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P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

3 December 1997

cc: JAF
SY
MJ
AM
RL
JA

FAX to: 202 647-0217

To: Ms. Conchita DeShazo

From: USDEL/Kyoto, Mark G. Hambley

Subject: COP-3 Supplement for Update 4: December 2/3, 1997

This supplement contains some additional reports prepared by the USDEL personnel on activities and events at the on-going Third Conference of the Parties in Kyoto, along with the December 3rd edition of ECO, the environmentalist rag paid for in part by the environment ministries of several EU member states. This report should be read in connection with the regular daily Update No. 4 for December 2/3, 1997.

Climate Technology Initiative (CTI) Ad Hoc Group

The CTI Group met briefly on December 1 to deal with issues related to CTI events and statements during the COP and a few urgent decisions for next steps. The US participants were Abe Haspel, Rick Bradley, Jonathon Pershing, Paul Schwengels and Bob Dixon. The group discussed a possible Ministerial statement on CTI and a proposal from Japan to include a "new initiative" to strengthen technology cooperation in the statement. Several delegations including the US were concerned about generating possible confusion and unrealistic expectations with another "new initiative" coming so late in the process. A drafting group was formed to craft a statement should be prepared based on CTI experience to date and would include some general discussion of plans for the future and the interest in enhancing the initiative. It was also agree this group would prepare a press release on the CTI event on Thursday. The Group then elected Abe Haspel of the US to become the new Chairman of CTI after Kyoto, and tentatively agreed to have the next meeting for two days in mid-January at Sandia National Laboratory in New Mexico.

US Initiative on Joint Implementation and Country Studies Program Information

The ISIJI and CSP staff (Dixon/Schwengels) have set up a distribution table for USIJI and Country Studies publications providing copies of over 30 separate publications documenting results of Country Studies, Support for National Action Plans and USIJI programs. These include several major substantive reports as well as newsletters, flyers and project summaries. Packages of selected short reports have been provided as background for Congressional delegations attending the COP. In addition, selected documents have been provided to the USIS staff dealing with press coverage in Kyoto.

(prepared by
USIJI: Paul Schwengels

Prepared by Paul Schwengels

CC:FORUM Seminar on Country Studies and Enabling Activities

The UNFCCC Secretariat organized and hosted a seminar on Tuesday evening, December 2 to present results of and perspectives on country studies and enabling activities by multilateral and bilateral sponsors and developing country participants. US participants were Paul Schwengels and Bob Dixon, who made a brief but substantive presentation on the US experience and results from 55 country studies and 18 ongoing Support for National Action Plan (SNAP) projects. He highlighted the large number of substantive reports and peer reviewed journal articles produced, and the national, regional and global workshops, conferences and training sessions organized. He also stressed the value of past and ongoing cooperation with other sponsoring organizations and the constructive role of the Secretariat's CC:FORUM as a mechanism for this. Other sponsors presenting included the CC:TRAIN project, the IPCC/OECD/IEA Inventory Methodology programme, UNEP, UNDP, the German GTZ country studies program and the Swiss government. Perspectives from developing countries were provided by representatives of Brazil, Egypt and Thailand -- all of which made positive remarks about the valuable support provided by the US Country Studies Program.

(prepared by
USCSI: Paul Schwengels

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Representing over 300 churches in 100 countries, the World Council of Churches regards the US demand for the developing countries to take on new commitments as unjust and unacceptable. This demand for poor developing countries to take on binding commitments at the same time as the rich countries clashes with the Berlin Mandate and hence with the promise made by the Annex 1 countries at COP 1 to take the first step. The WCC believes that Annex 1 countries must prove their seriousness by implementing veloping countries already work on a voluntary basis on energy efficiency programs and other strategies to limit greenhouse gases.

To conclude, there should be no new binding commitments for developing countries in the Kyoto protocol. In addition, if there is a Kyoto Mandate, any negotiations of commitments of the non-Annex countries must be tied to an evaluation of the activities done by the Annex 1 countries in implementing their commitments in the Kyoto protocol.

eco

Members of JUSSCANNZ may think no-one has noticed what they are up to. Well we have. With the latest proposal from New Zealand there is now a convergence on a very weak target that is completely unacceptable. Japan paved the way by proposing the differentiation approach, which results in an approximate Annex I reduction target of 3.2 % (plus major flexibility). Then, on Monday, the US announced it would be willing to consider differentiation, which indicates potential movement on their target. Long supporters of differentiation, Canada then came in late Tuesday with its 3 % reduction by 2010 proposal.

Is a 3 % club being formed? Quite possibly. Canada, Japan, New Zealand and even the US could move to a 3% target without a major shift in their current positions.

But a 3% target throws the science out of the window. Annex 1 countries are currently 4.6% below 1990 levels, so a 3% reduction actually allows for an increase from where we are today. This is nowhere near what is needed to protect the world from "dangerous" climate change.

The EU and G77 & China need to stand up to this disturbing trend and insist on significant reductions. JUSSCANZ. 3% is completely unacceptable – you have been warned.

Editorial/Production: *Alister Sieghart; Phil Hurst; Elderon Bartholomew*
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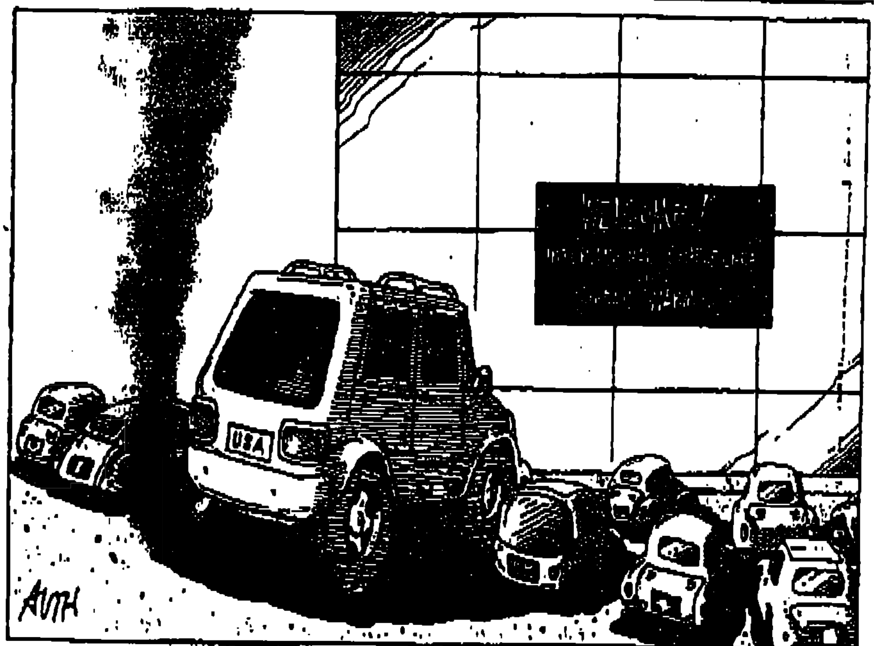
Don't Trip on the Threshold

by Hermann Ott, Wuppertal Institute

It appears that actions by some Parties could have the undesired effect of preventing the Kyoto Protocol from entering into force. This could thwart any agreement coming out of COP 3 – whatever its content. In question is a rather obscure paragraph at the end of the Chairman's draft.

Article 27, in its present form, requires a so-called "double-trigger" for entry into force: not only must 50 states ratify the protocol (as in the FCCC), but these states must represent no less than three gigatonnes of carbon according to their most recent national communication. As it stands, this represents a serious threat to the agreement, since this figure is roughly half of total 1990 carbon emissions. In effect, it would amount to a "veto" by the US and China, who together account for one third of the world's carbon emissions. Effectively, the veto would lie with the US, as China will not ratify first.

There is worse, though: Canada and at least one other have made an outrageous proposal for a threshold of five gigatonnes. If this succeeds, delegates might as well go home: the Protocol would *never become effective*, as this would require almost all states to ratify. Or is the intention that the adoption of a Kyoto Protocol be nothing more than a staged event, without governments ever being obliged to do anything so tiresome as to take any action…?



Same old story

Churches Back South

The World Council of Churches (WCC) delegation to COP3 calls for a change in the US position on commitments of developing countries.

Representing over 300 churches in 100 countries, the World Council of Churches regards the US demand for the developing countries to take their existing stabilisation commitments and adopting real reduction targets before developing countries should be expected to accept binding emission limitation commitments. Many developing countries already work on a voluntary basis on energy efficiency programs and other strategies to limit greenhouse gases.

CLIMATE NEGOTIATIONS KYOTO DECEMBER '97 NGO NEWSLETTER

eco

3 DECEMBER GET DOWN ISSUE

Eco has been published by Non-Governmental Environmental Groups at major international conferences since the Stockholm Environment Conference in 1972. This issue is produced co-operatively by CAN groups attending COP3 in Kyoto, December 1997.

AGRN! – All Gases Right Now

Last night the QELROs group debated gas coverage. As a result, the danger is imminent that three very potent greenhouse gases might be left out of the agreement. It has always been the position of the US, and one that environmental NGOs emphatically support, that the main six greenhouse gases (CO_2, CH_4, N_2O, HFC, PFC, SF_6) must be covered by the terms of the Kyoto Protocol. Despite strong official positions, the US and Canada showed little resistance to a compromise proposal: to agree on a three gas basket here in Kyoto and to defer a decision on the other three gases to COP4, or later.

