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Climate Change International Developing Countries [2]

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MEMORANDUM

To: William Jefferson Clinton
President of the United States of America

From: Jan Hartke

RE: White House Reception for Small Island Heads of States

Date: June 15, 2000

As you requested this memorandum is an outline of the proposal to invite the small island Heads of State to the White House.

Why should the 42 Small Island Heads of States be invited to the White House?

Each small island state is important in its own right as a sovereign power, but, as a group, they constitute approximately one-fourth of the United Nations, representing a new geopolitical factor in international affairs.

Through a single act, you could launch a new era of cooperation and partnership with 42 islands states and write a chapter of respect and recognition for this newly emergent bloc of developing countries. Although President Bush did invite a smaller group of Pacific island leaders to a meeting in Hawaii, the small island Heads of States from around the world, the Caribbean, the Pacific, the Indian Ocean, the Mediterranean, and the Atlantic have never been invited to the White House.

In Barbados in 1994, these countries formed their own organization, the Alliance of Small Island States (AOSIS). They adopted a Programme of Action for Sustainable Development, which translates the agenda of the Earth Summit into policies appropriate for small islands. These islands and the United States share a concern for the sustainable development of resources.

One of their main concerns is climate change, especially since they are on the front-line of vulnerability. At the climate change conferences, they are always in the forefront on negotiations and calls for action. For example, in Bonn, at a joint press conference with the Climate Institute at the Fifth meeting of the Conference of the Parties (COP5) of the United Nations Framework Convention on Climate Change (UNFCCC), St. Lucia became the first nation to announce its intention to transform its energy systems to a fossil-fuel-free base to the extent

of the world. Ten other island states are in serious discussions with Counterpart International and other NGOs to help facilitate the transition to a completely renewable and energy efficient system. These countries recognize the hard reality of the threat if nothing is done. They are at risk of literally being drowned as countries, of losing their precious fresh water resources to the encroachment of salt water, of being hit by super hurricanes, and of being disproportionately hurt by the other potential consequences of global warming. These leaders realize the vital importance of U.S. leadership on climate change because they see the faces of people who will suffer and the irreplaceable resources that will be lost. These leaders give voices of authenticity to the global nature of the crisis.

Without going into detail, these small islands also share your concern for such issues as:

- The bleaching and destruction of the coral reefs, the so-called rainforests of the sea
- The degradation of coastal and marine resources
- The extinction of species and loss of biodiversity at alarming rates due to the special susceptibility of plants and animals in small island environments
- The impact of a tourism industry that is economically essential yet needs to be made environmentally sustainable and better integrated into the indigenous and traditional cultures and peoples.

What kind of an event is envisioned?

Once a decision is made to proceed, there are several ways to shape the event and make the most of it. Tony Podesta and Fred Duval are on board to help make this project a success. At present, the original proposal by Secretary Bill Richardson was to hold a DOE event on renewable energy and climate change and then hold a reception for the Heads of States at the White House with remarks by you and a photo opportunity for each of them. It has also been suggested that a deliverable could be a broad-based "Sustainable Island Initiative" signed in the East Room of the White House or the Rose Garden. To implement such a new presidential Initiative, the formation of an Interagency Task Force could be created.

When should such an event take place?

Roger Ballentine recommended that it would be helpful to schedule the event before the Conference of Parties 6 in November. The date could be coordinated with the dates around September when the Heads of State come to the United Nations.

Conclusion

Mr. President, I have spent six years dealing with the Heads of State, Ministers, and Ambassadors of these island states. The island leaders, in fact, were the ones who pointed out to me that they had never been invited to the White House. A White House event, as has been envisioned, would be symbolic, but it would also be substantive. I have heard time and again that what island leaders want, first and foremost, is respect and recognition, because once that is established, the rest will follow. An invitation from you to see these Heads of States in the White House will be an historic event, creating a new and stronger relationship between the U.S. and these 42 countries. It will inaugurate a new era of good will and inclusion, a recognition of the importance we attach to these small island states.

Enclosures:

- 1.) List of Small Island States
- 2.) Book; Small Islands, Big Issues with AOSIS Programme of Action

Alliance of Small Island States (AOSIS)

Member and Observer Profiles

American Samoa*
Antigua and Barbuda
Bahamas
Barbados
Belize
Cape Verde
Comoros
Cook Islands
Cuba
Cyprus
Dominica
**Federated States of
Micronesia**
Fiji
Grenada
Guam*
Guinea-Bissau
Guyana
Jamaica
Kiribati
Maldives
Malta

Marshall Islands
Mauritius
Nauru
Netherlands Antilles*
Niue*
Palau
Papua New Guinea
Samoa
Sao Tome & Principe
Seychelles
Singapore
Solomon Islands
St. Kitts and Nevis
St. Lucia
**St. Vincent and
the Grenadines**
Suriname
Tonga
Trinidad and Tobago
Tuvalu
U.S. Virgin Islands*
Vanuatu

***Indicates observers**

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WHAT MIGHT A DEVELOPING COUNTRY CLIMATE COMMITMENT LOOK LIKE?

BY KEVIN A. BAUMERT, RUCHI BHANDARI, AND NANCY KETE

International climate change negotiations have stalemated over the timing and nature of developing country commitments. This is both unfortunate and unnecessary. The Climate Convention itself makes clear that developing and industrialized countries have "common but differentiated" responsibilities to meet the Convention's goals. While the North has focused on common responsibilities, the South has focused on differentiated responsibilities. The purpose of this Climate Note is to examine voluntary participation by developing countries under an approach that reintegrates the two facets of the common but differentiated principle.¹

Most developing countries argue that making commitments now to reduce or limit greenhouse gas (GHG) emissions is incompatible with existing national priorities, such as economic development or improving living standards. Many believe that industrialized countries (Annex I) should make and keep the first round of commitments

under the Framework Convention on Climate Change (FCCC) and the Kyoto Protocol before asking developing countries (non-Annex I) to do more. Industrialized countries must act first, they argue, because they are more responsible for the historical buildup of GHGs in the atmosphere and have per capita emissions many times higher than those of developing countries.² Furthermore, contrary to popular perceptions, even without formal commitments, developing countries are already taking significant steps to rein in GHG emissions.³ The policies and measures behind these largely unrecognized improvements have required leadership and entailed political cost for which these countries deserve recognition.

In pressing for voluntary commitments from developing countries, the United States and other industrialized countries frequently invoke the fact that Annex I countries alone cannot achieve the ultimate objective of the climate convention—preventing dangerous interference with the cli-

KEY FINDINGS

- Modeling developing country climate commitments after industrialized country commitments poses environmental dangers, given the uncertainty of future emission levels and the international emissions trading provisions in the Kyoto Protocol.
- If a developing country is contemplating a voluntary commitment under the climate treaty, other measures such as greenhouse gas *intensity* could provide a better standard.
- A *greenhouse gas intensity indicator* is a measure of sustainable development that addresses the real climate challenge in developing countries—decoupling economic growth and emissions growth. The Clean Development Mechanism can also help address this challenge.
- The lack of accurate and comprehensive data on greenhouse gas emissions (including emissions from land-use change) impairs any discussion of developing country commitments.



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To: Roger Ballentine Fax: 202 456 1736
From: Jan Hartke Date: 6/16/00
Re: _____ Pages: 5
CC: _____
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• • • • •

Memorandum

To: Roger Ballentine
From: Jan Hartke
Date: June 16, 2000

I just spoke with Ambassador Slade, who sends his best wishes. He is enthusiastic about the prospect of the White House event finally taking place. He is hopeful that a very broad "Sustainable Island Initiative" could be signed and an Interagency Task Force set up.

He said he thought you were right, that it would be best to do the event before COP 6. He recommends the dates around the Millenium Summit, 6-8 September, because most of the Heads of State will be in New York at that time. He is prepared to go to work on the event as soon as the President gives a green light. I Have sent the memorandum to the President through Mickey Ibarra as he told me to do.



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One of their main concerns is climate change, especially since they are on the front-line of vulnerability. At the climate change conferences, they are always in the forefront on negotiations and calls for action. For example, in Bonn, at a joint press conference with the Climate Institute at the Fifth meeting of the Conference of the Parties (COP5) of the United Nations Framework Convention on Climate Change (UNFCCC), St. Lucia became the first nation to announce its intention to transform its energy systems to a fossil-fuel-free base to the extent

possible, and become a Sustainable Energy Demonstration Country for the rest of the world. Ten other island states are in serious discussions with Counterpart International and other NGOs to help facilitate the transition to a completely renewable and energy efficient system. These countries recognize the hard reality of the threat if nothing is done. They are at risk of literally being drowned as countries, of losing their precious fresh water resources to the encroachment of salt water, of being hit by super hurricanes, and of being disproportionately hurt by the other potential consequences of global warming. These leaders realize the vital importance of U.S. leadership on climate change because they see the faces of people who will suffer and the irreplaceable resources that will be lost. These leaders give voices of authenticity to the global nature of the crisis.

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THE REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES OF AMERICA

March 10, 2000

JOINT STATEMENT ON CLEAN ENERGY AND CLIMATE CHANGE

1. The Philippines and the United States of America, have a long history of mutually beneficial cooperation in the fields of science and technology, industry and trade, health and environment and culture and education. The two countries, recognizing the immense promise for advancing their social and economic goals, have decided to intensify their cooperation in the Energy sector.

2. The countries recall past cooperation that facilitated energy restructuring, and fostered greater awareness of the benefits of energy information systems and market based mechanisms to address environmental problems. Cooperation was undertaken mainly in the form of U.S. development assistance which, among others, extended the assistance of U.S. experts and the purchase of U.S. private sector technology for energy projects. These activities have served to promote the deployment of clean energy technologies and encourage increased private investment in the Philippines.

3. The two Governments, note the progress made in these collaborative projects, and recognize the immense opportunities for fruitful cooperation in such areas as energy sector restructuring implementation, renewable energy, energy efficiency and related environmental aspects.

4. The Philippines and the United States of America recognize the value of sustained joint efforts to support the growth of adequate, reasonably priced, environmentally responsible, and secure energy supplies. Both countries recognize energy's important role in sustainable development to improve the quality of life of individuals. In addition, both countries recognize that to succeed in making economically sustainable energy a reality for the 21st century, cooperation must be promoted for clean energy development and use to meet environmentally sound energy needs. They emphasize that continued and aggressive efforts are needed to remove remaining impediments to energy trade and private sector investment, in their respective countries, and to promote projects to address local, regional and global environmental concerns.

5. The Government of the Philippines is working to establish a more efficient and environmentally friendly energy economy through a number of specific measures and programs. Increased use of renewable energy sources and improved energy efficiency measures will reduce pollution and greenhouse gas emissions from fossil fuels. The introduction of domestically produced natural gas will be a major step forward in achieving a cleaner environment with strong economic growth. Increased use of renewable sources of energy will require greater access to, and transfer of relevant state-of-the-art technologies.

