

Statement

by
the Federal Minister for the Environment,
Nature Conservation and Nuclear Safety

Dr. Angela Merkel

at the third session of the Conference of the Parties
to the Framework Convention on Climate Change

in Kyoto

Check against delivery!

Mr. President,
Ladies and Gentlemen,

Shortly before the Special Session of the UN General Assembly "5 Years after Rio" in New York I met with Lester Brown, the President of the renowned Worldwatch Institute. He told me that he had once tried to convince journalists from Eastern Europe of the necessity of taking a precautionary environment policy approach and mustering courage to take new steps. They were very sceptical, saying that people in their home countries were currently facing problems of quite a different kind. Lester Brown then asked them to recall the events which had led to the peaceful revolution in 1989/1990, events which had enabled these countries to cross a threshold of historic importance for them and for this century. Two years earlier anyone who had dared to forecast such changes would probably have been declared crazy.

I feel that Lester Brown was right: We must believe that we are able to cross thresholds. We managed to cross a threshold in 1992 at the Rio Conference. In 1995 at COP 1 of the Framework Convention on Climate Change in Berlin we crossed another one when we succeeded in overcoming some of the conflicting positions between North and South. We have demonstrated to the world that we - both developed and developing countries - take global warming seriously and consider it an issue of common survival. As a consequence we adopted the so-called Berlin Mandate.

Today we are facing another threshold: We have come together here in Kyoto to implement the Berlin Mandate.

Now, what are the principles which govern our political action in Germany? We are aware of the fact that economic growth and environmental protection may pursue different goals and that there may be contradictions and conflicts. But what is the point of environmental protection if it blocks all economic opportunities or economic growth? And what is the point of economic growth if it does not respect our natural resources? Wherever possible, both elements must be reconciled. In Germany we use three different instruments to do just that:

1. Incentives for private households and industry, such as reduced interest rates for loans used for thermal insulation of existing buildings, tax exemption for low consumption cars which use only 5 litres of petrol per 100 kilometres or grants for the installation of solar heating systems in private homes

2. Creativity of private companies which agree to voluntary commitments on the basis of transparent and verifiable criteria
3. Legislative measures - e.g. to improve energy efficiency for heating systems, air conditioning systems and buildings and to promote renewable energies.

Ladies and Gentlemen, I am convinced that the targets and measures we have proposed will impair our lives far less than the measures we would be forced to implement as a result of actual climate change. What is more: they are an incentive for innovation and they generate new jobs.

These are the measures we use in Germany to reach our climate protection target. The German government has decided to cut CO₂ emissions by 25% by 2005 as compared to 1990 levels. A comprehensive package of over 130 measures made it possible to achieve a reduction of more than 10% by 1996. Another 15% cut is to be achieved by the year 2005 through additional measures which the German Government adopted only a few weeks ago.

This is a vigorous domestic programme: It is both economically sound and environmentally strong.

This approach is also supported by our partners in the European Union. We feel that all developed countries should make legally binding commitments to reduce, individually or jointly, their emissions of the three most important greenhouse gases (carbon dioxide, methane and nitrous oxide) by at least 7.5% by 2005 and 15% by 2010. These targets are by no means wishful thinking. They reflect the need for urgent environment policy. They are technically and economically manageable as well as urgently required from an environment policy point of view. We also want the Protocol to cover the other three gases (HFCs, PFCs and SF₆). Specific targets for them are to be defined by COP 4. Reliable rules and methodologies must be developed before emission levels can be offset against the removal of carbon by forests.

I welcome that the large majority of developing countries supports the EU-targets. I do of course know that we, the developed countries, must take the lead. We must be at the forefront. And we can be at the forefront. While I lived in former East Germany before the peaceful revolution of 1989/1990, I admired the technological visions and the opportunities provided by technological progress in the Western

world. Later on I admired how technological visions were turned into reality and today I still believe in these possibilities. Allow me therefore to speak frankly today: I can very well understand that developing countries expect developed countries to use their technological and economic potential to take the lead and that they do not want to accept it when we make demands on others too quickly. It is up to us, the developed countries, to demonstrate that economic growth and the protection of natural resources can go together.

I thus appreciate that almost all of the other developed countries have by now submitted specific proposals - some of which are more ambitious than others. But I do not feel that these proposals are sufficient. Stabilization of greenhouse gas emissions at 1990 levels in 2012 for instance, more than 10 years after the deadline foreseen in the Convention, is unsatisfactory. How can I explain to people at home that we need to act quickly but intend to reverse the trend by allowing harmful emissions in developed countries to rise at first?

There is much talk about flexibility during these negotiations. Used reasonably, flexibility can help to meet ambitious reduction targets. In my opinion, Joint Implementation is an appropriate instrument, which through cooperation and the transfer of know-how and technology provides additional opportunities for development and an improved environment in the partner country. For this reason, we are in favour of incorporating Joint Implementation between developed countries in the Kyoto Protocol - in line with the decisions taken in Berlin on a pilot phase which is open to all countries and which will end by the year 2000 at the latest.

At the same time, however, flexibility must not open up loopholes. With regard to emissions trading, for instance, we must take a pro-active approach to ensure that emission levels will indeed fall - primarily through domestic action. We must not allow reductions from the past to be transferred. In doing so, we would agree to an actual increase in emissions.

Mr President, Ladies and Gentlemen,

The 1995 Berlin Mandate was the beginning of the process. Kyoto 1997 is not the end of this process. Kyoto must send out a convincing signal for the continuation of the path started in Rio, Berlin and Geneva. On the basis of its principles, each of our countries must be prepared to actively support a strong, realistic and ambitious agreement. Let us muster our courage to cross this threshold!