To defer HFCs, PFCs, and SF_6 seriously risks them not being covered at all in the forseeable future. It is absolutely critical that these "trace" gases be regulated in the Kyoto Protocol because their growth projections are set to go through the roof, and they have massive global warming potentials.

These trace gases could add as much as 10% to industrialized country emissions by 2010 (from a 1990 baseline). If they are left out of the Protocol, the increase in overall emissions might outweigh the benefits of reductions in the other greenhouse gases.

It is therefore paramount to have all gases covered right here in Kyoto, Japan, at COP3. Significant reduction targets must be set for all gases using the 1990 baseline. To miss this opportunity is unforgivable and would undermine the entire credibility of the Protocol.

Fossil fuel lobbyists in search of a snack.

Kiwis Aim Low

After months of fevered speculation, New Zealand yesterday finally announced its QELROs proposal to the massed ranks of waiting journalists. Stunned, the world's press corps heard the New Zealand Minister for the Environment, the Hon. Simon Upton, announce New Zealand's support for a uniform reduction target for "at least" CO_2, CH_4 and N_2O of 'up to 5% below 1990 levels". The reduction would be achieved within a five year budget period starting no earlier than 2005. New Zealand has apparently clarified that the 5% is a flat rate, not differentiated, target.

The media release announcing the New Zealand position states that the target is conditional on the inclusion of emissions trading, the "appropriate" inclusion of sinks (oh, gross, guys) and flexibility as to which policies and measures to choose to achieve the target. New Zealand then jumps on the 'evolution' bandwagon by making its target proposal conditional on developing countries accepting emission reduction commitments in the future.

Hopes of a really radical reduction proposal without loopholes were dashed once more. Come on Norway, surprise us!

CONTENTS

The Really Gross Approach

Last night the now exhausted group on sinks failed to reach agreement despite of Estrada's strictures. Much of this failure can be laid squarely at the door of proponents of the so-called gross-net approach – that owes nothing to science and everything to the national interest of a few parties.

Nevertheless, Eco is impressed by an approach that can magically and effortlessly transform emission increases into emission reductions. But the magic does not work for some parties, such as Australia. This is unfair.

Eco alchemists have thus been working on a logical extension of the gross-net approach, known as the disgustingly-gross approach. It too follows the general New Zealand guidelines of parochial self-interest, combined with sleight of hand, but it benefits all parties. What you do is allocate all emissions, but not sinks, to the baseline year; and to exclude all emissions from the future target year, but including sinks.

This guarantees that all parties will be able to achieve an emission reduction target of at least 100%, more if sinks are included in the target year!

Alternatively, parties should today try to logically address the sinks issue in the light of science and completely ignore paragraph 2 (gross-net approach) of last night's newly named "forests non-paper" *(wot is a non-paper?- ed.)*.

New science shows that the impact of climate change on forests and the terrestrial carbon sink undermines the current confidence in the net approach. This is revealed in a new report from the Hadley Centre Climate Change and its Impacts a global perspective, which uses a number of impact studies which have directly drawn on the output of the Hadley Centre model. Whilst the current ability of vegetation to absorb 20-30% of human-made CO_2 emissions (the terrestrial sink) will be maintained initially, after about 2050 the terrestrial carbon sink dramatically decreases and disappears by about 2080. This is due to the impacts of climate change and a weakening of the CO_2 and nitrogen fertilisation of photosynthesis and growth.

The Hidden Stake Holders

by Gerardo Alatorre, CAN-LA, Mexico

The climate change negotiations involve many actors, from governments to NGOs to the fossil fuel lobby. But we are not the only stake holders in this issue – every person on the planet will be affected by what happens within these halls.

As negotiations grind on at a snail's pace, and oil-dependent countries continue to block progress by distracting us with procedural matters and irrelevant small print, it is easy to forget why we are here. For the tens of thousands made homeless by the recent hurricane Pauline in southern Mexico, however, the climate is not some remote concept where we may wear a t-shirt instead of a thick jumper. The weather is a matter of life and death.

Hurricane Pauline may not have been caused by climate change directly, but the IPCC say that extreme weather events, such as hurricanes, will increase in intensity and frequency.

The weather is also a life and death issue for peasants living in arid or semi-arid regions throughout the world, whose very survival is threatened by more frequent and severe droughts. Meanwhile, those living near coasts face a rising sea level.

If the voice of those who are living on the front line of climate change was heard in the UN plenaries, and if that voice was broadcast to the world, negotiators might get more of a sense of urgency in their deliberations. The science urges us to move beyond even the AOSIS proposal, but even this line of action is hardly mentioned in Kyoto.

Unless scientificly based timetables and targets (now called QELROS for some reason) are agreed in Kyoto, COP3 will quickly be forgotten as a non-event.

Indonesia's Future Riches?

by Surya Mulandar,
Indonesian Climate Action Network

Indonesia may see the sink issue as an opportugity to highlight itself as a major player at COP3, having the world's second largest area of tropical forest after Brazil. This position may prompt it to use sinks both as a negotiating chip and a profitable source of JI and AIJ (pilot stage JI projects) funds, which can be used for development projects.

This would be a fatal mistake as such JI/AIJ funds would be tiny compared to the funds Indonesia could receive for forest rehabilitation and reforestation. What may initially look like an opportunity may become a time-bomb. Should the day arrive when Indonesia does have to make GHG reductions, losing such sinks (through fires or bad forest management) could make Indonesia a major emitter almost overnight.

Panel Discussion – HFCs and Climate Change

Why HFC Emissions Must Be Regulated Through the Kyoto Protocol

Wednesday, December 3, 12:30 – 2:00 P.M. • Environmental NGO Meeting Room • Events Hall

Unregulated growth in HFC emissions could undermine the intended effects of greenhouse gas emission controls adopted in the Kyoto Protocol. The panel discussion, with industry and Greenpeace representatives, will explore the importance of HFCs within the context of global warming and the Climate Convention. Delegates, observers and media are invited to attend:

Program

Chair: Tessa Robertson

- "The Environmental Impacts of HFCs"
  –John Maté, Greenpeace International, Greenfreeze Project
- "Global Warming Impact of HFC-134a in Auto Air Conditioning"
  –Eric Johnson, Atlantic Consulting
- "Natural Alternatives to HFCs in Refrigeration"
  –Joachim Paul, Integral
- "Field Experience with Hydrocarbon Refrigerants"
  –Loreua Powell
- "HFCs – Why Should We Bother?"
  –Paul Blacklock, Calor Gas
- "HFCs and the Kyoto Protocol"
  –Bill Hare, Climate Policy Director, Greenpeace International
- Questions & Answers : General Discussion

CLIMATE NEGOTIATIONS KYOTO DECEMBER '97 NGO NEWSLETTER

Learning to Comply

In the middle of gases, sinks, superheating and targets, Parties have overlooked one of the most central elements of the Kyoto Protocol – a tight, credible compliance procedure. The Kyoto Protocol must put in place a solid reporting, verifying, monitoring and enforcement structure. Where agreement on the specifics is not yet possible, strong markers for a clear process after Kyoto are essential. There are a number of opportunities to strengthen the current protocol text:

1. Review teams should be authorized to review all aspects of a Party's implementation of the Protocol, including the likelihood that a Party will achieve its emissions budgets obligations. Teams should review information, consult with a Party and prepare an assessment report identifying any areas of non-compliance. (Insert into Article 9)

2. Each Party should be required to establish a national monitoring, compliance and enforcement program to ensure domestic implementation. A description of these systems should be included in national communications. (Insert into Article 3 and 8)

3. In-depth review teams have been effective under the Convention. The guidelines should be strengthened by defining how information will be made available to the public and the mechanisms by which the public may provide comments, supplemental data, or other information to facilitate and improve reviews. (Insert into Article 9)

4. An Implementation Committee should be established to review compliance with obligations under the Protocol. Creating a separate body for this function is a priority. Implementation Committees have worked well in both the Montreal Protocol and the Second Sulphur Protocol. (Insert into Article 18)

5. The Secretariat should be given the mandate to identify for the Parties questions of implementation, including whether individual reports are consistent with reporting criteria; and to prepare an annual compilation and synthesis report that contains inventory and budget information, and notes any discrepancies in accounting. (Insert into Article 15)

6. A list of potential consequences for cases of non-compliance should be identified, including: devaluation of allowances, trade sanctions, financial penalties, and the denial of the opportunity to sell emissions credits if trading is part of the Protocol. If it is not possible to establish this list in Kyoto, an ad hoc legal group should be created to identify options by the first Meeting of the Parties. (Insert into Article 18)

Each of these points could easily be added into the current protocol text. Parties should not let this aspect of the protocol pass them by, leaving a loose, undefined mechanism which could be damaging in the future.