6. The United States is taking several major initiatives to meet its energy requirements in an increasingly climate friendly manner. For example, the U.S. Government has set a goal of tripling U.S. use of bio-energy and bio-projects by 2010, which may reduce green house gas emissions by 100 million metric tons of carbon. The U.S. Government has ordered every federal agency to reduce greenhouse gas emissions from buildings by 30% by 2010 from 1990 levels. The U.S. Government continues to invest billions of dollars in clean energy and energy efficient technologies and is working with American industry and communities to reduce pollution and greenhouse gas emissions and move to cleaner and healthier energy sources.

7. Among the examples of active cooperation between the Philippines and the U.S. is the Technology Cooperation Agreements Pilot Project (TCAPP), which is designed to promote and channel private investment into high-priority energy technology areas identified by the Government of the Philippines. Both countries remain committed to the successful implementation of the TCAPP program as a means of promoting sustainable development and as a model of technology transfer to address climate change.

8. The Philippines and the United States of America recognize that sustainable energy policies contribute to the achievement of the objectives of the UN Framework Convention on Climate Change (UNFCCC). Within the UNFCCC, all Parties have undertaken commitments to address climate change and its adverse effects, consistent with the principles of the Convention. Both countries reiterate their resolve to implement sustainable energy policies domestically, within their respective commitments and the differentiated responsibilities in the UNFCCC. The Governments of the Philippines and the United States acknowledge, based on the sovereign rights of every State, that any country may adopt unilateral actions and commitments in order to take full advantage of the mechanisms of

the Kyoto Protocol. Consistent with the relevant decisions of the Conference of Parties, both countries intend to work to reach a consensus on each of the mechanisms of the Protocol at the sixth session of the Conference of Parties.

(signed)

The Honorable

Mario Tiaoqui

Secretary of Energy

Republic of the Philippines

(signed)

The Honorable

T.J. Glauthier

Deputy Secretary of Energy

United States of America

(End text of Climate Change Statement)

HUBBARD##

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Deputy Secretary of Energy

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(End text of Climate Change Statement)

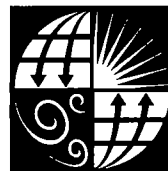
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CONTRIBUTIONS TO CLIMATE CHANGE: ARE CONVENTIONAL METRICS MISLEADING THE DEBATE?

BY DUNCAN AUSTIN, JOSÉ GOLDEMBERG, AND GWEN PARKER

The relative contribution of developed and developing countries to climate change has occupied center stage in recent debates over climate policy. Estimates of those contributions carry significant political weight and are used to inform the level of effort that developed (Annex I) and developing (non-Annex I) countries should undertake in reducing greenhouse gas emissions. For example, in calling for scheduled commitments to emissions reductions by developing countries as a precondition of U.S. Senate ratification of the Kyoto Protocol, the Byrd-Hagel Senate Resolution states that greenhouse gas emissions from developing countries are

expected to surpass those of countries in the Organization for Economic Cooperation and Development (OECD) by 2015.¹ In addition, U.S. industry groups oppose the Kyoto Protocol on the grounds that it is unfair for developed countries to restrict emissions unilaterally if in the future developing countries will be emitting most of the world's greenhouse gases.² Developing countries, on the other hand, have argued that it is only fitting that developed countries take the lead in reducing emissions, in light of their substantially greater historical contributions.

MEASURE FOR MEASURE: ANNUAL EMISSIONS AND STOCK CONTRIBUTIONS

Current policy debates frequently refer to annual emissions from industrial sources to assess how much developed and developing countries are contributing to climate change. An alternative measure—"stock contributions"—reflects how much developed and developing countries have actually contributed to the buildup of the atmospheric stock of carbon dioxide (CO₂) that has occurred since preindustrial times. This measure takes into account not only the releases from fossil fuel burning but also from deforestation and land-use change.

FINDINGS

- Measures of annual emissions understate the contribution of developed countries to the buildup of CO₂ in the atmosphere.
- It will be several decades before developing countries will have contributed as much as developed countries to the atmospheric buildup of CO₂.

- Focusing on just industrial emissions ignores important contributions from land-use change, the majority of which come from developing countries.
- Developed countries have added much more to the atmospheric buildup of CO₂ on a per capita basis, and their population-adjusted stock contribution is likely to remain far above that of developing countries throughout the coming century.

RECOMMENDATIONS

- In light of developed countries' greater contribution to the current stock of carbon in the atmosphere, it is appropriate that they shoulder the burden of early emissions reductions.
- International climate policies should recognize as broad a range of land-use and forestry-based mitigation options as is feasible, giving emphasis to options that further sustainable development.



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JULY 1997

ARE DEVELOPING COUNTRIES ALREADY DOING AS MUCH AS INDUSTRIALIZED COUNTRIES TO SLOW CLIMATE CHANGE?

BY WALTER V. REID AND JOSÉ GOLDEMBERG

Developing countries are already effective participants in global efforts to reduce greenhouse gas emissions. Indeed, since the signing of the 1992 Framework Convention on Climate Change (FCCC) developing countries may have achieved greater carbon dioxide emission savings than industrialized countries.

Negotiations to strengthen the Climate Convention risk being derailed by the increasingly popular argument that industrialized countries should not commit to greenhouse gas reductions unless developing countries agree to reductions. This position backtracks on the pivotal compromise reached in the Framework Convention on Climate Change (FCCC), which balanced the timing and strength of actions by industrialized countries (which are largely responsible for the climate change that is now underway) with those of developing countries (which ultimately will be the major source of emissions). But the position also rests on a faulty assumption. Even without commitments to limit emissions, developing countries are already taking significant steps to rein in greenhouse gas emissions.

Industrialized countries account for more than two-thirds of annual carbon dioxide emissions worldwide and an even larger share of the radiative forcing of greenhouse gases. Consequently, under the FCCC these nations accepted a greater burden than developing countries for slowing the growth of greenhouse gas emissions. However, by 2020, developing country emissions are projected to exceed those of industrialized countries.¹ To prevent dangerous impacts from climate change, developing countries will eventually need to reduce the rate of growth, and, ultimately, the level of their emissions.

In keeping with the principle of "common but differentiated responsibilities" agreed to in the FCCC, countries in the Organization for Economic Cooperation and Development (OECD) set voluntary targets of stabilizing carbon dioxide (CO₂) emissions at 1990 levels by the year 2000. These countries will largely fail to meet their voluntary commitments: Of the nine OECD countries with 1990 emissions greater

than 50 million metric tons of carbon (MtC) only two—the United Kingdom and Germany—are likely to have emissions at or below 1990 levels in 2000.² U.S. emissions have increased each year since 1991 and now appear likely to be 13 percent above the promised target in 2000³ (Figure 1).

Even without commitments to limit emissions, developing countries are already taking significant steps to rein in greenhouse gas emissions.

In April 1995, parties to the Climate Convention agreed to the "Berlin Mandate," which established a two-year negotiating process to develop a protocol that will set quantified limitation and reduction objectives after 2000, in all likelihood including a cap on emissions among Annex I countries (i.e., OECD and countries with economies in transition). The parties agreed not to introduce new commitments for developing countries in that protocol; however, the Berlin Mandate does specify that developing countries should advance the implementation of their existing commitments.



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ments under the Framework Convention on Climate Change (FCCC) and the Kyoto Protocol before asking developing countries (non-Annex I) to do more. Industrialized countries must act first, they argue, because they are more responsible for the historical buildup of GHGs in the atmosphere and have per capita emissions many times higher than those of developing countries.² Furthermore, contrary to popular perceptions, even without formal commitments, developing countries are already taking significant steps to rein in GHG emissions.³ The policies and measures behind these largely unrecognized improvements have required leadership and entailed political cost for which these countries deserve recognition.

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KEY FINDINGS

- Modeling developing country climate commitments after industrialized country commitments poses environmental dangers, given the uncertainty of future emission levels and the international emissions trading provisions in the Kyoto Protocol.
- If a developing country is contemplating a voluntary commitment under the climate treaty, other measures such as greenhouse gas intensity could provide a better standard.
- A greenhouse gas intensity indicator is a measure of sustainable development that addresses the real climate challenge in developing countries—decoupling economic growth and emissions growth. The Clean Development Mechanism can also help address this challenge.
- The lack of accurate and comprehensive data on greenhouse gas emissions (including emissions from land-use change) impairs any discussion of developing country commitments.



Memorandum

To: Roger Ballentine

From: Ed Rothschild

Re: Sustainable Islands Initiative

Date: January 6, 2000

Background

The nations most immediately threatened by climate change and other environmental hazards are the 43 island states represented by the Association of Small Island States (AOSIS). The businesses, homes, jobs, and lives of 33 million people in these overwhelmingly democratic nations are directly threatened if current trends continue. The world's small island nations in the Caribbean Sea, Pacific Ocean and other areas of the world are important to U.S. economic and political interests in a number of ways. Whether it is trade, or immigration, or alliances in the United Nations, these nations are closely connected to and interested in U.S. policies. Because they are small, in both size and population, they are usually not at the top of any U.S. policy agenda. There are, however, some compelling reasons for the White House to hold an event with the heads of state from these island nations.

While President Bush met in Hawaii with Heads of State from small Pacific island nations in 1990, no President has hosted the group at the White House. With strains over current trade disputes already dissipating, such an event in Washington would symbolize a new broad relationship built on mutual respect. Small island states are the stewards of U.S. interests in key areas such as global warming, coral reefs, sustainable fisheries and other coastal zone issues, and tourism.

In August Secretary of Energy Richardson submitted a request that the President convene a Summit of Small Island nations to highlight the issue of climate change and policies promoting sustainability. To augment and modify Secretary Richardson's request, we would like to recommend consideration in April or May 2000 of

- 1) a Sustainable Islands roundtable that would explore island concerns and Administration policy around issues of mutual interest – sustainability, tourism, coral reefs, fisheries, and energy efficiency, and
- 2) a White House reception for the heads of state at which the President could announce a sustainable islands initiative.

Proposed Events

- ◆ An international symposium convened and hosted by DOE and the Department of State (and held at the World Bank or other appropriate facility) to examine the multiple threats to island states and low-lying coastal regions and the ways sustainable development can help.
- ◆ In conjunction with such a conference, these leaders could be assembled for a Rose Garden event, together with industry and environmental leaders, to thank the President and Vice President for their leadership. This could be an occasion to announce a new initiative to address the problem, such as:
 - Renewable energy and energy efficiency demonstration projects in the three U.S. possessions to demonstrate the economic viability of such projects.
 - Collaboration with the U.N., World Bank, other international agencies and NGOs to promote sustainable energy, forestry, fisheries, and tourism projects on non-U.S. island states.

The benefits of such meetings include:

- ◆ **Respect and Recognition** – For the President of the United States to invite the heads of state of *over* 40 island nations to the White House would not only demonstrate a gesture of goodwill, but also give these small members with a large voting bloc in the U.N. the kind of respect and recognition they have previously not received from a U.S. President.
- ◆ **Clinton's Legacy** – Such a meeting would provide the President with a positive opportunity to receive plaudits from 40 heads of state by announcing a Sustainable Islands Initiative – a set of programs to assist these nations in protecting their natural resources.
- ◆ **United Nations Alliances** – With 40 votes (20 percent) in the United Nations, these island states represent an important bloc of developing nations whose support on issues of interest to the United States could be critical. They also have a large "favor surplus" built up with other UN members.
- ◆ **Domestic Significance** – In addition to the international benefits of such an event, there are some domestic benefits as well. With an estimated two million citizens of Caribbean descent in New York City alone, providing heightened visibility for their home nations builds additional good will and support for the administration's leadership.

