil per day.

Beyond that, Brazil cut over one third of oil consumption in key sectors of our economy, such as the steel, cement, paper, and petrochemical industries. On the whole, 61 percent of our energy matrix is made up of renewable sources.

Brazil is fully complying not only with its obligations under the Convention but has done much more, as is widely recognized by the international community.

In fact, both non-governmental and intergovernmental organizations such as the World Resources Institute and UNDP have publicly voiced their view that Brazil is participating meaningfully in reducing climate-altering emissions.

The Clean Development Mechanism established by the Kyoto Protocol, which originated from a Brazilian proposal for which we are very proud, will promote voluntary and meaningful participation of all developing countries towards achieving the objective of the Convention, under the principle of common but differentiated responsibilities.

Its effective implementation will open the door to substantive cooperation between Annex I and non-Annex I Parties.

The Clean Development Mechanism is thus at the core of the common interests of all Parties to the Convention.

It encourages concerted global action, by balancing the interest of industrialized nations in reducing the cost of achieving their emission reduction objectives, with the legitimate interest of developing nations to develop along a path with less greenhouse gas emissions while meeting their development needs.

The Clean Development Mechanism will induce new, mostly private investment flows, as well as support adaptation measures in countries that are particularly vulnerable to the adverse effects of climate change.

In order for the Mechanism to work satisfactorily in promoting sustainable development, it should be project-based.

However, the choice of projects should not be based exclusively on economic and financial efficiency and returns. The sustainable development objectives of the Mechanism involve, at the same time, social needs that must be addressed, so that no region of the world is excluded from the Mechanism's implementation.

Madam President,

Regardless of how important the Clean Development Mechanism may be, it is only a part of the solution. The key to the success of the whole Climate Change Convention and the Kyoto Protocol processes is the fulfillment of the commitments by Annex I countries.

Effective, demonstrable reduction measures must begin to be put into effect by Annex I countries as an essential condition for a fair sharing of the burden of climate change mitigation among all Parties to the Convention.

A strong compliance mechanism is also essential. It must contain incentives for compliance, as well as penalties for non-compliance.

It is often forgotten in the debate that non-Annex I Parties do have commitments under the Convention, even though they understandably do not include legally binding quantitative emission limitation and reduction objectives, as those of Annex I Parties.

Nevertheless, they are indeed commitments, and they are being taken seriously by non-Annex I Parties, even in the absence, so far, of financial resources and technology transfer from Annex I Parties.

In Brazil, the measures taken under Article 4.1 of the Convention range from public education and awareness programs, to major research initiatives carried out both domestically and in cooperation with countries around the world.

The positive aspects of the developments here in Buenos Aires are related to the clear decision to avoid wasting time in futile debates, and to concentrate on the major issues so that the thrust of the process is not lost.

A note of caution is in order, however, because the postponement of important decisions may impair the implementation of the Kyoto Protocol.

There are other pitfalls to be avoided:

In implementing the regulation of the Kyoto Protocol mechanisms, we should avoid the loopholes that may render it meaningless.

We should ensure that only human activities adding to sinks that already existed in pre-industrial times are considered.

We should not forget that the Convention requires Parties to be responsible for the conservation and enhancement of sinks and reservoirs.

Therefore, conservation per se should not be used as credit towards a reduction in fossil emissions.

Also, we should not be misled into believing that the Buenos Aires Conference pits the North against the South, the developed countries against the developing countries.

Brazil and other Parties in the Group of 77 and China have abundantly demonstrated that they are ready to contribute constructively to achieve the objective of the Convention in this round of negotiations.

In addition, Brazil has been working bilaterally with other Parties to help promote consensus in the negotiations.

Examples of this were Brazil's role in the negotiations leading to the inclusion of the Clean Development Mechanism in the Kyoto Protocol, the joint initiative with Germany, Singapore and South Africa and, most recently, the Ottawa Ministerial Forum on the CDM.

On the issue of mechanisms, Brazil and Canada are trying to make progress at this Conference by merging draft documents that have been produced during the negotiations, with a view to facilitating the final debates that will be taking place today and tomorrow.

Brazil attaches particular importance to the special considerations called for in Articles 4.8 and 4.9 of the Convention, including all its aspects. The fact that there may be divergent views on some issues such as the question of the impact of the response measures upon the economies of Parties that are particularly vulnerable to those measures, does not mean that the issue should be forgotten. We thus favor the continued negotiations on these two important articles of the Convention.

Brazil is taking steps domestically and it stands ready to help promote international action with a view to facilitate participation in the Clean Development Mechanism.

The last twelve months have seen an unprecedented series of extreme weather events that herald worse things to come as a result of climate change.

Let us not miss the chance the Kyoto Protocol gives us to start acting right now.

Thank you.