In the future emissions could be beamed to other planets

Cities Lead Way

Elected officials from cities around the world active in reducing local greenhouse gas emissions held a meeting in Kyoto yesterday, and called on national governments to adopt a 20% reduction target for 2010 and an interim target in 2005. Over 200 local governments from 29 countries are part of the Cities for Climate Protection campaign, representing over 100 million people and fully 5% of global greenhouse emissions. The city leaders, operating at the level of government most responsive to their constituents, emphasized that they have reduced greenhouse gas emissions in ways that reduced the costs of municipal operations, improved air quality, and created local jobs. National governments would do well to listen to them – they stand to gain the same benefits on a larger scale. And who knows? they might make themselves more popular...

TENGU 天狗

Well we've had virtual brackets, now it seems Japan is proposing virtual emissions: HFCs which would have been emitted in 1990 had they replaced CFCs at an earlier date. This opens up a whole realm of possibilities. How about the CO_2 that *would* have been emitted if Southern countries had had their industrial revolutions earlier, unchecked by colonial economic practices? Or Europe's enormous virtual sink, supposing the natural forest cover hadn't been removed over the last 3000 years? Then of course you get to the question of virtual reductions... or have we got those already?

Tengu is also quite taken by this idea of a compensation fund, and thinks this one could run and run. For example if, as some in the US claim, reducing emissions is bad for your economy, and unchecked pollution makes you rich, why doesn't the US let rip, unregulated. Everyone else can then reduce as much as they think prudent; on their own, and America pay them enormous sums in compensation out of the billions they're making. (NB, let no-one confuse this with emissions trading, which is of course an entirely different concept.)

THANKS

The Climate Action Network would like to thank the National Environmental Trust and Chikyu Kankyo Kikin for major funding for Eco and the Alton Jones Foundation, the Environmental Defense Fund and Greenpeace International for further financial assistance.
With resources contributed by APC Networks, Eurolax, Minolta mediaworks; Fuji Xerox Office Supply Co. and Horizon International.

CLIMATE CHANGE
3rd CONFERENCE OF THE PARTIES
KYOTO, NOVEMBER 30 - DECEMBER 11, 1997

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John Campbell	State/OES	202- 647-1554	202-647-0217
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Steve Muller	State/EB	202-647-3423	202-647-4037
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Todd Stern	White House	202-456-2702	202-456-2215
Steve Seidel	White House	202- 343-1060	202-343-1162
David Sandalow	White House/CEQ	202-456-6543	202-456-2710
Shelley Fidler	White House/CEQ	202-456-6224	202-456-2710
John Hilley	WHLA	202-456-6620	202-456-2604
Peter Orszag	White House/NEC	202-456-5358	202-456-2223
Diana Helioes	White House/NS	202-456-9494	202-456-9490
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Andrew Kanders/Paul Risley	White House	202-343-1060	202-343-1162
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John Lieber	DOT	202-366-4450	202-366-7127
Sandra Hawkins	DOC	202-482-6055	202-482-4636
Laurence Campbell	DOC	202-482-3038	202-482-0325
Al McGartland	EPA/OPPE	202-260-3354	202-260-6405
Paul Stolpman	EPA/OAR	202-564-9140	202-564-9598
Richard Rominger (or) Jessica Wasserman	USDA	202-720-6158	202-720-5437
Elli Kaplan	Treasury	202-622-0409	202-622-0073
David Wilcox	Treasury	202-622-1260	202-622-0073
Lois Schiffer/Jim Simon	DOJ/EURD	202-514-2701	202-514-0557

Carla Koppell/Deb Hickey	USAID/ENV	202-712-1750	202-216-3230
Barbara Scarlett	USIA	202-619-6818	202-619-5646

Table 1: Description of proposed protocols for Annex I countries. All reductions are relative to the 1990 level.

1. AOSIS*:	Reduce CO_2 emissions by at least 20% by 2005.
2. Austria, Germany:	Reduce CO_2 emissions by 10% by 2005, and by 15–20% by 2010.
3. Belgium:	Reduce CO_2 emissions by 10–20% by 2010.
4. Denmark:	Reduce CO_2 emissions by 20% by 2005, and by 50% by 2030.
5. Switzerland:	Reduce ghg emissions by 10% by 2010.
6. U.K.:	Reduce ghg emissions by 5–10% by 2010.
7. Zaire:	Return ghg emissions to 1990 level by 2000, reduce emissions by 10% by 2005, by 15% by 2010, and by 20% by 2020.
8. Netherlands:	Reduce ghg emissions by an average of 1–2% per year (from 2000, see item 10 below).
9. France:	Reduce per capita ghg emissions by 7–10% over 2000–2010. Reduce per capita ghg emissions to 1.6–2.2 tC/yr by 2100.
10. E.U.:	Return ghg emissions to 1990 level by 2000. (Assumed to apply also to proposals by countries 2, 3, 4, 8 and 9.)

* Alliance of Small Island States

NOTE: Some proposals apply to CO_2 alone, others to CO_2 plus other greenhouse gases (ghg) presumably in some equivalent CO_2 emissions sense. The E.U. proposal refers specifically to greenhouse gases not covered by the Montreal Protocol.

Financial Times Wednesday, November 5, 1997

Gases talks underline EU-US gap

By Bruce Clark in Washington

A huge gap between European Union and US attitudes to the issue of climate change was underlined yesterday when senior EU officials put to their US counterparts the argument for tough action to limit greenhouse emissions.

With less than a month before an international conference on global warming in Kyoto, Japan, there was little sign of any break in the deadlock over how much the developing countries should be required to do.

Michael Meacher, UK environment minister, said the European side at yesterday's talks found a real desire among US officials to bridge the gap. But senior US legislators have warned this week that, even in the event of the Kyoto talks yielding agreement on a climate change convention, it would barely gain 15 of the 67 votes needed for ratification in the US Senate.

The US proposal for industrial countries to stabilise their heat-trapping emissions at their 1990 levels between 2008 and 2012 was dismissed by representatives of Britain, the Netherlands, Luxembourg and the European Commission as far too weak to inspire the developing nations to follow suit.

"The US position will not in our view get the developing countries on board," said Mr Meacher. He added that Washington could not expect to win approval for its demands for flexibility and "joint implementation" of agreed curbs – through an international emissions trading system – unless it accepted more ambitious targets.

The EU, in a position dismissed by almost all politicians in Washington as unrealistic, favours reducing emissions in 2010 to a level 15 per cent below that of 1990.

But the widest gap, evident at a conference in Bonn last month and showing no sign of narrowing, was over the terms in which the developing countries – whose emissions are not part of the formal Kyoto agenda – should be required to help combat global warming.

The US administration has called for developing nations to agree by 2005 to limits on their carbon emissions. But this has been rejected as unrealistic by industrial nations in Europe, and denounced by the developing states themselves.

US opponents of early action, meanwhile, are warning that, even if the developing world accepted that timetable, it would not make the imposition of limits on US industry any more acceptable to them. In practice, say observers of the tortuous negotiating process, the US industrial lobby is counting on the developing world to sabotage any prospect of a consensus at Kyoto.

One of the few US interest groups which has wholeheartedly welcomed rising international concern over climate change is the nuclear industry, which has been publicising the virtual absence of dangerous air pollution from its variety of power generation.

The nuclear industry is showing rising self-confidence after a run of public-policy successes: an agreement last week to sell US nuclear technology to China, and a vote in the House of Representatives, similar to one passed earlier in the Senate, that would oblige the administration to build a store for nuclear waste.

Canada buckles on greenhouse targets

Proposal is seen as face-saver by prime minister who vowed tougher stance than US, writes **Scott Morrison**

Canada is expected to arrive at a global environmental conference next month proposing to extend a previously agreed year-2000 deadline for stabilising emissions of greenhouse gases at 1990 levels, but calling for reduction targets beyond 2012.

The Canadian government, which at the 1992 Earth Summit in Rio de Janeiro established itself as a leader in the fight against global warming, appears to have buckled to pressure from industry leaders and western interests to adopt [illegible] has failed to take a stance that restores the country's once enviable environmental reputation, which has been damaged by reports it has failed to live up to a 1992 treaty to curb emissions.

Critics say Mr Chrétien's stance is a weaker proposal than the US position because Canada has not announced an action plan to achieve those reduction targets.

[illegible] Canada's prospects of facilitating a global deal will be hampered by its reluctance to show leadership at home.

The Sierra Club, an environmental group, says developing nations, which increasingly contribute to global warming, will be less likely to agree to new targets while leading industrialised nations such as Canada have shown little commitment.

[illegible] lise greenhouse gas emissions at 1990 levels. "The government hasn't done enough so far. We underestimated how difficult this challenge would be," a Canadian official acknowledged.

Environmentalists argue the only way for Canada to show its commitment to the issue would be to announce before the Kyoto meeting a comprehensive plan to [illegible] trading scheme in effect in the US. "Canada has absolutely no action plan and absolutely no clue on how it will deliver on its commitments," said Robert MacIntosh, policy director of the Pembina Institute, an environmental think tank in Alberta.

The Canadian government will not be likely to make important policy deci[illegible] worry the country's economic recovery could be jeopardised should the federal government stymie industrial activity by imposing user taxes on fossil fuels or mandating emissions targets.

Officials and industry leaders argue that any comprehensive plan adopted in haste would almost certainly be inadequate. They say technology not yet invented will create opportunities to reduce emissions while making less of an impact on industrial output or corporate earnings.