THE WHITE HOUSE

WASHINGTON

October 7, 1999

Dear Mr. President:

I enjoyed our chance to meet in New Zealand and believe we made progress on key issues affecting our two nations. Based on the results of our talks with North Korea in Berlin, I announced the easing of sanctions against North Korea on September 17; a week later North Korea publicly confirmed its commitment to a missile moratorium for the duration of our high-level talks. I attribute this positive development to the close trilateral consultations with you and Prime Minister Obuchi. As we discussed, I am pleased with Korea's efforts on economic reform to date and believe continued progress is essential to a sustained recovery throughout Asia.

After a successful APEC Summit, I look forward to working with you on launching a new Round in Seattle, focused on market access, that can be concluded in three years. I believe we can build needed momentum for the new Round by concluding agreements on duty-free cyberspace, procurement transparency, and accelerated tariff liberalization. These are critical steps toward meeting our shared Bogor goals in APEC and in furthering trade liberalization worldwide through the World Trade Organization.

Another issue of great importance is climate change. As we have discussed, I believe global warming is perhaps our greatest environmental challenge. I also believe we can meet this challenge while promoting strong economic growth and a clean energy future for all our people.

Next month, nations of the world will convene in Bonn, Germany for the Fifth Conference of Parties to the Climate Convention. Argentina and Kazakhstan have each announced an intent to take emissions targets at this meeting, joining the 39 industrialized nations who have already done so.

2

I believe that an announcement at Bonn by your government of a willingness to take an emissions target would provide considerable momentum to the international climate change negotiations. I am confident that a specific target could be defined over the course of the next year in a way fully consistent with the growth of your economy. I also believe that, by taking an emissions target and participating in market-based mechanisms under the Kyoto Protocol, Korea could find new resources to help clean the air in its cities. I have asked my representatives to pursue this important matter in greater detail.

Again, I appreciate the progress we are making together and look forward to more positive developments.

Sincerely,

Bin Clinton

His Excellency
Kim Dae-jung
President of the Republic of Korea
Seoul

DRAFT DELIVERED
TO GOI 10/14

JOINT INDO-U.S. STATEMENT
ON CLIMATE CHANGE

Climate change is one of our greatest environmental challenges. Evidence of the threat climate change poses to the people of this planet and our two great nations continues to mount. Scientists warn that, unless we change course, the buildup of greenhouse gases in the atmosphere will bring increasingly erratic weather patterns, more severe and frequent storms, the loss of species essential to providing food and medicines to this and future generations, increased heat stress, and the possibility of accelerated spread of insect-borne, life-threatening diseases such as malaria, dengue, and encephalitis.

The Governments of India and the United States of America welcome the progress the world has begun to make in combating the threat of climate change. Both countries are parties to the 1992 United Nations Framework Convention on Climate Change (UNFCCC) and signatories to the Kyoto Protocol to the UNFCCC. These agreements set forth our common but differentiated obligations to protect our people and the environment we share.

The Government of India has begun to make great strides in removing power sector subsidies that waste money, pollute the environment and contribute to disease. To date, ___ states have undertaken reform efforts. These actions promise to remove ___ tons of pollution from the air, including ___ tons of greenhouse gas emissions. These actions will save the people of India money even while sparing their lungs from pollution.

In addition, the Government of India, through the Ministry for Nonconventional Energy Sources, is working to make renewable energy sources a viable and significant part of India's energy supply. India is among the leading users of wind energy in the world, and has made impressive advances in the deployment of solar energy technologies.

While undertaking these efforts, India is simultaneously bringing more natural gas on line to supply cleaner energy even while, through coal washing, coal use is becoming cleaner and more efficient.

The United States is also moving aggressively to address the threat of global climate change. This summer President Clinton issued an executive order that sets a goal of tripling US use of bioenergy and bioproducts by 2010 — a step that could reduce greenhouse gas emissions by as much as 100 million metric tons of carbon while creating \$15 to \$20 billion in new income for US farmers. The President issued another executive order requiring each federal agency to reduce greenhouse gas emissions from buildings 30% from 1990 levels by 2010 — a step that will reduce emissions while saving U.S. taxpayers hundreds of millions of dollars each year. These latest initiatives build on the President's program of investing in clean energy and energy efficiency technologies, which last year totaled over \$1 billion. Under the pathbreaking "Partnership for a New Generation of Vehicles," for example, the U.S. government and leading auto manufacturers are working together to develop comfortable, affordable cars achieving with triple the fuel economy of current models. Such vehicles will save consumers money, reduce local pollution and slow the build-up of greenhouse gases. In addition, a growing number of U.S. states, localities and corporations are joining the fight against global warming, committing themselves to real actions to improve energy efficiency and reduce greenhouse gas emissions. To assist these efforts, President Clinton and Vice President Gore have proposed a new Clean Air Partnership Fund that will support state and local projects that reduce both greenhouse gas emissions and ground-level air pollutants.

Having taken these actions in our respective individual capacities, the Governments of India and the United States now resolve to work closely together to protect our peoples from the threat of climate change, while promoting economic growth and alleviating pressing local pollution problems. Climate change is a global problem, and all nations must work in partnership to address it.

As the world's largest emitter of greenhouse gases, the United States recognizes its responsibility to help lead global efforts to address the challenge of climate change. The Kyoto Protocol sets forth a binding emissions target for the United States of 1990 emissions levels minus 7% by the years 2008-2012 -- a reduction of roughly 30% from business-as-usual emissions projections for the United States. This target would become legally binding on the United States upon ratification and entry into force of the Kyoto Protocol.

India's greenhouse gas emissions are currently much less than the United States. Nonetheless, the Government of India recognizes that some approaches to reducing greenhouse gas emissions will simultaneously clean up local air and water resources; transfer clean new technologies and equipment to India; and provide funds for the wider dissemination of Indian clean technology to help spur robust, clean economic development in India.

The Governments of India and the United States hereby reiterate their support for the "Kyoto mechanisms," including international emissions trading and the Clean Development Mechanism. These tools can foster partnerships between nations, simultaneously promoting clean, sustainable development and reducing dangerous pollution. The Governments of India and the United States resolve to work together on these mechanisms expeditiously and efficiently under the Buenos Aires Plan of Action.

In particular, the Governments of India and the United States agree that the Clean Development Mechanism (CDM) offers the opportunity to achieve "win/win" partnerships between industrialized and developing nations. Under the terms of the Kyoto Protocol, emissions reductions achieved after January 1, 2000 may be available for CDM credits. The Governments of India and the United States resolve to work closely together, and with other countries, to develop agreed international rules and procedures for the Clean Development Mechanism.

As the largest and oldest democracies on earth; as countries blessed with tremendous scientific and technological expertise; as nations committed to the economic and physical well-being of our peoples, we resolve to work together on the challenge of climate change and, through our partnership, to secure for this and future generations of both our nations and people the world-over, a cleaner, safer, and more prosperous future.



The Deputy Secretary of Energy

Washington, DC 20585

September 17, 1999

Roger

MEMORANDUM FOR THE HONORABLE ROGER BALLENTINE
Deputy Assistant to the President for Environmental Initiatives

THE HONORABLE FRANK E. LOY
Under Secretary of State for Global Affairs

FROM: *TJ* T. J. Glauthier, Deputy Secretary of Energy

SUBJECT: Proposed Strategy for Small Island Heads of State Summit

As you know, the small island states of the Pacific and Caribbean are among the most vulnerable to the effects of climate change. Hence, they might well provide the core of significant developing country engagement required by the Byrd resolution in time for COP-6 next year.

With this in mind, we and USAID have proposed a White House Summit of Small Islands Heads of State next spring, combined with a package of assistance on capacity building and sustainable energy development, to secure their support for voluntary assumption of greenhouse gas emissions targets. The President could announce the summit at the UN General Assembly later this month.

The attached memorandum details the strategy we had previously discussed for engaging the small island states. You will find that proposal accords well with the overall objectives and respective agency roles that were discussed at Under Secretary Loy's most recent meeting of the Interagency Working Group on Climate Change.

In view of the fact that the General Assembly is meeting very soon, I hope we can count on your prompt review of this proposal so we can take advantage of this unique and timely opportunity.

cc: David Sandalow, Associate Director for Global Environment, Council on Environmental Quality

PROPOSED STRATEGY FOR SMALL ISLAND HEADS OF STATE SUMMIT

September 8, 1999

Proposal

White House will schedule a summit (place/time TBD) on climate change, clean energy and sustainable development (including trade and investment) issues. (Per Secretary Richardson/Brian Atwood Event Request Memo of June 18, 1999).

New target date: Spring, 2000. White House, State and DOE will coordinate.

Objectives

- 1) Get a significant number of island nations to buy into a climate change strategy which includes:
 - a) more positive language on island nations joining the Kyoto Protocol (KP);
 - b) endorse US position of encouraging developing countries to participate in KP;
 - c) seek developing countries participation in KP by no later than 2nd budget period (2013-2017); begin by encouraging emissions growth targets by 1st budget period (2008-2012).
- 2) Further open up the G77 block to developing country participation in the Kyoto Protocol.
- 3) Demonstrate developing country commitment to greenhouse gas mitigation.
- 4) Get six or more developing countries to commit to an emissions growth target.

Next Steps

- 1) Clear concept of summit with White House scheduling office.
Lead: White House
- (2) Develop Papers for Interagency Review.
 - (A) Identify Key Island Nations for Talks on Emissions Growth Targets. Circulate to WH/State.
Lead: Department of Energy
 - (B) Identify motivating elements for countries to modify positions and begin talk on emissions growth targets. Conduct scoping exercises on: 1) Sustainable Development (SD) package for small island nations, and 2) benefits to the U.S. on summit event. SD package should include climate change assistance; sustainable infrastructure and transportation projects; efficient and renewable projects; international financial institution assistance. Circulate to WH/DOE.
Lead: State Department

- (C) Develop climate change communique.
Lead: DOE/State
 - (D) Circulate Papers and Return Comments to Initiating Agency.
Lead: State/DOE
 - (3) Hold Interagency Meeting to determine viability of event.
Lead: White House
- If Event appears viable:
- (4) Launch Diplomatic Outreach: 1) Prepare Summit Strategy; 2) Send cables to propose concept; 3) Work United Nations General Assembly.
Begin immediately after Interagency approval. Lead: State Dept.
 - (5) Work Key Countries for Communique: 1) in DC through Embassy visits; 2) in country through site visits.
Begin immediately after Interagency approval. Lead: State Dept./DOE
 - (6) Work Key Countries for Emissions Growth Target: 1) in DC through Embassy visits; 2) in-country through site visits; and 3) develop country-specific sustainable development packages.
Begin immediately after Interagency approval. Lead: State Dept./DOE
 - (7) Assess Reaction of Small Island Nations to Determine if Event Should Go Forward.
No later than December 15, 1999 Lead: White House

If White House agrees to hold Summit:

- (8) Establish Steering Committee of Countries to Negotiate Summit Strategy.
Begin immediately after White House approval. Lead: State Dept.
- (9) Engage Energy Secretary Richardson in event-specific calls/meetings to rally support.
Begin immediately after White House approval. Lead: DOE
- (10) Hold Event.
Spring, 2000. Lead: White House

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Spring, 2000. Lead: White House

MEMORANDUM

TO: Distribution

FROM: David Hales

SUBJECT: SIDS UNGASS and Climate Change

The United Nations General Assembly Special Session on Small Island Developing States (September 27-28, 1999) provides an opportunity for the USG to strengthen relationships with SIDS on climate issues and emphasize the USG recognition and concern for the vulnerability of small countries and islands to the effects of climate change.

