



**Statement by H.E. Robert G. Aisi  
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**Check Against Delivery**

**Introduction**

Let me open by highlighting a portion of the UN Secretary General's Report, titled 'In Larger Freedom' where he notes 'the greatest environmental and developmental challenge of the 21<sup>st</sup> Century will be that of controlling and coping with climate change.'

I also refer to the Millennium Development Goals, and especially Goal #7 which refers to '*Environmental Sustainability*' – a goal noted for underpinning all of the other MDGs!

The purpose of this seminar is to facilitate open and frank dialogue amongst us all. The concern for climate change is not a matter limited to either developed countries or Developing countries – but is important to all of us.

In the spirit of these discussions, we seek to present a proposal related to tropical forests which impacts over 2.7 billion people in more than 60 developing nations.

But let me start by telling you a little about my country: Papua New Guinea is truly a global treasure – there is no other place like it on earth! But as UN Ambassador, I may be just ‘slightly’ biased!

- \* Papua New Guinea is a land of tremendous diversity. Our country has 832 living languages - not dialects, languages - more than any other country in the world. We also have tremendous biological diversity - with 750 bird species and the greatest floral richness of any island on the planet.
- \* As a Small Island Nation, our country is, like many other countries, already feeling the adverse effects of climate change, including the terrible consequences of sea level rise.

### **PNG Forests**

The island of New Guinea has the world's third largest rainforest, after Amazonia and the Congo. However, our rainforests are under pressure from deforestation.

The IPCC concluded that during the 1990's an estimated 20-25% of global annual greenhouse gas emissions came from land use and land use change – primarily from degradation of tropical forests.

In our view, this obligates countries like mine to consider our own responsibilities with regard to emissions.

### **The Kyoto Dilemma**

From our perspective, the Kyoto Protocol is flawed and is biased against rainforested developing nations.

This causes a dilemma: Kyoto does not allow developing nations that reduce deforestation emissions to get credit. Kyoto unfairly discriminates against rainforested developing nations who seek to participate within the world carbon market.

Tropical rainforest nations deserve to be treated equally. IF we reduce our deforestation, we should be compensated for these reductions, as are industrial countries. The compensation we seek is access to the world's carbon markets, but on a **fair and equitable** basis.

Access to those markets would facilitate development and alleviate poverty – especially in the rural areas where the majority of our people live and who legally own the resources, as guaranteed by our National Constitution.

### **Proposals for the Path Forward**

So the question for today remains: how do we resolve this dilemma? So we pose the following options for consideration, and to facilitate meaningful dialogue:

1. *Marrakesh*: Should we review or modify the Marrakesh Accords?
2. *Annex B*: Should developing nations with rainforests give notification under UNFCCC Article 4.2(g) – subject to more ‘appropriate’ LULUCF capping allowances?
3. *Amend*: Should we amend the KP to include tropical deforestation?

In our view, to remain effective, the Kyoto Protocol must remain dynamic. We must encourage and consider thoughtful and pro-ACTIVE amendments as we consider the future.

4. *Optional Protocol*: However, for those against amendment of Kyoto, should we develop an Optional Protocol on deforestation under the UNFCCC which is linked to and complements the Kyoto Protocol

In our view, an Optional Protocol would allow a subset of forward-looking nations, both industrial and developing, to forge a path based upon experience which would then provide a sound basis for a more inclusive and effective climate regime going into the future.

The lessons learned from such an Optional Protocol could then be incorporated within future KP commitment periods.

### **Proposals for Pathways Forward**

We seek to open dialogue on issues which may have been impediments in the past. While there are many technical issues – there are answers! So we say:

- \* *Additionality:* We believe that by establishing national deforestation baseline rates, the effectiveness of efforts to reduce deforestation can be judged quickly and accurately.

Using these baselines, we can determine, at a national level, whether deforestation has in fact been reduced from historical levels. But such baselines must underpin clear TARGETS, and not be speculative.

- \* *Leakage:* We believe that by addressing deforestation on the National level, it will be possible to capture the leakage that can occur at the level of individual projects.

- \* *Permanence:* We suggest the establishment of a carbon banking mechanism that credits early action and debits compliance failures. We also suggest leveraging the insurance markets to address traditional risks such as fire, flood, etc.

- \* *Trading:* When it comes to trading, a 'ton is a ton is a ton.' Protecting a rainforest – that was otherwise going to be destroyed – avoids emissions no less than cleaning up a dirty electric power plant. Rainforest protection credits must be fully tradable in the international emissions trading system.

## **Conclusions**

Inclosing, I must defer to the wisdom of our Seminar Co-Chairs. As H.E. Minister Jurgen Tritten stated this yesterday, the problem of climate change provides an opportunity to pursue numerous alternatives towards its mitigation. We respectfully put forth such an alternative.

Additionally, we agree with the observation of H.E. Minister Gonzales Garcia, distrust between industrialized and developing nations has indeed been an impediment. But as he also pointed out, because climate change will impact our 'common destiny,' we must heed his call to remain open to all alternatives when dealing with this serious issue!

**Furthermore**, a recent report from the **Commission of the European Communities** titled '*Winning the Battle against Global Climate Change*' recommended that 'devising incentives for developing countries to take part in international emissions reductions may ... achieve wider participation...' The Commission also determined that 'a fresh look will have to be taken at how to halt deforestation of the world's forests.'<sup>i</sup> We encourage this leadership and hope this momentum will lead to the development of meaningful mechanisms!

*Accountability*: For our part, we, as a developing nation, stand **prepared to be accountable** for our contributions toward global climate stability. And in this regard, let me again highlight the IPCC's conclusions on rainforests. Can we be responsible global citizens and NOT directly confront this issue?

*Full Participation*: Lasting climate stability cannot be achieved with over **half of the world sitting on the sidelines** and over 50% of global emissions being unregulated. For the future, emissions reductions must be a GLOBAL commitment.

What we are proposing, in effect, is simply an '*Environmentally Sustainable Developmental Finance*: Properly harnessed, the carbon emissions markets can monetize our environmental resources and capitalize our sustainable development.

## **Conclusions: Next Steps**

Papua New Guinea invites others at this Seminar to join with us in forming a "Coalition FOR Rainforest Nations – industrial and developing nations alike."

Time is short! We must act now! We cannot wait until post-2012 to begin seriously addressing this matter. An Optional Protocol may offer a meaningful way forward.

Together we can ensure that nations that begin today to reduce destruction of the world's rainforests while contributing to climate stability will get fair and just compensation - in the form of tradable emissions credits.

Rainforest nations are facing tremendous deforestation pressures. We want this squarely on the table at COP-11/ MOP-I. We need your help!

In closing, let me recall Benjamin Franklin's observation during the occasion of the signing of the United States Declaration of Independence: I quote: '**Indeed we must all hang together, or most assuredly we will all hang separately!**'

Surely this must be the case when dealing with the issues of global climate change!

THANK YOU!

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<sup>i</sup> 'Winning the Battle Against Global Climate Change', Pages 5, 8-9, Commission of European Communities 2005