[illegible]

Financial Times Wednesday, November 5, 1997

Gases talks underline EU-US gap

By Bruce Clark
in Washington

A huge gap between European Union and US attitudes to the issue of climate change was underlined yesterday when senior EU officials put to their US counterparts the argument for tough action to limit greenhouse emissions.

With less than a month before an international conference on global warming in Kyoto, Japan, there was little sign of any break in the deadlock over how much the developing countries should be required to do.

Michael Meacher, UK environment minister, said the European side at yesterday's talks found a real desire among US officials to bridge the gap. But senior US legislators have warned this week that, even in the event of the Kyoto talks yielding agreement on a climate change convention, it would barely gain 15 of the 67 votes needed for ratification in the US Senate.

The US proposal for industrial countries to stabilise their heat-trapping emissions at their 1990 levels between 2008 and 2012 was dismissed by representatives of Britain, the Netherlands, Luxembourg and the European Commission as far too weak to inspire the developing nations to follow suit.

"The US position will not in our view get the developing countries on board," said Mr Meacher. He added that Washington could not expect to win approval for its demands for flexibility and "joint implementation" of agreed curbs – through an international emissions trading system – unless it accepted more ambitious targets.

The EU, in a position dismissed by almost all politicians in Washington as unrealistic, favours reducing emissions in 2010 to a level 15 per cent below that of 1990.

But the widest gap, evident at a conference in Bonn last month and showing no sign of narrowing, was over the terms in which the developing countries – whose emissions are not part of the formal Kyoto agenda – should be required to help combat global warming.

The US administration has called for developing nations to agree by 2005 to limits on their carbon emissions. But this has been rejected as unrealistic by industrial nations in Europe, and denounced by the developing states themselves.

US opponents of early action, meanwhile, are warning that, even if the developing world accepted that timetable, it would not make the imposition of limits on US industry any more acceptable to them. In practice, say observers of the tortuous negotiating process, the US industrial lobby is counting on the developing world to sabotage any prospect of a consensus at Kyoto.

One of the few US interest groups which has wholeheartedly welcomed rising international concern over climate change is the nuclear industry, which has been publicising the virtual absence of dangerous air pollution from its variety of power generation.

The nuclear industry is showing rising self-confidence after a run of public-policy successes: an agreement last week to sell US nuclear technology to China, and a vote in the House of Representatives, similar to one passed earlier in the Senate, that would oblige the administration to build a store for nuclear waste.

Canada buckles on greenhouse targets

Proposal is seen as face-saver by prime minister who vowed tougher stance than US, writes **Scott Morrison**

Canada is expected to arrive at a global environmental conference next month proposing to extend a previously agreed year-2000 deadline for stabilising emissions of greenhouse gases at 1990 levels, but calling for reduction targets beyond 2012.

The Canadian government, which at the 1992 Earth Summit in Rio de Janeiro established itself as a leader in the fight against global warming, appears to have buckled to pressure from industry leaders and western interests to adopt less ambitious short-term targets.

The proposal is seen as a face-saving stance for Jean Chrétien, the prime minister, who has vowed to assume a tougher stance on the issue than the US, which has also urged an extension of the 2000 deadline.

Environmentalists, however, are outraged Canada has failed to take a stance that restores the country's once enviable environmental reputation, which has been damaged by reports it has failed to live up to a 1992 treaty to curb emissions.

Critics say Mr Chrétien's stance is a weaker proposal than the US position because Canada has not announced an action plan to achieve those reduction targets.

It appears less likely Canada will play a pivotal role at negotiations next month in Kyoto, Japan, where the European Union will push for a 15 per cent cut from 1990 levels by 2010.

Some Canadian officials suggest they might help broker an agreement in Japan, much as at the Rio summit, but environmentalists say Canada's prospects of facilitating a global deal will be hampered by its reluctance to show leadership at home.

The Sierra Club, an environmental group, says developing nations, which increasingly contribute to global warming, will be less likely to agree to new targets while leading industrialised nations such as Canada have shown little commitment.

Critics say Canada's policy of encouraging industries to cut emissions voluntarily has failed: recently released government data appear to confirm that view.

Environment Canada said emissions of carbon dioxide increased 11 per cent between 1990 and 1996, despite a 1992 pledge the country would by 2000 stabilise greenhouse gas emissions at 1990 levels. "The government hasn't done enough so far. We underestimated how difficult this challenge would be," a Canadian official acknowledged.

Environmentalists argue the only way for Canada to show its commitment to the issue would be to announce before the Kyoto meeting a comprehensive plan to reduce greenhouse gases.

Advocates of such a plan say the government must set legally binding targets, introduce a tax on fossil fuels and create incentives for industry to develop more efficient technology.

Others have suggested Canada adopt an emissions trading programme similar to the sulphur emissions trading scheme in effect in the US. "Canada has absolutely no action plan and absolutely no clue on how it will deliver on its commitments," said Robert MacIntosh, policy director of the Pembina Institute, an environmental think tank in Alberta.

The Canadian government, will not be likely to make important policy decisions on how to achieve those targets until after an international agreement is signed. Industry leaders in Canada are insisting on clear targets before agreeing to take action; the government is reluctant to impose measures unilaterally that would be politically unpopular in energy-rich Alberta.

Some cabinet ministers worry the country's economic recovery could be jeopardised should the federal government stymie industrial activity by imposing user taxes on fossil fuels or mandating emissions targets.

Officials and industry leaders argue that any comprehensive plan adopted in haste would almost certainly be inadequate. They say technology not yet invented will create opportunities to reduce emissions while making less of an impact on industrial output or corporate earnings.

Scientists and environmentalists say time for debate has virtually run out. They argue Canada must adopt a comprehensive plan to restore its reputation and guide other nations to a binding emissions reduction accord. That appears unlikely, given the difficulty the government has had defining its own position.

A0315

THE WALL STREET JOURNAL FRIDAY, OCTOBER 31, 1997

From Dots in the Pacific, Envoys Bring Fear, Fury to Global-Warming Talks

By JOHN J. FIALKA
Staff Reporter of THE WALL STREET JOURNAL

BONN — As diplomats from 130 nations race from one negotiating session to another, struggling over the final draft of a treaty to curb global warming, one of them, Ambassador Tuiloma N. Slade of Samoa, paused to give his particular view of the situation to an American reporter:

"So, OK, you might have to pay a few more cents for a gallon of gas, but for us, it's the very existence of my island community."

Ambassador Slade is the head negotiator for a little known group of 36 nations called the Alliance of Small Island States (AOSIS). While they are often little dots on the map with roughly 3% of the globe's population, they have one distinction: While others talk of potential devastation from climatic change caused by warming, AOSIS members say they have been living through it. Indeed, they fear that melting polar ice caps could literally put their nations under water.

Two unprecedented storms nearly wrecked the economy of Samoa's nine islands (pop. 167,000) in 1990 and 1991, and the ambassador is sure they were a product of global warming, caused by an accumulation of so-called greenhouse gases, such as carbon dioxide, which are thought to be raising the world's temperature by trapping more of the sun's heat in the atmosphere.

The islanders' experience gives them a special view of the slow-moving wrangling here about a draft of a treaty to be completed in Kyoto, Japan, in December. For example, there is much discussion about scientists' predictions of a one meter (39-inch) rise in sea levels by the year 2100 if nothing is done to curb warming. For the U.S. that could be a major problem. But to the Marshall Islands, some 1,225 islands scattered over the South Pacific, it poses the ultimate national security threat, because the islands are an average of only two meters above sea level.

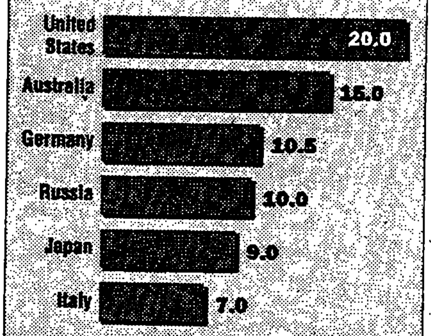
'Complete Inability'

"There is a complete inability to take some responsibility here and do something about this," says Espen Ronneberg, a diplomat for the Marshalls. An unprecedented storm surge caused a 30-foot wave to wash over the island of Kili in the Marshalls last year, he notes, poisoning the island's crops and devastating its houses.

Because the 2,000 residents of Kili can't yet return to their original home — Bikini, an atoll used in the 1950s for U.S. H-bomb tests — they may have to be moved to the island of Majuro, the nation's capital. But they may not stay long because a new study shows 80% of Majuro would be underwater after a one-meter-rise in sea level. So the 50,000 inhabitants of the Marshalls may, someday, have to move elsewhere. That "migration option" is devastating for politicians, Mr. Ronneberg says. "How can they possibly defend it?"

International Spread

Here are the world's biggest per capita producers of carbon dioxide, a greenhouse gas thought to contribute to global warming. Chart shows amount produced in metric tons per capita annually.



Source: International Energy Agency

Like many AOSIS members, he focuses much of his criticism on the U.S., the globe's biggest producer of carbon dioxide, caused by burning oil products and coal. When President Clinton recently pronounced the scientific evidence backing predictions of damage from global warming "overwhelming," the islanders took heart. But then the U.S. proposed a "stabilization" formula, calling for nations to return to 1990 levels of CO_2 emissions by the year 2010. The islanders have been pushing for a 20% cut.