In past discussions, we have adopted a general strategy for working with AOSIS members on climate issues. This is summarized in Section I, below. In addition, the USG has adopted goals for the Session and negotiating positions on the full range of issues encompassed by the Barbados Plan of Action. For summary and background, see Section II.

If we are to maximize this opportunity, we need to prepare additional deliverables that are consistent with our climate strategy and our negotiating goals for the Special Session. Possibilities include:

1. The designation of small islands as "key countries" in the context of the President's Developing Country Climate Change Initiative.
2. The creation of a USG task force, led by USAID under its responsibilities for international disaster response coordination, to develop and deploy measures for natural disaster prevention, preparation, early warning, response, and reconstruction.
3. The announcement of initial results from USAID support provided for the further development of project proposals submitted by SIDS to donors at the donor's conference in February 1999.
4. The announcement of a Department of Commerce/private sector initiative to increase investment in island energy systems.
4. The announcement of Department of Energy renewable energy pilot/demonstration projects in Pacific and Caribbean islands.
5. The announcement of USAID support for the Pacific Island Climate Change Conference in the Cook Islands in April 2000.
6. The announcement of USG support for research and scientific consultation on the causes and consequences of coral bleaching.
7. The announcement of USAID support to capacity building efforts that increase capacity of SIDS to identify and promote their interests in activities of the FCCC.

check w/ NOAA - maybe done already

These could be included in a Presidential Statement emphasizing the vulnerability of islands and announcing US initiatives to address this vulnerability.

An alternative approach could be a Presidential Statement recognizing and emphasizing the vulnerability of small nations and island states, announcing the creation of a USG high-level task force to work with AOSIS to develop an agenda for a Presidential Summit meeting on SIDS and climate change to be scheduled for spring/summer, 2000, as part of the run up to COP-6. The statement could announce some of the items above as a "downpayment, and identify others as items to be considered or developed.

Obviously there are various permutations of this approach, and other deliverables that could be committed by various agencies. The core of the suggestion, however, is a Presidential "moment" (perhaps the Saturday address) the week before the Special Session, with a mixture of substantive and process announceables, followed by the Loy presentation at the Session to add details, and provide a focal point for AOSIS members.

BACKGROUND SECTION I: SUMMARY OF AOSIS STRATEGY FOR ENGAGEMENT

Goals:

- Increase participation, ideally through the acceptance of legally binding commitments, in the United Nations Framework Convention on Climate Change (FCCC) and the Kyoto Protocol. Less ambitious measures by some States may also be acceptable as 'meaningful participation'
- Achieve AOSIS member state support for core USG positions on climate change.
- Create U.S. business opportunities and demonstrate best practices with regard to greenhouse gas mitigation
- Address vulnerability of SIDS to impacts of climate change.

Background: Small Island States are exceptionally vulnerable to the impacts of climate change and are therefore critically concerned with the stabilization of greenhouse gases at safe concentrations in the atmosphere. The combination of being vulnerable to but not largely responsible for climate change makes AOSIS member states a significant voice and an important force to consider in the climate debate. Any international regime adopted to address climate change must be deemed fair and responsive to such extreme cases.

The high-profile vulnerability of AOSIS nations presents the U.S. with a unique opportunity to highlight innovative GHG mitigation efforts. By supporting SIDS own efforts to expand renewable and clean energy alternatives and attract financing for mitigation

projects, the U.S. can demonstrate a significant commitment to equitable consideration for small islands, while furthering diplomatic goodwill. Such efforts are critical to participation in the mechanisms proposed in the Kyoto Protocol and eventual acceptance of emissions targets.

AOSIS nations stand to gain economically from the aggressive implementation of the Clean Development Mechanism and full participation in a flexible, emissions trading system. SIDS conversion from fossil fuel to alternative sources of energy is key to their meaningful participation in emissions trading regimes. We believe that an accurate assessment of the self-interests of AOSIS states would lead to substantial convergence with the interests of the United States.

Strategy: The task of a diplomatic strategy with AOSIS states is to demonstrate this convergence and help them create the capacity to accurately determine and then act in their own national interest. The USG strategy should address vulnerability and adaptation issues, and emphasize the potential for support of sustainable development inherent in the Clean Development Mechanism. It is critical that we build confidence that the United States and other developed countries take their commitments seriously, and that developing country participation is not seen to limit economic development. The key to successfully engaging AOSIS states (and other developing countries) is to make the risks of participation in Kyoto Mechanisms close to zero, while demonstrating substantial potential benefits.

Key action components must address disaster preparedness and response, sustainable urban development in coastal zone areas, renewable energy expertise and technology transfer capacity, economic analysis and modeling expertise, and the vulnerabilities of natural resource/fishery-based economies.

Our strategy should be constructed around four action areas:

1. An active partnership with AOSIS to understand, anticipate, and prepare for the adverse impacts of climate change, with an initial focus on weather-related disaster preparation and response.
2. Creating and supporting the capacity to identify and quantify the economic costs and opportunities associated with climate change and the full implementation of Kyoto's flexible mechanisms.
3. Establishment of opportunities and mechanisms (study tours, pro-seminars, etc...) for AOSIS senior policy makers to become fully aware of USG domestic policy and actions to meet our FCCC commitments and responsibilities.
4. Promotion of conversion to alternative sources of energy through technology transfer and private sector relationships with AOSIS member states, including the negotiation of technology transfer agreements, establishment of Sister City/

Resource City ties, utility partnerships, etc.

Issues: AOSIS States are suspicious of US motives, unconvinced of the appropriateness of including sinks (LUCF) in the Kyoto mechanisms at this time, and convinced of the need for compensation mechanisms in CDM and emissions trading. We may also find significant differences regarding the definition of additionality, as well.

SECTION II: BACKGROUND TO THE SPECIAL SESSION:

In September 1999, the United Nations will host a two-day Special Session of the General Assembly devoted to the review of progress undertaken by all participants in the 1994 Barbados Conference. The U.S. welcomes the opportunity for reflection, review and recommitment that is afforded to us by this 5-year review process. Heads of state will lead most SIDS delegations and the donor countries will send representatives at the ministerial level.

The United States took an active role at the 1994 UN Global Conference on the Sustainable Development of Small Island Developing States (Barbados Conference). That Conference, and the resulting declaration, has been the framework for many post-Rio developments that sought to embody the spirit and letter of sustainable development among SIDS.

The U.S. objective for this Special Session is to show its commitment and reaffirmation to the principles of Rio and to the Barbados Program of Action, which presents a comprehensive, integrated basis for the sustainable development of SIDS. We also believe that this Special Session provides us with an opportunity to pursue creative ways to redefine and strengthen our partnership for sustainable development with the SIDS.

The SIDS are important to the implementation of the Administration's climate change policy. So, too, SIDS have exhibited unwavering support for the Comprehensive Nuclear Test Ban Treaty. The Session is an opportunity to elevate the attention given to SIDS issues and promote U.S. initiatives to: 1) urge SIDS to adopt specific emission targets, 2) bring the Straddling Fish Stocks Agreement into force, and 3) give greater visibility to the U.S.-led International Coral Reef Initiative.

It is important that we field a delegation that is prepared to address small island concerns and that we continue to work closely with USAID, the Department of Commerce and other U.S. agencies. USAID has provided a coordinating role in the interagency process that continues to build policies to make the UN Special Session a success. The interagency working group has developed a document that will detail the significant ways that the United States has been a partner in implementing the 1994

Barbados Program of Action.

Governors of each of the U.S. insular areas as well as Hawaii have been invited to serve or to designate a representative to serve on the U.S. delegation to the Special Session. We will also include representatives from non-governmental organizations and the private sector.

Issues for the 1999 UNGA Special Review of SIDS

The United States succeeded in meeting its three objectives at the 1994 Barbados Conference: 1) to highlight and develop responses to the issues faced by SIDS; 2) to avoid conflicts on traditionally troublesome issues such as financing; and 3) to promote the coral reef initiative. We also focused the SIDS upon the need to achieve widespread participation in and implementation of major global agreements.

At the 1999 UNGA Special Session Review, the United States will continue to emphasize these elements, and to focus discussion on additional areas of interest to SIDS. These are:

- Work to secure the meaningful participation of the SIDS in efforts to address their respective greenhouse gas emissions levels
- Promote the International Coral Reef Initiative as a focus for the integrated development of SIDS
- Renew efforts to implement the Global Program of Action for Prevention of Impacts upon the Marine Environment from Land-based Activities (GPA) through the integrated management of coastal and offshore marine development and the sustainable development of marine areas
- Encourage ratification of the UN Convention on Straddling Fish Stocks and Highly Migratory Fish Stocks, acceptance of the FAO Compliance Agreement, and implementation of the FAO Code of Conduct for Responsible Fisheries and the FAO International Plans of Action for Sharks, Seabirds and Capacity.



Department of Energy

Washington, DC 20585

SEP 01 1999

Mr. Roger Ballentine
Deputy Assistant to the President
for Environmental Initiatives
The White House
Washington, D.C. 20502

Dear Mr. Ballentine:

On July 30, 1999, Secretary Richardson hosted the Fourth Hemispheric Energy Ministers Meeting in New Orleans, Louisiana. I was very pleased with the outcome of the meeting.

We were successful in approving the Joint Statement on the Clean Development and Use of Energy, as well as the New Orleans Declaration and the Energy Business Forum. I am enclosing these documents for your consideration.

A complete Summary of Proceedings is currently being compiled and we will be sure to provide you with a copy as soon as it becomes available.

Yours sincerely,

A handwritten signature in black ink, which appears to read "David L. Goldwyn", is written over a horizontal line.

David L. Goldwyn
Assistant Secretary
for International Affairs

Enclosures



Printed with soy ink on recycled paper

Fourth Hemispheric Energy Ministers Meeting New Orleans, Louisiana

July 30, 1999

Energy Business Forum Of The Americas For The Hemispheric Energy Initiative

The energy sectors of the countries of the Americas are a key element in the successful development of the economies of the Hemisphere. Important changes are already underway as governments seek to put in place policies that will provide their populations with the energy needed to advance their economies and their social development. The Hemispheric Energy Initiative (HEI) was inaugurated at the Miami Summit to ensure the coordination of national efforts to promote sustainable energy development consistent with the goals adopted at this Summit. This effort was endorsed at the second Summit of the Americas in Santiago.

The input from the business sector is one of the essential elements for the realization of the objectives of the HEI. It will ensure that the discussions and decisions that are made within HEI are fully informed about its concerns and points of view.

