

**Remarks Prepared for Delivery by Stuart E. Eizenstat
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Thank you, Madame President. At the outset of this Conference, delegates stood in a moment of silence for the victims of Hurricane Mitch. Today, on behalf of the United States, I extend our deepest sympathy and assure our friends in Central America that they can rely on our help as they recover from this terrible tragedy.

Madame President, I also want to thank you for your tireless efforts in hosting this Conference. Without your hard work, our progress these two weeks would not have been possible. And I think I speak for all the Ministers and delegations in saying that we have been touched by the hospitality of this great city, and by its distinctive Porteno culture.

Nearly a year ago in Kyoto we forged an historic agreement. The Kyoto Protocol represents humankind's collective effort to confront the most profound environmental challenge of the 21st century -- the challenge of global warming. Climate change is a threat no nation can escape; a threat that respects no border, nor the difference between rich and poor.

In Kyoto, many of our governments showed real leadership by committing to strong, realistic action to spare future generations from this grave danger. Our goal -- a goal that will take decades to achieve -- is to stabilize atmospheric concentrations of greenhouse gases at a safe level.

In the year since Kyoto, new findings reinforced the strong scientific consensus that human activities are affecting the earth's climate. All but one month so far this year has set a record high for global temperatures, right on the heels of 1997, the warmest year on the books. And this year's El Nino -- with its raging fires, drought, and life-threatening floods -- gave us a powerful preview of the kind of extreme weather that global warming may bring.

While this past year has thrown into sharp relief the gravity of our challenge, it has also shown us that many countries are taking real action to meet that challenge.

In the United States, we are strengthening our already robust domestic efforts to address global warming. Under the leadership of President Clinton and Vice President Gore, we have increased federal investment for energy efficiency and renewable energy to \$1 billion in this year alone -- a 25 percent increase.

This new funding will accelerate actions already underway to develop automobiles with three times the fuel economy of today's models; housing that is 50 percent more energy-efficient;

a thriving bioenergy industry and much more. We have initiated aggressive efforts to reduce federal energy use. And we have launched new partnerships with industry to help boost productivity while lowering emissions.

During the coming year, President Clinton will seek further increases in federal investment to address global warming. We will launch new initiatives on federal energy procurement and transportation, begin setting new energy efficiency standards for major appliances, spur the development of clean industrial technologies, and promote the use of carbon sinks. We will also renew our efforts to restructure our electricity industry to unleash market forces to boost energy efficiency and reduce emissions. In short, there is more we can -- and will -- do at home.

Among the most important developments since Kyoto has been the growing number of leading U.S. corporations acknowledging that the threat of climate change is real. Many are now working to turn the promise of Kyoto into a reality, exploring new ways to use energy better and smarter. Some have even pledged to voluntarily reduce their emissions below the Kyoto targets. We are encouraged as well by the introduction in the U.S. Senate of bipartisan legislation to give credit to companies that achieve early greenhouse gas reductions.

Each of these steps represents real progress. Our job here, of course, is to build on this momentum.

In that spirit, I am pleased to announce that today in New York the United States will sign the Kyoto Protocol. We pledged at the conclusion of the Kyoto conference that we would sign this historic agreement. Today, we do so.

In taking this action, the United States reaffirms our commitment to work with the nations gathered here to address the challenge of climate change. And we are guided by the firm belief that signing will serve our environmental, economic and national security goals.

Kyoto is a landmark achievement, but it is a work-in-progress and key issues remain outstanding. As an original signatory to the Protocol, the United States will be able to play a stronger, more effective role in resolving these issues.

The first major set of issues concerns the Protocol's flexibility mechanisms, including international emissions trading and the Clean Development Mechanism.

These mechanisms can be the engines that drive both the cost-effective achievement of our environmental objectives and the transfer of climate-friendly technology to the developing world. To realize that promise, we must develop appropriate means for measurement, reporting and compliance and resolve liability considerations to create a system with integrity and high standards.

Our experience in the United States has proven the enormous potential of a well-designed system of emissions trading. In our fight against acid rain, emissions trading has allowed us to achieve our goals 30 per cent faster at less than half the projected cost. Far from avoiding

responsibility, trading is enabling us to fulfill our environmental responsibilities faster, and at less cost.

Done right on a global scale, emissions trading will allow the world to achieve greater greenhouse gas reductions at a faster pace and a lower cost for all Parties. At a time of global financial uncertainty, it should be clear to all that we cannot afford a system that makes the reduction of a ton of carbon more expensive than it needs to be. As Tuesday's roundtable made clear, a robust system of flexible mechanisms with clear rules -- and without arbitrary limits -- is the key to unlocking the energies and ingenuity of the private sector to meet the challenge of climate change.

The second key issue we must resolve is the meaningful participation of key developing countries in efforts to address climate change.

The United States commends Argentina for the historic announcement by President Menem yesterday that it will voluntarily take on a binding emissions target for the first commitment period of the Protocol. And we support Argentina's call for new pathways for developing countries to more actively participate in efforts to address climate change.

Many decades ago, when this region was struggling for freedom and independence, the great Argentine patriot San Martin said to the people of South America that "all the Americas are watching you and counting on the courage and honor you have habitually displayed."

San Martin's words echo down through the ages, and today, all the world is watching Argentina and is inspired by the courage and honor it has displayed at this Conference. Let us be frank: Without the meaningful participation of key developing nations, the world cannot meet the challenge of global warming no matter how much is done by industrialized countries.

That is why, absent such meaningful participation, President Clinton will not submit the Protocol to the United States Senate, whose approval is required to make it legally binding.

The United States understands that developing countries face pressing needs and their responsibilities are not identical to those of industrialized nations. For many developing countries, "meaningful participation" could mean slowing the rate of emissions increase while their economies continue to grow. As President Menem stated so eloquently, the only path to sustainable growth is clean growth.

That is why we are working with scores of countries around the world to help them along the path to sustainable development, lower emissions, and enhanced technology transfer. In the long run, the objectives of the Convention will be achieved only if countries that wish to chart their own sovereign path to lower emissions are allowed to do so.

The third critical issue before us is to ensure that the Protocol fully accounts for carbon absorbing sinks, such as forests and farmlands. Guided by science, we must ensure that we provide appropriate incentives for protecting our forests from deforestation; promoting afforestation and

reforestation; and improving forest and agricultural conservation practices.

Finally, the Kyoto architecture must rest on a solid foundation of compliance. Already, the Protocol contains numerous building blocks that promote compliance, including provisions on measurement, reporting, and in-depth reviews. To realize the Protocol's environmental objectives, these must be supplemented by additional substantive rules, procedures, and non-compliance consequences. The United States urges this Conference to set in motion an expedited process to build a compliance regime that is strong, coherent and effective.

All our nations have expended enormous effort over the past decade to address the profound challenge of global warming - from Rio de Janeiro to Berlin to Kyoto to Buenos Aires. Ultimately, solving the problem will take sustained effort by all of us over many decades. It is our duty to future generations to turn Kyoto's broad concepts into working realities. Let us recommit ourselves to this great endeavor.

Thank you very much.