Insurance Brokers Depart

"If the science is correct, the moral responsibility does lie with nations such as yours [the U.S.]," asserts Ambassador Slade. As he explains it, the economic demise of the islands will arrive a lot sooner than the projected one-meter sea level rise. Insurance brokers have already left Samoa, stalling new construction, and rising sea-levels will allow storm waves to poison fresh water aquifers, meaning that people in low-lying areas will have to move.

In short, AOSIS wants results now, so Ambassador Slade has allied it with a much larger group here, over 100 developing nations joined with China called the G-77. Talks have been going slowly because the group also includes oil-producing nations, such as Saudi Arabia and Kuwait, which don't want any limits on fossil-fuel burning.

Finding no backing for steeper cuts, the islanders have joined the G-77's request for a 15% cut in 1990 levels by 2010. That matches part of the European Union's proposal, but not all, and there are four-sided fights going on among the G-77, Europe, Japan and the U.S. over targets and other matters, many of which raise huge political and economic questions.

South Korea Acts to Stem Won's Slide

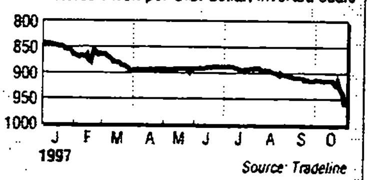
By MICHAEL SCHUMAN
Staff Reporter of THE WALL STREET JOURNAL

SEOUL — The South Korean won has depreciated 3.7% this week, raising concerns about the currency's stability among bankers and traders. Until now, South Korea had been an island of stability in Asia's widespread currency crisis.

On Thursday, the won depreciated to 984.7 won to the dollar, compared with 964 won at Wednesday's close. Traders say that the Bank of Korea then began buying won to support the currency's value, pushing the won back to 964.8 at the close.

Won's Woes

South Korean won per U.S. dollar, inverted scale



Source: Tradeline

The government is taking measures to try to stem the won's slide. On Wednesday, the Ministry of Finance and Economy said it would open the unsecured long-term corporate bond market to foreign investors next year, instead of in 1999 as planned. The ministry also said that local citizens won't be allowed to buy the U.S. dollar to deposit or hold starting Friday.

Bankers and traders are turning pessimistic about the won because they question the level of the central bank's foreign-currency reserves, which the bank spends to prop up the currency. Traders estimate the Bank of Korea spent about $700 million on Thursday defending the won, and perhaps $2 billion this month. Reserves at the end of September stood at $30.4 billion, down 8% from the end of 1996.

"While the central bank continuously sells the dollar, people question [its] capability to ultimately control the won-dollar exchange rate," says Lee Chang Sun, a foreign-exchange economist at LG Economic Research Institute in Seoul.

The new pressure on the won stems from concerns about Korea's strained financial sector. Several major business conglomerates have sought court protection from creditors this year, raising the level of nonperforming loans at commercial banks. Both Standard & Poor's Ratings Services and Moody's Investors Service Inc. downgraded Korea's foreign-currency rating this month. A falling stock market has also contributed. On Thursday, the local index of the Korea Stock Exchange fell 4.3% to hit a 5-year low. Foreign investors have been large net sellers of Korean stocks in recent days, increasing the demand for dollars.

Latin Markets Get Drawn Into the Asian Downdraft

By JONATHAN FRIEDLAND
Staff Reporter of THE WALL STREET JOURNAL

BUENOS AIRES — Latin America produces copper and cars, not microchips or textiles. It trades mainly with the U.S. and Europe, not with Asia. And it doesn't generally have overinflated asset prices.

So why is it being inexorably sucked into a downdraft that started four months ago in Thailand and Malaysia?

The answer is threefold, say analysts. Big emerging-market investors need to take profits to compensate for their losses in Asia. Latin America and Asia are thematically linked by a reliance on overvalued exchange rates to damp inflation. And, more than anything else, whatever differences do exist between the two regions immediately take a back seat when fear is in the driver's seat.

"When it comes right down to it, all the talk we've heard about investors concentrating on the fundamentals in emerging markets is just wishful thinking," says Goldman, Sachs & Co. economist Alberto Ades.

Yesterday, Latin markets took another drubbing, with Brazil's Bovespa index plummeting 9.8% and Mexico's IPC index falling 3.4%. Argentina's Merval index plunged 9.1% to its lowest close in 1997.

Until last week, Latin America had remained largely untouched by the troubles roiling Southeast Asia. Companies and countries here maintained their access to global credit markets, often on terms unmatched in the region's history. And officials here played down the impact of Southeast Asian devaluations on Latin America's global competitiveness, noting that, in general, the two regions don't sell the same types of products.

This complacency fell prey to contagion last week. The assault by speculators on the fixed value of the Hong Kong dollar and the subsequent record Wall Street sell-off "changed perceptions overnight," says Salomon Brothers Inc. economist Gustavo Canonero. Investors, he adds, began to focus on the similarities between the two regions, not the bigger differences.

More specifically, they began to focus on Brazil. Like many Southeast Asian nations, it has used an overvalued currency to whip inflation. It has also run up a large current account deficit, now estimated at 5% of gross domestic product, which makes it especially vulnerable when investors are unnerved.

The fear has spread to other countries, especially Argentina, which counts Brazil as its major trading partner and which has rebuilt confidence in its economy by using the same fixed exchange-rate system used by Hong Kong. Argentine officials have vowed to do whatever is necessary to defend the link to the dollar but "if Brazil goes, all bets are off," says Mr. Ades.

The continuing market fallout Thursday prompted regional leaders to step up consultations and public shows of confidence. Brazilian President Fernando Henrique Cardoso called his Argentine counterpart Carlos Menem and both made statements pledging to defend their respective currencies and to maintain the course of current economic policy. Earlier in the day, Peruvian President Alberto Fujimori told reporters that his government was confident the crisis would pass and that pressure on the local currency, known as the sol, hadn't become acute enough to warrant intervention by the central bank.

United States Department of State

Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs

Washington, D.C. 20520

CC: JY
JAF
BB
AM
RL
JA

FAX MESSAGE

Date: October 14, 1997

TO: Janet Yellin
White House/ CEA

FAX NO: 395-6958

TO: Peter Orzag
White House/NEC

FAX NO: 456-2223

TO: Todd Stern
White House
Asst to President, Staff Secretary

FAX NO: 456-2215

FROM: Melinda Kimble
OES

FAX NO: 647-0217

7 pgs. follow

See Attached.

1) The Japanese proposal is differentiated - e.g. some countries will have flexibility & choices on how they develop a target.

2) The budget period & the target are more reasonable than the EU.s - we might focus on how to use this in developing our plan.

→ The letter from the Hill highlights their concerns about the two-step.

United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

October 1, 1997

The Honorable Madeleine K. Albright
U.S. Secretary of State
2201 C. Street, N.W.
Washington, D.C. 20520

Dear Madam Secretary:

It has come to our attention that the European Union (E.U.) has proposed an amendment to the rules of procedure of the United Nations Framework Convention on Climate Change (FCCC), which would permit parties to the FCCC to adopt protocols by a three-quarter majority. If such a voting procedure were in place we fear that parties could approve new commitments at the Third Conference of the Parties without the support of the United States when the conference convenes in Kyoto, Japan in December.

Under the current rules of procedure, consensus is required for the adoption of a protocol to the FCCC. We believe that this procedure provides the United States with the necessary leverage to ensure that an agreement is reached that adequately protects U.S. interests. If adopted, the E.U. proposal would cause an even more dramatic shift in these critical negotiations away from the interests of the United States.

We also raise additional concerns regarding the procedure for Senate ratification of any legal instrument that comes out of Kyoto. As you will recall, the Committee stated in 1992, in Executive Report 102-55 (which accompanied the resolution of ratification for the FCCC) that:

> ... a decision by the executive branch to reinterpret the Convention to apply legally binding targets and timetables for reducing emissions of greenhouse gases to the United States would alter the "shared understanding" of the Convention between the Senate and the executive branch and would therefore require the Senate's advice and consent.

The Senate is on record as having rejected legally-binding targets and timetables as an acceptable provision of the FCCC. We believe that any effort to amend the FCCC in this regard would alter the "shared understanding" of the Senate when it gave its advice and consent to ratification of non-binding targets and timetables in 1992, and would require the Administration to resubmit the entire amended FCCC to the Senate for its advice and consent.

7237-002

Madam Secretary, we seek your assurance that the United States will reject the EU proposal -- as well as any effort to amend the FCCC rather than negotiate a new Protocol -- if the Administration chooses to support legally-binding targets and timetables for reducing emissions of greenhouse gases.

Sincerely,

Jesse Helms

JESSE HELMS
Chairman
Committee on
Foreign Relations

ROD GRAMS
Chairman
Subcommittee on
International Operations

Chuck Hagel

CHUCK HAGEL
Chairman
Subcommittee on
International Economic Policy

Proposal on QELROs
by the Government of Japan
September 29, 1997

1. As the president-designate of the COP3, the Government of Japan proposes 5% as a base reduction rate for deciding a reduction target for each country on the premise that the following conditions from (1) to (3) are accepted. The base year of this reduction is 1990. The target period for the reduction is five years from 2008 to 2012 (the first budget period).