The Ministers encouraged the energy business sector established in the Hemisphere to organize itself into a Business Forum. The Ministers agreed to facilitate an interchange of ideas and perspectives between the business sector and government officials of the energy sector on issues related to the implementation of the commitments on energy adopted in the Action Plans of the Miami and Santiago Summits of the Americas.

Ministers will invite the Business Forum to meetings in coincidence with Ministerial Meetings. The Steering Committee may invite the Business Forum to provide them with other inputs, as appropriate. The Business Forum may identify issues of concern and convey these to the Steering Committee or the Ministers.

The Ministers requested the Steering Committee of the HEI to coordinate the relationship between the Business Forum and the Hemispheric Energy Initiative.

The Business Forum may present its views and opinions to the Governments during the joint meeting with the Ministers or in writing through the Coordinating Secretariat.

The Steering Committee, through the Coordinating Secretariat, if requested, may provide assistance for the organization of the first Business Forum meeting.

Fourth Hemispheric Energy Ministers Meeting New Orleans, Louisiana

July 30, 1999

Joint Statement on Clean Development and Use of Energy

Ministers from States of the Hemisphere met in New Orleans on July 30, 1999, to continue a cooperative effort launched in 1994 aimed at creating an energy infrastructure for the region that meets the economic and environmental goals of the 21st century.

The Ministers acknowledged and reconfirmed previous commitments and initiatives, including:

The Miami Summit of the Americas of December 1994, where Heads of State and Government agreed to a Declaration of Principles and Action Plan in which they committed to cooperate on ways to use the energy sector to promote sustainable economic growth and recognized that sustainable energy development and use promote economic development and address environmental concerns. The Heads of State and Government agreed to create the Partnership for Sustainable Energy Use and said that governments and the private sector should promote increased access to reliable, clean and least cost energy services;

The Santa Cruz Meeting of Energy Ministers of July 1996, where the Ministers made the commitment to sustainable development and conservation of our environment for present and future generations. The Ministers agreed that present and future consumption of energy requires consideration of clean and efficient energy sources to streamline sustainable development at a hemispheric level, including the implementation of technology for clean energy, that minimizes environmental damage for present and future generations;

The Santa Cruz Sustainable Development Summit of December 1996, which recognized that one of the primary challenges to sustainable development includes attention to global and local environmental concerns and committed governments to promote the introduction of cleaner and appropriate energy production and consumption technologies and options;

The Third Meeting of Energy Ministers in Caracas in January 1998, where the Ministers recognized the key role technologies play in managing the environmental aspects related to energy and agreed to exchange information and analyze activities and mechanisms for cooperation between the countries of the Hemisphere;

The Santiago Summit of the Americas of April 1998, in which Heads of State and Government agreed to encourage the exchange of technology, information and experiences, as well as share views on the Clean Development Mechanism.

Implementation and Progress:

The Governments of the Hemisphere have aggressively pursued the energy goals laid down by Heads of State and Government at the Miami Summit of 1994 and subsequent initiatives.

All countries have demonstrated a commitment to environmentally responsible energy development and use and to meet their energy needs while pursuing the protection of the local, regional and global environment, including the full implementation of the United Nations Framework Convention on Climate Change. Countries of the Hemisphere have all taken actions individually and, through cooperation under the Summit of the Americas, to enhance private sector investment in clean energy production and use and in energy efficiency.

Future Goals and Strategies:

Ministers recognized that to succeed in making sustainable energy development and use a reality for the 21st century, continued and aggressive efforts are needed to remove remaining impediments to energy trade and investment, to promote projects to address local, regional and global environmental concerns, and to further increase opportunities for the private sector.

Toward these ends, Ministers expressed a commitment to a renewed and strengthened effort to further integrate their energy, economic, and environmental goals. This would build on the progress in energy cooperation initiated by the Heads of State and Government in the Miami Summit of the Americas and reaffirmed in the Santa Cruz Sustainable Development Summit and the Santiago Summit of the Americas, which has reinforced the compatibility of policies for sustainable energy development and use, economic development and protection of the global and local environment.

The Ministers recognized the value of the joint efforts to develop adequate, environmentally responsible and secure energy supplies; enhance overall environmental protection on local, national and global levels and improve the quality of life of individuals through sustainable economic development in their countries.

In order to promote the clean development and use of energy, the Ministers recognized the need for policies, which advance research, development and deployment of energy efficiency, renewable energy technologies and other clean energy technologies.

The Ministers of Energy recognized that sustainable energy policies and development are integral elements of any strategy to reduce greenhouse gas emissions. Within the United Nations Framework Convention on Climate Change, all countries, taking into account their common but differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances, have agreed to formulate, implement, publish and regularly update national and, where appropriate, regional programs containing measures to mitigate climate change by addressing anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol, and measures to facilitate adequate adaptation to climate change.

The Ministers recognized the important advances reached in the COP4 of the UNFCCC, held in Buenos Aires, Argentina, in 1998, and, in particular, regarding the clean development mechanism, recognized the importance of operationalizing and implementing this mechanism.

Thus, the Ministers reiterated their commitment to the implementation of sustainable energy policies and to take concrete steps to establish policies and programs that will enhance investments in energy efficiency and in clean energy technologies. Moreover, the Ministers recognized the value of promoting the full use, on a voluntary basis, of the flexibility mechanisms referred to in the Kyoto Protocol, in order to fulfill the objectives of the Convention.

In this regard, the Ministers, based on the sovereign right of each State, recognized that each country may adopt unilateral actions and commitments to take full advantage of these mechanisms, as stated in the Kyoto Protocol.

Fourth Hemispheric Energy Ministers Meeting

New Orleans, Louisiana

July 30, 1999

New Orleans Declaration

The Fourth Meeting of Energy Ministers of the Hemisphere was held in New Orleans, Louisiana, US, on July 30, 1999. Ministers or their representatives from 30 States attended. The Ministers met to carry forward a cooperative program initiated in 1994 by their Heads of State and Government at the Miami Summit of the Americas and reaffirmed and strengthened at the Santiago Summit of the Americas. In this meeting, the Ministers focused on policies and practices concerning regional integration and energy's role in protecting the environment, with the understanding that such successful policies and practices will lead to the creation of sustainable energy infrastructure for the region in the 21st century.

The Ministers recognized the important work that has been accomplished under the Initiative in support of regional integration and the development of a sustainable energy infrastructure. They also acknowledged the activities conducted within the framework of the Working Groups as appropriate means by which to take specific steps to advance this process. Those activities include, among others, evaluating policies, collecting data and exchanging information, assessing technology options and conducting studies and workshops in the areas of natural gas, petroleum, climate change, rural electrification, clean energy options, regulatory cooperation, and energy efficiency.

The Ministers thanked the Government of the United States for organizing the successful discussion on key energy issues with the participation of government and business representatives that took place on July 29, 1999.

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1. Evaluate the progress towards the fulfillment of the goals previously adopted;
2. Share experiences about the energy integration process and discuss ways to make further progress in this area;
3. Discuss the importance of the clean development and use of energy;
4. Encourage the energy business sector established in the Hemisphere to organize itself into a Business Forum; and

5. Consider the extension of the current Coordinating Secretariat.

The Ministers recognized the need to continue the efforts by the countries of the Hemisphere to achieve energy integration in the Americas.

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The Ministers endorsed a Joint Statement on Clean Development and Use of Energy confirming their commitment to sustainable use and development of energy.

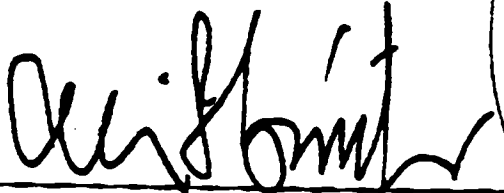
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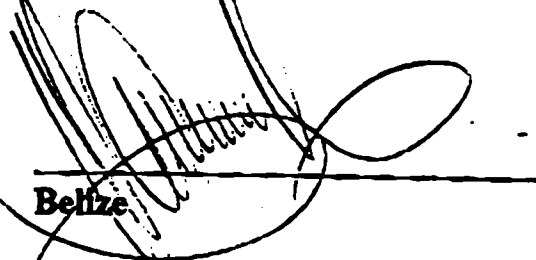
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Ministers agreed that the Fifth Hemispheric Meeting of Energy Ministers would be held in the year 2000 in Mexico on a date to be determined.

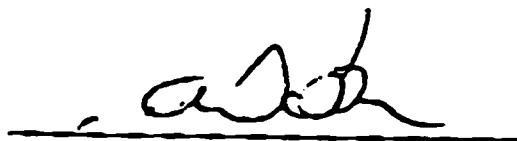
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Argentina



Belize



Bahamas



Bolivia

Belize



Bolivia

Dominican Republic

Ecuador

Brazil

El Salvador

Canada

Grenada

Chile

Guatemala

Colombia

Guyana

Commonwealth of Dominica

Haiti

Costa Rica

Honduras

Brazil

El Salvador

Canada

Grenada

Chile

Guatemala

Colombia

Guyana

Commonwealth of Dominica

Haiti

Costa Rica

Honduras

Dominican Republic

Jamaica

Ecuador

Mexico

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Guatemala

Colombia

Guyana

Commonwealth of Dominica

Haiti

Costa Rica

Honduras

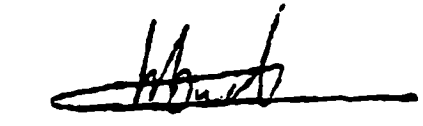
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Jamaica

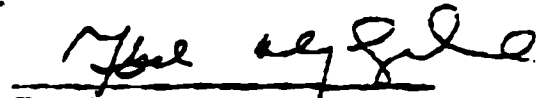
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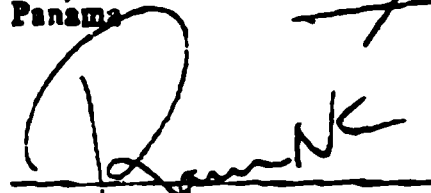
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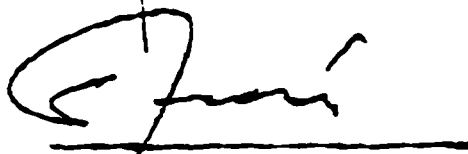

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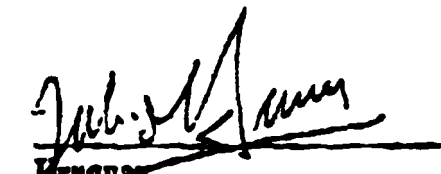

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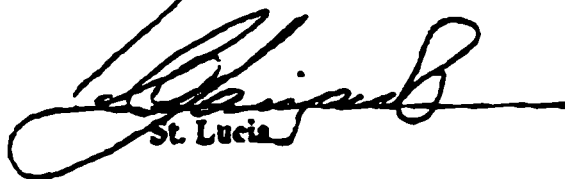

Trinidad and Tobago

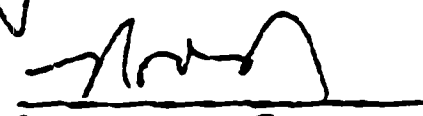

Paraguay


United States


Peru


Uruguay


St. Lucia


Venezuela



United States Department of State

Bureau of Oceans and International
Environmental and Scientific Affairs

Washington, D.C. 20520

DATE: 27 August 1999NUMBER OF PAGES TO FOLLOW (Including Cover Sheet): 3FAX TO: David Sandalow & Roger BallentineTELEPHONE: 456.2710 FAX: 456.6468

OFFICE: _____

FROM: Barbara DeRosa-JoyntTELEPHONE: 202.647.4811 FAX: 202.647.0191OFFICE: Office of Global Change

MESSAGE:

Gentlemen - Attached is Jeff Mittle's paper regarding an indexed target for Argentina, which has been prompted by the Argentine's recent request for guidance from us. This document is not for clearance, rather, it is intended to be used to tee up the discussion on this matter. Under Secretary Loy would like your views on whether we can work through this issue via a telephone conference call, or if a meeting on 1 September is preferred. Please advise me of your views on this matter, and please do not hesitate to contact me with any questions or concerns. I look forward to hearing from you.