(1) Green house gasses covered by this proposal include carbon dioxide, methane and nitrous oxide.

(2) As the quantified target includes a portion prescribed by future technological development and changes of energy situation and industrial structure, etc. which are uncertain factors not foreseen at present, compliance clauses in regard to this portion should have certain flexibility. Formulation of this flexibility has to be stipulated in a protocol or another legal instrument. In any case, the emissions of any country shall not exceed its emissions in 1990.

(3) The target for an individual country is differentiated by emission per GDP, emission per capita and population growth:

Countries with the following conditions may apply any one of the following Alternative Reduction Rates:

(a) For a country of which emissions per GDP in 1990 (A) are less than the emission per GDP of all Annex I countries in 1990 (B):

Alternative Reduction Rate (%) = 5% × (A/B)

(b) For a country of which emissions per capita in 1990 (C) are less than the emission per capita of all Annex I countries in 1990 (D):

Alternative Reduction Rate (%)= 5% × (C/D)

(c) For a country of which population growth from 1990 to 1995 exceeds the population growth of all Annex I countries for the same period, the higher growth of population should be considered in deciding the target of the country. Concrete formulation of this alternative reduction rate is to be developed.

2. Banking, borrowing, emissions trading and joint implementation should be adopted under certain conditions.

3. Emissions for the second budget period shall not exceed those for the first budget period. More sophisticated method of differentiation should be applied for the second budget period.

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	To President Clinton from Prime Minister of Japan (3 pages)	09/27/1997	P1/b(1)

COLLECTION:

Clinton Presidential Records
Council of Economic Advisers
Frankel, Jeffrey
OA/Box Number: 13727

FOLDER TITLE:

Other [Comments] Proposals: Japan AOSIS [Alliance of Small Island States] - [Climate Change]

2017-1095-F
bg235

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Additional Explanation on the Second Condition in Japan's Proposal

As the quantified target includes a portion prescribed by future technological development and changes of energy situation and industrial structure, etc. which are uncertain factors not foreseen at present, compliance clauses in regard to this portion should have certain flexibility.

cc: JY
MJ
Ar
JA
RL

EMBASSY OF AUSTRALIA, WASHINGTON, DC
1601 Massachusetts Avenue, N.W.
Washington D.C. 20036

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	FAX: (202) 797 3209
	TEL: (202) 797 3015
DATE: 20 November, 1997	PAGES: 18
SUBJECT: CLIMATE CHANGE	

Please find attached a copy of the Australian Prime Minister's Statement on Climate Change.

Stephen Deady
Minister/Counsellor (Commercial)

CLIMATE CHANGE
ANNOUNCEMENT OF PACKAGE OF MEASURES
BY THE PRIME MINISTER

Following is a the text of the Australian Prime Minister's Statement on Climate Change delivered in the Parliament on 20 November 1997.

The Statement contains a strengthened package of domestic greenhouse measures. The package contains two key components:

- provides $180 million over 5 years, mostly directed at new programs or substantially expanded existing programs
- includes regulations - covering strengthened building codes and appliance standards, targets for increased use of renewable energy and new fuel efficiency standards.

This package shows that the Australian Government is very serious about dealing effectively with this long term global challenge. The package will result in a substantial reduction in Australia's projected emissions growth (one-third off business as usual emissions). Also the Government will be moving to implement these measures immediately, independent of action by other countries and the outcomes of the Kyoto meeting. With these measures, Australia's overall effort is broadly comparable with what the EU and the US propose to achieve.

On the international negotiation issues, the PM's Statement reiterates that Australia believes that the international response to climate change must be effective in terms of meeting the environmental challenge, equitable in terms of the costs to be borne by individual countries and least damaging as possible to living standards and employment prospects. For these reasons Australia has proposed that individual targets for industrialised countries be differentiated according to national circumstances.

Australia also believes international emission trading would help minimise the costs of reducing emissions and supports trading on the basis of a satisfactory initial allocation of emission entitlements and a practical resolution of the administrative difficulties involved.

Australia looks to Kyoto to support joint implementation as a means of engaging developing countries in the global effort. Furthermore, because action by developed countries alone would be ineffective in tackling this global problem, the Kyoto outcome should provide for procedures and time frames for future commitments for major developing country emitters.

STATEMENT BY
THE PRIME MINISTER OF AUSTRALIA

THE HON JOHN HOWARD MP

SAFEGUARDING THE FUTURE:
AUSTRALIA'S RESPONSE TO CLIMATE CHANGE

20 NOVEMBER 1997

Since its election the Government has addressed the critical issue of global warming in a way that effectively promotes Australia's national interests.

Those interests lie both in protecting Australian jobs and Australian industry whilst ensuring that Australia plays her part in the world wide effort needed to reduce greenhouse gas emissions.

From the start, we have made it plain that Australia would not accept an unfair share of the burden. We have rejected and will continue to reject mandatory uniform targets which advantage many developed countries to the distinct disadvantage of countries such as Australia.

We have also made it plain that we are not prepared to see Australian jobs sacrificed and efficient Australian industries, particularly in the resources sector, robbed of their hard-earned, competitive advantage.

Moreover, we have persistently stressed the need to involve developing countries as their participation is crucial to any lasting solution to the global warming problem.

These principles have guided our approach.

There is now clear evidence that Australia's campaign for equity and realism has won wider support and so, far from our country being isolated on the issue, there is growing international support for the view that the approach of, say, the European Union is both unfair and unachievable.

We have an obligation to defend and protect Australian interests, Australian jobs and Australian industry. We also owe it to future generations of Australians to play an effective role in the global reduction of greenhouse gas emissions.

The Government's approach to development and the environment has been balanced and far sighted.

That approach is reflected in the $1.25 billion Natural Heritage Trust. The Trust promotes practical ways to rejuvenate the land, rivers and oceans and is the most profound commitment of any government to the environment.

The same balanced approach is behind our Regional Forests Agreements where the practical commitment to equally boost jobs and protect forests has resulted in 409,000 hectares of additional reserves through the two agreements signed so far.

That balance is also reflected in the protection and management of our seas and oceans through the development of a national oceans policy. This will build on the $106 million already provided through the Natural Heritage Trust for restoring the ocean environment.

This same consistent balanced and far-sighted approach has been applied to the greenhouse gas challenge.

Today I announce the largest and most far-reaching package of measures to address climate change ever undertaken by any government in Australia.

The package carefully preserves a unique environment and lifestyle for our children's sake, defends wealth creating efficient industries and promotes lasting employment into the future. It provides a durable framework to promote Australia's national interest towards the year 2010 and beyond.

In a comprehensive manner, it replaces and far exceeds the random, disjointed projects of the previous government.

The world's climate scientists have provided us with a clear message - that the balance of evidence suggests humans are having a discernible influence on global climate.

What is required is sober, sensible but forward-looking action to reduce greenhouse gases and this is the approach my Government will adopt.

Although Australia contributes only 1.4 per cent of the world's greenhouse gas emissions we want to play our part in meeting this challenge. But pulling our weight doesn't mean carrying more than our share of the burden. Only with all countries working together, carrying equitable burdens, can we achieve an effective global outcome.

This will require creativity, persistence and in some instances, sacrifices - but the benefits of preserving our environment and quality of life for the sake of our children are too important to forgo.

PLAYING OUR PART - NEW DOMESTIC GREENHOUSE MEASURES

For various reasons Australia is unique.

Our economy has evolved on the basis of our abundant supply of natural resources and efficient production and processing of fossil fuels and mineral resources. Fossil fuels currently provide 94 per cent of our energy needs - far more than other OECD countries.

Our population is expected to grow by 30 per cent from 1990 to 2020 compared to less than three per cent in Europe.

We will continue to experience stronger economic and employment growth than most OECD countries.

Our cities are decentralised and widely separated, resulting in high transport use per capita compared to the smaller, closely populated European Union countries.

Our trade profile means that about 20 per cent of our greenhouse gas emissions are embodied in our exports (notably aluminium and agricultural products) - double the OECD average and the highest in the industrialised word.

Our emissions profile is also unique amongst developed countries where the energy sector accounts for about half of our emissions, compared with an average of 80 per cent for OECD countries; and where land use and forestry account for around 20 per cent of Australia's emissions. This reflects the significance of agriculture to our economy.

In addition, Australia has a responsibility to export the resources necessary to fuel the growth of her regional partners and to provide the food required for their people.

For all of these reasons our emissions are projected to grow faster than other countries. Uniform target proposals that do not take these circumstances into account will place an unfair penalty on Australia.

Reducing emissions growth is therefore particularly challenging and is more costly for us than for most other industrial countries. But we are still committed to playing our part in cutting emissions.

Without further action, Australia's emissions are expected to grow by around 28 per cent from 1990 to 2010. This is based on a comprehensive approach excluding land use change. Emissions from the energy sector alone are expected to grow by around 40 per cent.

The package I announce today will achieve a dramatic reduction of a third in our expected net emissions growth from 1990 to 2010.

These measures will reduce our net emissions growth from 28 to 18 per cent in that period, or some 39 million tonnes of emissions. This is comparable to the emissions from all the electricity used by households right across Australia.