Sincerely,

ARGENTINA

Issue

- Should we urge Argentina to take on an indexed target?

Background

We have formally and informally shared our views on indexed targets with the Argentines. We have not, however, pushed them to choose either an indexed target or a target set against a historic base year. Initially, the Argentines seem to have been considering only the latter type of target, with their analysis focussing on determining the base year and appropriate level. According to the Embassy in Buenos Aires, the Argentine technical team believes a target that is 33% above a 1997 baseline will be achievable.

Opposition parties, the business community and some higher levels in the Government, such as Ambassador Elsa Kelley, Director General for Environmental Affairs at the Ministry of Foreign Affairs, remain skeptical about Argentina's ability to take on a target. They remain concerned that a binding target could negatively impact Argentina's development, particularly in light of their recent economic problems.

Recently, the Argentine technical team has expressed more interest in the concept of an indexed target. With their technical analysis coming to an end, the Embassy in Buenos Aires believes that now is the time to act if we wish to convince the Argentines to take on an indexed target. Once the internal political consultations start in early September, we will be less likely to influence the type of target proposed by the Argentines. The Embassy believes we must act within the next week if we are to influence the Argentine choice of target.

The Argentines do not want to join Annex I, in part because they do not want to use a 1990 base year. They have also indicated an interest in participating in emissions trading. Both objectives could be achieved with either target.

Advantages of Indexed Target

- 1) Help to address concerns in Argentina about the economic risk posed by a binding target.
 - Help dissuade those proposing a domestic only target.
 - By assuaging concerns about economic risk you may increase the potential to curb the current opposition of business groups to Argentina's target-setting effort.
- 2) Would distinguish Argentina from developed countries more than by the Argentines simply having a different historic base year for their target.
- 3) Argentina may feel disadvantaged if it accepts an historic base year target but later other developing countries take on indexed targets.

- 4) Further fuel the growing interest in new forms of targets.
 - Potentially most useful with Korea, Turkey and Mexico
 - Serves as an "insurance policy" for all developing countries
- 5) Consistent with common but differentiated responsibility.
- 6) Opens the door to other forms of targets, e.g. transitional targets, which is potentially useful to Annex I Parties.
- 7) If we are not comfortable with an Argentine target that is 33% above a 1997 baseline, or if we do not believe the international community would view such an increase positively, an indexed growth target may be a better option for Argentina to present to the international community.
- 8) Ultimately the emissions are lower than they would have been without a target.

Disadvantages of Indexed Target

- 1) Dissimilar to existing targets, potentially causing some confusion in Argentina.
- 2) Could become the ceiling for first period commitments by developing countries.
- 3) Because it is different than current form of targets, will continue to be opposed by those Parties, such as Brazil, that stress the need for an organizing principle.
- 4) Will be opposed by some environmental groups, like EDF, which believe indexed targets do not require sufficient effort.
- 5) Argentines more likely to hold U.S. responsible for success or failure of their effort to win acceptance for their target.

cc: NY
S
Comments from the President
SPECIAL ANALYSIS

2:10 PM / GWS
how we need to discuss
to my fair study
country

Opportunities for Mutually Beneficial Trade in Emissions Permits with Developing Countries

Many observers worry that it will be difficult to entice developing countries to accept binding targets for greenhouse gas emissions under the Kyoto agreement. But evidence on compliance cost differences between industrialized and developing countries suggests that, with the right emissions targets for developing countries, both they and industrialized countries can gain from trade in international permit markets.

Gains from targets and trade. An analysis conducted prior to Kyoto found that developing countries would gain if they adopted greenhouse gas emissions targets slightly below their business-as-usual (BAU) levels. The gains come about because developing countries have per-ton reduction costs substantially below those of industrialized countries. This difference allows them to sell tradable permits to industrialized countries and thereby earn billions of dollars over and above their emissions reduction costs. Industrialized countries would also gain, because the permits let them avoid more costly domestic emissions reductions.

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* A CEA analysis of the Kyoto agreement finds results similar to this earlier work. During the initial 2008-2012 commitment period, for example, estimates of annual gains from trade are roughly \$900 million for Mexico, \$1.6 billion for India, or \$3.6 billion for China, if each alone were to adopt a target set at its BAU emissions level and trade permits with industrialized countries. The cost to the United States of meeting the Kyoto commitments would fall with such participation; for example, Chinese participation alone would reduce U.S. compliance costs by an estimated \$12 billion (see box on next page).

Environmental benefits. These estimates of gains from trade reflect binding emissions targets for developing countries at the BAU level. Targets slightly below BAU would provide climate benefits from reduced carbon emissions and preserve most of the gains from trade. Reducing carbon emissions through this "target and trade" approach has the additional environmental benefit of reducing emissions of local air pollutants in developing countries.

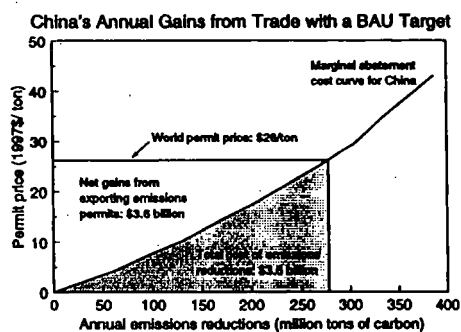
Allaying competitiveness concerns. Adoption of targets even at BAU levels by developing countries would result in carbon permit prices and energy price increases that are the same in these countries as in the United States. With comparable energy price changes, the Kyoto agreement would leave the competitive playing field level among all countries with targets, alleviating concern that energy-intensive industries would flee to developing countries.

Uncertainty about BAU emissions levels. Uncertainty about future economic growth and technological improvements implies that a developing country's emissions in the absence of a binding target may exceed or fall short of a BAU forecast. For example, if economic growth is unexpectedly high, the target would turn out to be inadvertently stringent. The costs of such stringency may underlie developing countries' concern that targets may hinder economic growth and may explain their reluctance to adopt targets. Similarly, if economic growth is unexpectedly low, developing country targets could turn out to be too lax. Developing countries could then sell emissions permits abroad without achieving real reductions, thereby increasing global emissions. One way to reduce the risks of inadvertent stringency or increases in global emissions would be to make targets contingent on economic growth between now and 2007.

Conclusion. Differences in the costs of controlling carbon emissions between developed and developing countries make it possible for developing countries to gain from accepting emissions targets and participating in international permit markets. Such participation could generate cost savings for the United States and address concerns about competitiveness. These gains are similar to those realized through international agreements to liberalize trade in goods and services such as NAFTA and the Uruguay Round.

Chinese Participation: An Illustration

Analysis suggests that if China adopts an emissions target set at its business-as-usual (BAU) level and participates in international permit markets, the world permit price would fall by about half, to \$26 per ton. At this permit price, the Chinese could profitably reduce their carbon emissions by approximately



275 million tons per year (see chart), selling unused emissions permits to industrialized countries and earning \$7.2 billion annually in revenue (the rectangle in the chart). Subtracting the cost of reducing emissions, approximately \$3.6 billion per year (the shaded area), leaves China with a net gain of about \$3.6 billion per year. The gains to the United States from the permit price decrease would amount to about \$12 billion per year.

DEPARTMENT OF STATE
OFFICE OF THE UNDER SECRETARY FOR GLOBAL AFFAIRS
2201 C Street, N.W., Room 7250
Washington, D.C. 20520

F A X C O V E R S H E E T

DATE: August 6, 1999

TIME: 7:13 PM

TO: T.J. Glauthier
Roger Ballentine

FAX:

FROM: Frank Loy

PHONE: 647-7600
FAX: 647-0753

RE: AOSIS

Number of pages (including cover sheet): 3

Here are the papers we discussed Tuesday, setting forth what we need, as well as what we would like, from AOSIS countries. My staff would be pleased to work with your staff to answer any questions regarding the countries and leaders we have identified.

Regards,
Frank

KEY AOSIS CONTACTS**Name****Country****PM Lester Bird****Antigua and Barbuda****PM Tuila'epa Sailele Malielegaoi****Samoa****President Imata Kabua****Marshall Island****President Guido de Marco****Malta****PM Mahendra Chaudry****Fiji****President Abdul Gayoom****Maldives****PM Navinchandra Ramgoolan****Mauritius****PM Owen Arthur****Barbados**

DELIVERABLES FROM AOSIS

To make a Presidential summit with the Association of Small Island States (AOSIS) successful, the United States would need to win the group's support on a number of climate change issues.

"Must Have" Assurances

No Criticism of the United States. While AOSIS will unavoidably continue to press through the negotiations for more action by Annex I countries, AOSIS must refrain from using the summit to bash the United States for failing to reduce its greenhouse gas emissions. (The Pacific island heads-of-state criticized the United States in 1990 right after their meeting with President Bush.)

Need for Developing Country Action. AOSIS heads of state must acknowledge that all countries should act domestically and internationally based on the principle of "common but differentiated responsibility." Specifically, AOSIS heads of state must call for developing countries to take on legally binding emissions targets as soon as those countries have the capacity to do so. AOSIS should also call on the international community to make it possible for countries that have already announced an intention to assume a target (Argentina and Kazakhstan) to do so.

Important Issues

AOSIS Targets. AOSIS could state unequivocally that they will adopt, and other developing countries should also adopt, legally binding targets in the second and subsequent commitment periods (after 2012). As AOSIS countries are particularly vulnerable to the effects of climate change (rising sea levels), their support for developing country targets could help win broader acceptance of targets within the G-77.

Other Issues

Kyoto Mechanisms

- *Share of the Proceeds:* AOSIS could drop its insistence that a share of the proceeds generated from all the Kyoto mechanisms be diverted to help vulnerable developing countries adapt to climate change. The Kyoto Protocol does call for a share of the proceeds from the Clean Development Mechanism (CDM) to be diverted, but does not authorize a tax on emissions trading or the other Kyoto market-based mechanisms. AOSIS could agree also that only a modest percentage of the proceeds from the CDM be diverted for this purpose.
- *Sinks:* AOSIS could agree to include sinks in the CDM. Currently, AOSIS appears to be opposing the inclusion of sinks to gain leverage on other issues.
- *Caps on Trading:* AOSIS could oppose the EU's attempt to cap reliance on the Kyoto Mechanisms, in particular emissions trading.

Compensation: The heads of state should assert affirmatively that developed countries should not be asked to pay "compensation" to oil producing states for any loss of revenue that may result from reduced demand for fossil fuels as a consequence of action under the Kyoto Protocol. OPEC makes this claim at present on behalf of the entire G-77.

THE WHITE HOUSE
WASHINGTON

August 13, 1999

MEMORANDUM FOR STEPHANIE STREETT

FROM: ROGER BALLENTINE 
Deputy Assistant to the President for Environmental Initiatives

RE: Richardson/Climate Change Request

Attached is a scheduling request that was sent to you a few weeks ago. The request is to have the President meet with the heads of state of the world's island nations on the subject of climate change. I have discussed this request with both the State Department (Undersecretary Loy) and the Energy Department (Deputy Secretary Glauthier). Secretary Richardson also raised this with me yesterday.

While I was skeptical of the wisdom of this meeting, I am now supportive of this idea pending some clarifications from DOE. I am told that Secretary Richardson will seek certain commitments in advance from the leaders. If he is successful, this would be a very positive event. I would very much like to see the internal process for scheduling this meeting go forward as we await confirmation of the Secretary's efforts.

Thank you!

Cc: John Podesta
George Frampton
Goody Marshall
Jim Steinberg

June 18, 1999

MEMORANDUM FOR THURGOOD MARSHALL, JR.
ASSISTANT TO THE PRESIDENT
AND CABINET SECRETARY

FROM: GARY FALLE
CHIEF OF STAFF

SUBJECT: Request for White House Summit for Small Island States
to be held in Washington in late September

The Secretary of Energy and the U.S. AID Administrator are writing to recommend that the President convene a summit in Washington for Small Island States. They are requested that the summit be held at the White House shortly succeeding the United Nations Special Session on the Small Island Developing States in New York on September 27-28.

The Summit would provide the President and Vice President a forum to discuss climate change and sustainable energy and development issues with the Heads of State of more than three dozen countries. Holding the summit in Washington to succeed the two-day United Nations session would most likely draw a majority of participants.

June 18, 1999

_____ Regret

_____ Accept

_____ Pending

TO: Stephanie Streett
*Assistant to the President and
Director of Scheduling and Advance*

FROM: Thurgood Marshall, Jr.
*Assistant to the President and
Cabinet Secretary*

REQUEST: For the President to convene a White House Summit for Small
Island States.

PURPOSE: To elevate the importance of climate change and sustainable
energy and development issues and to seek full participation by
developing countries in the Kyoto Protocol. To raise the awareness of the
American public about climate change and to highlight for Congress, the
Administration's continuing effort to find a solution to this critical global
environmental problem that include all countries.

The Summit would be valuable to the President's foreign policy goals as well as specific climate change objectives. While President Bush met in Hawaii with Heads of State from small island nations, no President has hosted the group at the White House. Despite strains over current trade disputes, such an event in Washington would symbolize a new broad relationship built on mutual respect. Small island states have similar interests to the U.S. in key sustainable areas such as global warming, natural disaster emergency response, coral reefs, fisheries and other coastal zone issues. Collectively these nations are the most vulnerable to greenhouse gas emissions, yet contribute the least to global warming; highlighting this unique case among "G77" nations and seeking to gain their full participation in the Kyoto Protocol would be beneficial to the U.S. position on climate change.

BACKGROUND: Since 1992, over 170 nations ratified the United Nations

Framework Convention on Climate Change (FCCC) to address the growing global concentration of greenhouse gas emissions. At the 3rd Conference of the Parties in 1997, the Kyoto Protocol was adopted to require mostly *developed* countries to reduce their greenhouse gas emissions below 1990 levels. Developing countries were given incentives through market-based programs such as the Clean Development Mechanism (CDM). They may voluntarily adopt but are not required to commit to binding emissions targets.

The United States has signed the Kyoto Protocol but has not submitted it to the U.S. Senate for ratification. In July, 1997, the Senate unanimously passed a resolution, S. 98, calling for “meaningful participation” by developing countries before the Senate would ratify the Protocol.

President Clinton and the Administration have been working to seek the full participation of developing countries in the Kyoto Protocol. Two developing countries, Argentina and Kazakhstan are working on an emissions target to be announced in November, 1999 at the 5th Conference of the Parties. More developing countries are needed before the Senate is likely to consider ratification of the Protocol.

To assist the Administration in this effort, Secretary of Energy Bill Richardson has developed and implemented a climate change strategy focusing on key developing countries to fully participate in the Kyoto Protocol; this includes seeking commitments from developing countries to voluntarily commit to take on an emissions growth targets. One of Secretary Richardson’s goals is to encourage several developing countries to announce efforts to develop an emissions target by the 6th Conference of the Parties, currently planned for November, 2000.

PREVIOUS PARTICIPATION: None

DATE/TIME: Late September, to follow closely the September 27-28 United Nations Special Session for Small Island States in New York.

DURATION: TBD

LOCATION: The White House

PARTICIPANTS: Approximately 40 Heads of State from Small Island Nations.
 Invitation list TBD but could include Members from the Alliance of Small Island States (AOSIS).

OUTLINE OF EVENTS: TBD

REMARKS REQUIRED: Yes

MEDIA COVERAGE: Yes, Domestic and International

RECOMMENDED BY: Secretary of Energy Bill Richardson
US AID Administrator Brian Atwood

CONTACT: Thurgood Marshall, Jr.
202-456-2572

Gary Falle, DOE Chief of Staff
202-586-6210

Fourth Hemispheric Energy Ministers Meeting New Orleans, Louisiana

July 30, 1999

New Orleans Declaration

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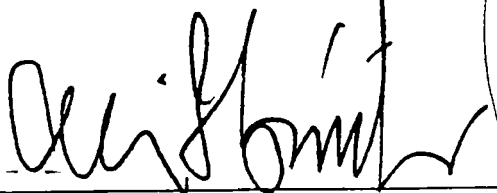
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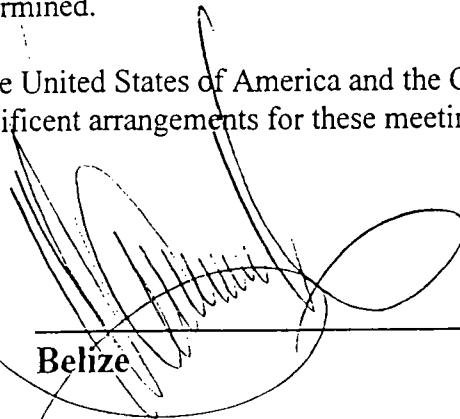
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Argentina



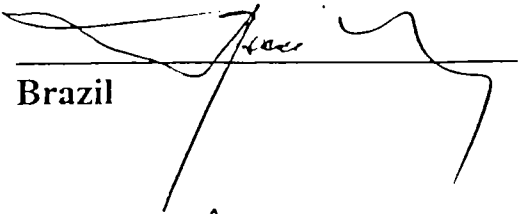
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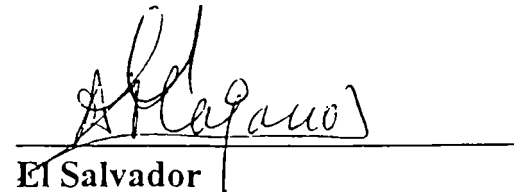


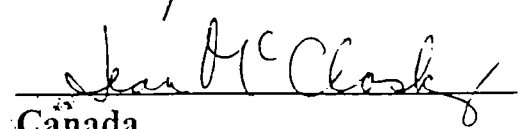
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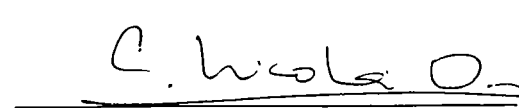
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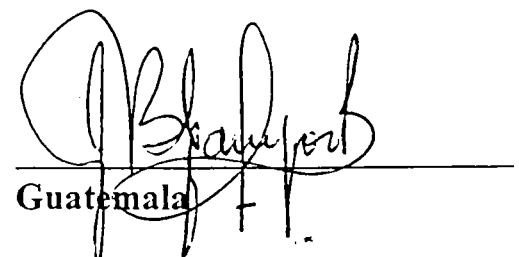

Brazil

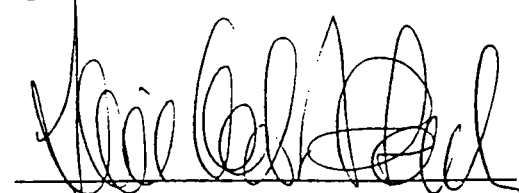

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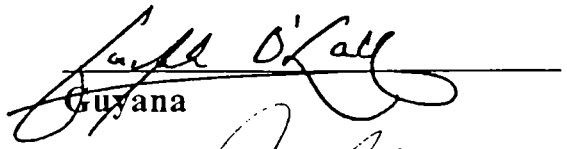

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Grenada

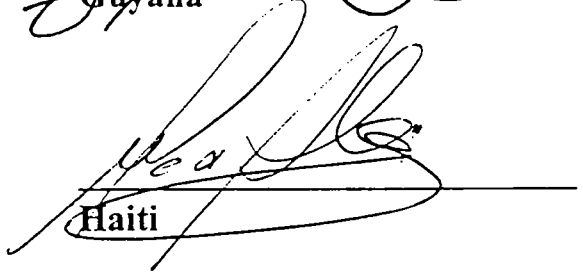

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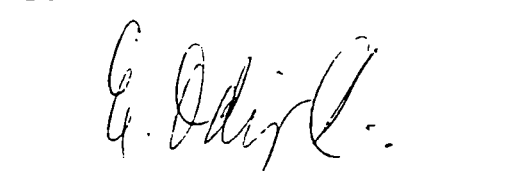

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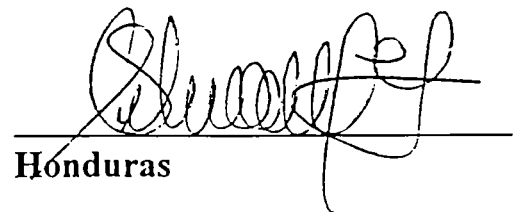

Colombia


Guyana

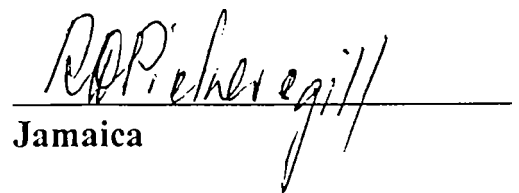

Commonwealth of Dominica

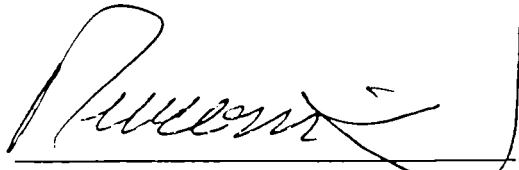

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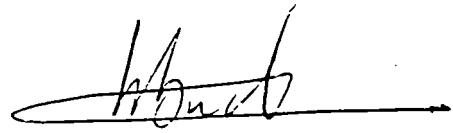

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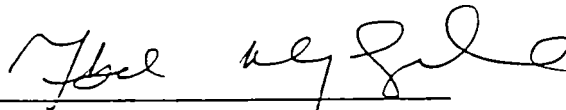