This is a realistic, even conservative, calculation of the emission benefits. The benefits from plantations and land use changes, for example, could well be greater than we have estimated. With the most effective implementation of the package, the full support of industry and the community, and the best contribution of the States and Territories we may well achieve even greater reductions.

Taken with greenhouse measures Australia already has in place the package will mean Australia's effort broadly compares on the same basis to what the United States and the European Union are proposing. Moreover, we are not waiting for others to act.

None of us should underestimate the commitment required to achieve these outcomes. They will require hard work from all of us. The package gives the lie to those who make exaggerated but ultimately empty claims that fine sounding targets can easily be achieved.

The measures have been developed against the background of our national circumstances and our national interest. They also have been developed against achievements by Australia to date such as reform of our electricity and gas markets, halving the amount of waste going into landfill by the year 2000 compared to 1990 levels and the efforts of particular industries such as the aluminium industry which will reduce emissions by more than 20 per cent over the same period.

The Government is seeking realistic, cost effective reductions in key sectors where emissions are high or growing strongly while also fairly spreading the burden of action across our economy.

The package will allow us to improve the performance of our highly competitive energy dependent sectors while also stimulating new sectors such as renewable energy. It will demonstrate we can improve the environment whilst generating new jobs and exports. Far from risking 90,000 potential jobs, as would be the case if we accepted some proposals, the measures I announce have the potential to create wealth and jobs.

They address emissions across many sectors - residential, industry, transport, energy, agriculture, forestry and government operations - in an integrated, effective, and above all, fair way.

We are prepared to ask industry to do more than they may otherwise be prepared to do, that is, to go beyond a 'no regrets', minimal cost approach where this is sensible in order to achieve effective and meaningful outcomes.

The Government is providing $180 million over five years for these measures. This is a significant sum by any standards and a substantial increase in funding. This package far exceeds the efforts by previous governments on addressing the greenhouse problem.

Most of this expenditure will be spent on completely new measures, while some existing programs will be substantially expanded.

Importantly, the level of Commonwealth expenditure does not represent the whole story. These initiatives will stimulate additional actions and investment by the States and Territories, industry, and in some cases, consumers.

Our measures build on those in the draft National Greenhouse Strategy. State and Territory leaders have indicated their support for our greenhouse response and have agreed to work with us co-operatively in implementing it and in considering further action of their own.

Let me outline the specific measures.

Renewable Energy

Renewable forms of energy currently contribute about six per cent to Australia's total energy needs, an amount comparable to the OECD average of 6.4 per cent. The Government will be committing $65 million to ensure this level is increased.

By contributing $21 million, we will create a specialist renewable energy innovation investment fund to provide government and private sector venture capital for companies with high growth potential.

So that we can capitalise on our skills we will provide a $30 million loans and grants programme for the development and commercialisation of the renewable energy industry. This will directly support the creation of new businesses, jobs and exports. This funding represents a huge increase on the $4.8 million over four years spent by the previous government on the Renewable Energy Industry Programme.

And we will also provide $10 million for some leading edge renewable energy 'showcase' projects in areas such as tidal power solar thermal power and photovoltaic technologies.

The Government will work with the States and Territories to set a mandatory target for electricity retailers to source an additional two per cent of their electricity from renewable energy sources by 2010. This will accelerate the uptake of renewable energy in grid-based electricity and provide a larger base for the development of commercially competitive renewable energy.

This enormous boost to renewable energy development is a huge improvement on programmes such as the Energy Research and Development Corporation which had been overtaken by changes in the energy sector.

Our new programmes will stimulate innovative technologies and wealth-creating businesses and energy suppliers who provide power to communities, employ Australians and export to the world. It is an action-oriented approach.

Energy Market Reform

The possibilities for fuel substitution and innovation will be enhanced as we continue and accelerate the process of energy market reform.

We will work with the States and industry to develop and implement by the year 2000, efficiency standards for fossil fuel electricity generation, including for brown and black coal and gas fired plants.

This will ensure the adoption of best practice new technology in each fossil fuel class. Standards will also be phased in to encourage emissions reductions in existing plants. The standards will apply to new electricity generation projects and existing generation.

These initiatives mean that Australian energy suppliers will be able to stand tall when it comes to being clean, green and cost competitive.

Automotive Industry

In 1995, ten per cent of Australia's net emissions were generated by cars, four wheel drives and light commercial vehicles.

We will implement an Automotive Industry Environmental Strategy, in consultation with the automotive and oil industries and other stakeholders, to enhance the industry's environmental performance.

This strategy will involve several elements including:

- mandatory, model specific, fuel efficiency labelling;
- harmonised noxious emissions standards with international standards by 2006;
- a 15 per cent fuel efficiency improvement target by 2010 over business as usual through negotiation with automotive companies; and
- bringing forward the phase-out of leaded petrol, taking equity considerations into account.

The Government will also develop a basic network of compressed natural gas refuelling stations in selected metropolitan areas to encourage light commercial vehicles to switch to this more environmentally friendly fuel.

These measures will reduce air pollution and improve the health of our cities as well as reducing greenhouse gas emissions.

Codes and Standards

The Government will also work with the States, Territories and industry to develop energy efficiency codes and standards for housing and commercial buildings, appliances and equipment

For industrial and commercial appliances and equipment we will implement an improved labelling programme and minimum energy performance standards.

We will expand the Nationwide House Energy Rating Scheme by including a minimum energy performance requirement for new houses and major extensions and we will work with the States, Territories and industry to develop voluntary minimum energy performance standards for new and substantially refurbished commercial buildings.

These initiatives will take us to best practice standards in these important areas. If this voluntary approach does not achieve acceptable progress within 12 months, we will work to implement mandatory standards.

Tree Planting and Revegetation

Plantations and revegetation are important means of soaking up greenhouse emissions - known as greenhouse sinks.

The Government will work to remove impediments to the development of commercial plantations to achieve the Plantations 2020 vision of trebling the plantation estate by 2020. We will establish a Bush for Greenhouse Programme to encourage corporate funding of revegetation projects to act as sinks.

This will build on the $22 million for farm forestry and the massive $328 million revegetation programme being undertaken under the Bushcare Initiative of the Natural Heritage Trust, which represents the largest revegetation effort ever undertaken with almost a tenfold increase on the funding of revegetation programmes of the previous Government.

Greenhouse Challenge programme

The Greenhouse Challenge programme is central to the partnership between government and industry to reduce emissions.

This programme currently has 100 signed agreements with businesses from a wide range of sectors.

In total, companies that have signed agreements account for over 45 per cent of Australia's industrial emissions.

Participants have committed themselves to reduce their forecast growth in emissions by about 22 million tonnes of carbon dioxide equivalent by the year 2000.

The announcement today provides extra funding of $27 million to extend the programme to smaller companies and to increase the number of large and medium company participants to 500 by the year 2000 and to more than 1000 companies by 2005.

Commonwealth Greenhouse Office

In order to ensure this package of measures is delivered a Commonwealth Greenhouse Office will be established within the Department of the Environment. This Office will have responsibility for the coordination of domestic climate change policy.

The Office will be the lead Commonwealth agency on greenhouse matters. It will provide a mechanism to ensure domestic greenhouse matters receive the priority the issue deserves and the Government intends.

Other Measures

Further measures as part of this statement include action to reduce emissions in urban areas, initiatives to work toward best energy practice in targeted industries, funding towards a ethanol pilot plant, the development of a national carbon accounting system, funding to support various National Greenhouse Strategy related measures, and additional funding to ensure commercial joint implementation projects in developing countries.

We are also committed to reducing emissions from the Commonwealth Government's own operations, including purchases of more energy efficient equipment and appliances. We will be setting fuel consumption targets for the Commonwealth vehicle fleet.

AUSTRALIA'S APPROACH: FORWARD LOOKING AND GLOBAL

The Government believes that like our national effort, the international response to climate change must be effective in terms of meeting the environmental challenge, equitable in terms of the costs to be borne by individual countries and least damaging as possible to the living standards and employment prospects of our people.

For these reasons Australia has proposed that individual targets for industrialised countries be differentiated according to national circumstances.

Uniform target proposals based on a 1990 base year would impose a disproportionate burden on Australia. The cost to our economy of meeting a uniform target of the order proposed by the European Union would impose a cost on all Australians that other countries would not accept.

Some industries fundamental to the health of our economy would be hardest hit. The non-ferrous metals, iron and steel and coal industries would be seriously affected, and future investment and employment growth would be jeopardised.

Even stabilising our emissions at 1990 levels would put at risk $68 billion of energy intensive projects and the tens of thousands of potential jobs that go with them.

Significant regional dislocation would result in places like the Illawarra and Hunter Valley in New South Wales, the Bowen Basin and Gladstone in Queensland, Geelong and the La Trobe Valley in Victoria, Port Pirie in South Australia and the Kwinana region of Western Australia.

Moreover, the European Community is not asking its own members to reach a uniform target. Portugal for example, would be permitted to increase its emissions by almost 40 per cent.

We reject this approach of punishing Australian industries to carry a burden that other countries are not prepared to accept. It is far more sensible and responsible to improve the performance of existing industries and build new green industries to provide for both jobs and the environment.