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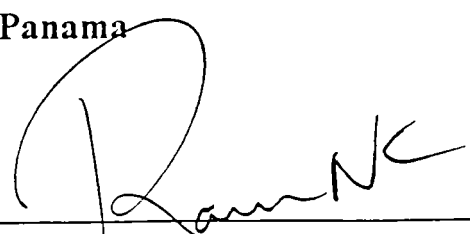


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Panama



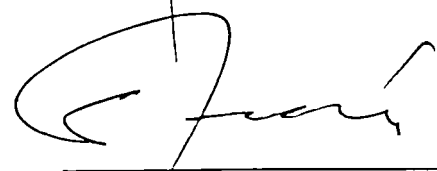
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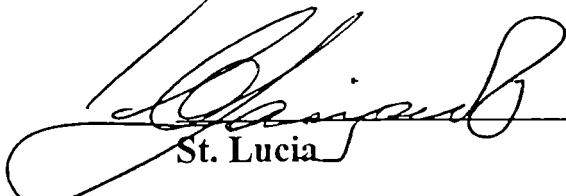
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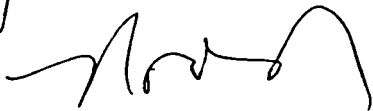
Peru



Uruguay



St. Lucia



Venezuela

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FOR IMMEDIATE RELEASE
July 30, 1999

U.S. Energy Secretary Richardson and Hemispheric Ministers Adopt Statements for Clean Energy Development, Business and Energy Cooperation

New Orleans -- U.S. Energy Secretary Bill Richardson and Hemispheric Energy Ministers today adopted three statements -- the result of their meetings at the Fourth Energy Ministers Hemispheric Conference. They are: Energy Business Forum of the Americas for the Hemispheric Energy Initiative, Joint Statement on Clean Development and Use of Energy and New Orleans Declaration. All three statements are attached.

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HILL: Okay. Very interesting. Thank you, Jennifer.

Fourth Hemispheric Energy Ministers Meeting

New Orleans, Louisiana

July 30, 1999

New Orleans Declaration

The Fourth Meeting of Energy Ministers of the Hemisphere was held in New Orleans, Louisiana, US, on July 30, 1999. Ministers or their representatives from 30 States attended. The Ministers met to carry forward a cooperative program initiated in 1994 by their Heads of State and Government at the Miami Summit of the Americas and reaffirmed and strengthened at the Santiago Summit of the Americas. In this meeting, the Ministers focused on policies and practices concerning regional integration and energy's role in protecting the environment, with the understanding that such successful policies and practices will lead to the creation of sustainable energy infrastructure for the region in the 21st century.

The Ministers recognized the important work that has been accomplished under the Initiative in support of regional integration and the development of a sustainable energy infrastructure. They also acknowledged the activities conducted within the framework of the Working Groups as appropriate means by which to take specific steps to advance this process. Those activities include, among others, evaluating policies, collecting data and exchanging information, assessing technology options and conducting studies and workshops in the areas of natural gas, petroleum, climate change, rural electrification, clean energy options, regulatory cooperation, and energy efficiency.

The Ministers thanked the Government of the United States for organizing the successful discussion on key energy issues with the participation of government and business representatives that took place on July 29, 1999.

The Fourth Hemispheric Meeting of Energy Ministers was held with the following objectives:

1. Evaluate the progress towards the fulfillment of the goals previously adopted;
2. Share experiences about the energy integration process and discuss ways to make further progress in this area;
3. Discuss the importance of the clean development and use of energy;
4. Encourage the energy business sector established in the Hemisphere to organize itself into a Business Forum; and

5. Consider the extension of the current Coordinating Secretariat.

The Ministers recognized the need to continue the efforts by the countries of the Hemisphere to achieve energy integration in the Americas.

The Ministers discussed the main achievements in the region towards Hemispheric integration and thereby reinforced their commitments to take the appropriate steps to further this process.

The Ministers endorsed a Joint Statement on Clean Development and Use of Energy confirming their commitment to sustainable use and development of energy.

The Ministers, aware that the input from the business sector is one of the essential elements for the realization of the objectives of the HEI, encouraged the business sector established in the Hemisphere to organize itself into a Business Forum to cooperate with the Hemispheric Energy Initiative.

The Ministers reiterated their support for the efforts of the Working Groups of the HEI and agreed to promote active participation in the activities of these Working Groups.

The Ministers agreed to extend the current Coordinating Secretariat and instructed the Steering Committee to evaluate the current arrangements and present a proposal to the Fifth Ministerial Meeting.

Ministers agreed that the Fifth Hemispheric Meeting of Energy Ministers would be held in the year 2000 in Mexico on a date to be determined.

The Ministers expressed their gratitude to the United States of America and the City of New Orleans for their warm hospitality and magnificent arrangements for these meetings.

Argentina

Belize

Bahamas

Bolivia

Fourth Hemispheric Energy Ministers Meeting New Orleans, Louisiana

July 30, 1999

Joint Statement on Clean Development and Use of Energy

Ministers from States of the Hemisphere met in New Orleans on July 30, 1999, to continue a cooperative effort launched in 1994 aimed at creating an energy infrastructure for the region that meets the economic and environmental goals of the 21st century.

The Ministers acknowledged and reconfirmed previous commitments and initiatives, including:

The Miami Summit of the Americas of December 1994, where Heads of State and Government agreed to a Declaration of Principles and Action Plan in which they committed to cooperate on ways to use the energy sector to promote sustainable economic growth and recognized that sustainable energy development and use promote economic development and address environmental concerns. The Heads of State and Government agreed to create the Partnership for Sustainable Energy Use and said that governments and the private sector should promote increased access to reliable, clean and least cost energy services;

The Santa Cruz Meeting of Energy Ministers of July 1996, where the Ministers made the commitment to sustainable development and conservation of our environment for present and future generations. The Ministers agreed that present and future consumption of energy requires consideration of clean and efficient energy sources to streamline sustainable development at a hemispheric level, including the implementation of technology for clean energy, that minimizes environmental damage for present and future generations;

The Santa Cruz Sustainable Development Summit of December 1996, which recognized that one of the primary challenges to sustainable development includes attention to global and local environmental concerns and committed governments to promote the introduction of cleaner and appropriate energy production and consumption technologies and options;

The Third Meeting of Energy Ministers in Caracas in January 1998, where the Ministers recognized the key role technologies play in managing the environmental aspects related to energy and agreed to exchange information and analyze activities and mechanisms for cooperation between the countries of the Hemisphere;

The Santiago Summit of the Americas of April 1998, in which Heads of State and Government agreed to encourage the exchange of technology, information and experiences, as well as share views on the Clean Development Mechanism.

Implementation and Progress:

The Governments of the Hemisphere have aggressively pursued the energy goals laid down by Heads of State and Government at the Miami Summit of 1994 and subsequent initiatives.

All countries have demonstrated a commitment to environmentally responsible energy development and use and to meet their energy needs while pursuing the protection of the local, regional and global environment, including the full implementation of the United Nations Framework Convention on Climate Change. Countries of the Hemisphere have all taken actions individually and, through cooperation under the Summit of the Americas, to enhance private sector investment in clean energy production and use and in energy efficiency.

Future Goals and Strategies:

Ministers recognized that to succeed in making sustainable energy development and use a reality for the 21st century, continued and aggressive efforts are needed to remove remaining impediments to energy trade and investment, to promote projects to address local, regional and global environmental concerns, and to further increase opportunities for the private sector.

Toward these ends, Ministers expressed a commitment to a renewed and strengthened effort to further integrate their energy, economic, and environmental goals. This would build on the progress in energy cooperation initiated by the Heads of State and Government in the Miami Summit of the Americas and reaffirmed in the Santa Cruz Sustainable Development Summit and the Santiago Summit of the Americas, which has reinforced the compatibility of policies for sustainable energy development and use, economic development and protection of the global and local environment.

The Ministers recognized the value of the joint efforts to develop adequate, environmentally responsible and secure energy supplies; enhance overall environmental protection on local, national and global levels and improve the quality of life of individuals through sustainable economic development in their countries.

In order to promote the clean development and use of energy, the Ministers recognized the need for policies, which advance research, development and deployment of energy efficiency, renewable energy technologies and other clean energy technologies.

The Ministers of Energy recognized that sustainable energy policies and development are integral elements of any strategy to reduce greenhouse gas emissions. Within the United Nations Framework Convention on Climate Change, all countries, taking into account their common but differentiated responsibilities and their specific national and regional development priorities, objectives and circumstances, have agreed to formulate, implement, publish and regularly update national and, where appropriate, regional programs containing measures to mitigate climate change by addressing anthropogenic emissions by sources and removals by sinks of all greenhouse gases not controlled by the Montreal Protocol, and measures to facilitate adequate adaptation to climate change.

The Ministers recognized the important advances reached in the COP4 of the UNFCCC, held in Buenos Aires, Argentina, in 1998, and, in particular, regarding the clean development mechanism, recognized the importance of operationalizing and implementing this mechanism.

Thus, the Ministers reiterated their commitment to the implementation of sustainable energy policies and to take concrete steps to establish policies and programs that will enhance investments in energy efficiency and in clean energy technologies. Moreover, the Ministers recognized the value of promoting the full use, on a voluntary basis, of the flexibility mechanisms referred to in the Kyoto Protocol, in order to fulfill the objectives of the Convention.

In this regard, the Ministers, based on the sovereign right of each State, recognized that each country may adopt unilateral actions and commitments to take full advantage of these mechanisms, as stated in the Kyoto Protocol.

Fourth Hemispheric Energy Ministers Meeting New Orleans, Louisiana

July 30, 1999

Energy Business Forum Of The Americas For The Hemispheric Energy Initiative

The energy sectors of the countries of the Americas are a key element in the successful development of the economies of the Hemisphere. Important changes are already underway as governments seek to put in place policies that will provide their populations with the energy needed to advance their economies and their social development. The Hemispheric Energy Initiative (HEI) was inaugurated at the Miami Summit to ensure the coordination of national efforts to promote sustainable energy development consistent with the goals adopted at this Summit. This effort was endorsed at the second Summit of the Americas in Santiago.

The input from the business sector is one of the essential elements for the realization of the objectives of the HEI. It will ensure that the discussions and decisions that are made within HEI are fully informed about its concerns and points of view.

The Ministers encouraged the energy business sector established in the Hemisphere to organize itself into a Business Forum. The Ministers agreed to facilitate an interchange of ideas and perspectives between the business sector and government officials of the energy sector on issues related to the implementation of the commitments on energy adopted in the Action Plans of the Miami and Santiago Summits of the Americas.

Ministers will invite the Business Forum to meetings in coincidence with Ministerial Meetings. The Steering Committee may invite the Business Forum to provide them with other inputs, as appropriate. The Business Forum may identify issues of concern and convey these to the Steering Committee or the Ministers.

The Ministers requested the Steering Committee of the HEI to coordinate the relationship between the Business Forum and the Hemispheric Energy Initiative.

The Business Forum may present its views and opinions to the Governments during the joint meeting with the Ministers or in writing through the Coordinating Secretariat.

The Steering Committee, through the Coordinating Secretariat, if requested, may provide assistance for the organization of the first Business Forum meeting.