We believe the way forward is for all countries to play a fair part, with flexibility in the methods used to reach the targets.

We strongly support a comprehensive approach to setting targets which covers all greenhouse gases, emission sources, sinks and sectors. The wider the coverage the greater the flexibility to maximise environmental benefit and minimise economic cost.

Australia also believes that an international emissions trading regime would help minimise costs of reducing emissions. We would support emissions trading on the basis of a satisfactory initial allocation of emission entitlements and a practical resolution of the administrative difficulties involved.

Joint implementation measures whereby developed countries can work with developing countries on emission reduction projects can achieve worthwhile outcomes. Australia is looking to Kyoto to support joint implementation as a means of engaging developing countries in the global effort.

All along we have argued that climate change is a global problem and all countries should contribute to the solution. Action by developed countries alone will be ineffective. Over time, developing countries must become involved - as by early next century they will account for over 50 per cent of global emissions.

The Kyoto outcome should provide for procedures and timeframes for negotiating targets by major developing country emitters.

Australia's proposal for negotiated, differentiated targets is the best basis for a fair outcome which has a prospect of actually being put into practice and improving the world's environment. It is also the best basis for encouraging developing countries to take on commitments to reduce emissions.

The Government has said it would not agree to legally binding targets until their nature and content and implications for Australia are clear. We will not agree to any targets that impose substantial costs on Australia that are not faced by other OECD countries.

CONCLUSION

With the package of measures I have announced today, the Government is not posturing for negotiating purposes with theoretical targets but is already taking practical steps to reduce Australia's greenhouse gas emissions.

It is a package that goes well beyond what any previous government has sought to do. It is a package that puts Australia at the forefront of international action. And it is a package that Australia will implement even if the international community fails to reach agreement at Kyoto.

As I have demonstrated to date, my Government will continue to stand up for our national interest, jobs and economy in the international negotiations.

We will not agree to an outcome that burdens us in an unfair manner.

My Government has had some success in our efforts to argue the case that an effective result at Kyoto will require an equitable approach. We have managed to shift the international debate. As a result of our efforts, there is greater recognition of the need to take into account individual national circumstances if there is to be a successful outcome - as the British Prime Minister, Mr Blair, acknowledged in our recent discussions.

There is also greater recognition of the need for flexibility to ensure countries can make a contribution to the global effort - as President Clinton acknowledged in my meeting with him in June.

At the South Pacific Forum and most recently at CHOGM we were successful in gaining acceptance of the need for global engagement by both developed and developing countries.

Nevertheless, let there be no doubt the Kyoto negotiations will be difficult.

Australia's Environment Minister, Senator Robert Hill, who will be leading our delegation at Kyoto, will be doing his utmost to secure an agreement that will both be fair to Australia and be effective in reducing global emissions.

Ultimately, the success of our domestic measures depends upon the goodwill, commitment and action by ordinary Australians, consumers, families, firms and industry groups, as well as Governments Federal, State, and local. The greenhouse challenge is theirs and quality of life of our children depends upon their strength of purpose.

Mr Speaker, I present a copy of my statement and an appendix which provides further details of the measures I have announced today.

APPENDIX

COMMONWEALTH GREENHOUSE MEASURES

Residential

	$ million
Cities for Climate Protection The Cities for Climate Protection is a voluntary scheme through which local governments quantify their emissions, then develop and implement action plans to reduce them, particularly through community partnerships. It is based on the International Cities for Climate Protection Campaign programme developed by the International Council of Local Environment Initiatives.	13.0
Household Greenhouse Action Household greenhouse action will bring together the various spheres of government, key industries and professional organisations in broadly based partnerships to develop integrated, consistent and effective strategies to address residential greenhouse emissions. Demonstration projects and the development of best practice guides will be undertaken to promote energy efficiency services and products as a key concern in housing design, redevelopment and use. Energy efficiency rating schemes will be integrated into relevant approval processes for new homes and major renovations.	2.2

Industry

	$ million
Extension and Expansion of the Greenhouse Challenge Office – Government/Industry Co-operative Agreements Programme This programme will be expanded to involve more large and medium companies and to include small businesses through an innovative Greenhouse Allies programme. The objective of the programme is to reduce the greenhouse gases emitted by industry enterprises. The programme involves enterprises identifying the scope to reduce emissions, putting into place action plans to achieve this outcome and monitoring and reporting on performance. It will expand to 500 the number of large and medium size companies to join the programme by 2000, and to more than 1,000 by 2005.	27.1
Energy Performance Codes and Standards for Domestic Appliances and Industrial Equipment The measure will reduce greenhouse gas emissions by improving the energy efficiency of appliances and equipment. The programme enhances and extends existing energy efficiency programmes. It involves the development of minimum energy performance standards for new appliances and equipment, regulating or developing codes of practice to ensure their adoption and, where appropriate, labelling or rating appliances and equipment to help consumers in their selection.	4.4

Energy Performance Codes and Standards for Housing and Commercial Buildings The measure involves expansion of the Nationwide House Energy Rating Scheme (NatHERS) by including a minimum energy performance requirement for new housing and extensions to improve energy efficiency and reduce greenhouse gas emissions. The Commonwealth will work with the States, Territories and key industry stakeholders to develop voluntary minimum energy performance standards for new and substantially refurbished commercial buildings on the basis of energy efficiency benchmarks. If after twelve months the government assesses that the voluntary approach is not achieving acceptable progress towards higher standards of energy efficiency for housing and commercial buildings, we will work with the States and industry to implement mandatory standards through amendment of the Building Code of Australia.	4.4
Industry Efficiency Benchmarking and Best Practice The measure involves industry associations and government working together to identify types, extent and patterns of energy use within sectors, the improvement potential of enterprises within that sector based on best practice and working on strategies to implement best practice and to monitor progress. The benchmarks and best practice indicators will be provided for use by the Greenhouse Challenge programme to assist in formulating cooperative agreements.	10.3

Transport

	$ million
Environmental Strategy for Automotive Industry This strategy aims to significantly enhance the environmental performance of the automotive industry through a range of measures including: mandatory fuel efficiency labelling through Australian design rules; bringing forward the phase out of leaded fuel, taking equity considerations into account; progressive tightening of noxious emissions standards with a view to harmonisation with international standards by 2006; negotiations with the automotive industry and companies to secure a 15 per cent fuel efficiency improvement target by 2010 over business as usual (recognising that the scope for model and design change will increase progressively from 2003) within the National Average Fuel Consumption framework; and the development of options for challenging but realistic fuel efficiency targets for the Commonwealth car fleet from 2003.	0.5
Light Commercial Vehicles – Compressed Natural Gas (CNG) Infrastructure This will facilitate a switch to the use of natural gas in light commercial vehicles through the establishment of a distribution network of service stations in collaboration with natural gas companies and local government authorities. The programme aims to establish a minimum refuelling network, firstly in Sydney and Melbourne, with possible extension to other major urban centres.	3.8
Ethanol Pilot Plant (funding previously announced) An ethanol pilot plant will be built to demonstrate new Australian technologies for the production of ethanol from wood fibres and simultaneous waste treatment. It is anticipated that the ethanol pilot plant will realise substantial net greenhouse gas reduction, urban air quality and economic benefits greater than all existing fuel ethanol production technologies.	2.0

Energy

	$ million
Accelerating Energy Market Reform The objective is to lower the rate of growth of emissions by improving the economic efficiency of energy supply. The measure will expand energy market reforms to extend electricity reform, deliver integrated and compatible national frameworks for gas and electricity by 2002, and with the States develop the means to identify greenhouse intensity of energy sources in energy market trading pools by 2001.	5.6
Efficiency Standards for Power Generation The Commonwealth will work with the States to achieve movement towards best practice in the efficiency of electricity generation conversion by implementing efficiency standards for different fossil fuel classes, so as to deliver reductions in the greenhouse gas intensity of energy supply. Standards will apply to new electricity generation projects, significant refurbishments and existing generation.	4.1
Mandatory Targets for the Uptake of Renewable Energy in Power Supplies Targets will be set for the inclusion of renewable energy in electricity generation by the year 2010. Electricity retailers and other large electricity buyers will be legally required to source an additional 2% of their electricity from renewable or specified waste-product energy sources by 2010 (including through direct investment in alternative renewable energy sources such as solar water heaters). This will accelerate the uptake of renewable energy in grid-based power applications, and provide an ongoing base for commercially competitive renewable energy. The programme will also contribute to the development of internationally competitive industries which could participate effectively in the burgeoning Asian energy market.	3.8

Renewables

	$ million
Renewable Energy Innovation Investment Fund (REIIF) The REIIF will provide funding specifically for the facilitation of commercialisation and application of renewable energy technologies. All initial investments will be required to be in the early stages of company development. Government funding will be provided through licences to REIIF fund managers on a competitive basis and invested along with private sector funding on a 2:1 basis.	21.0
Renewable Energy Technology Commercialisation Loans and Grants The competitive loans and grants programme will provide support for, and promotion of, strategically important renewable energy initiatives that have strong commercial potential. This will be integrated with the existing Renewable Energy Industry Programme.	29.6
Renewable Energy Showcase A few leading edge "showcase" projects will be selected via competitive tender for seed funding and/or promotion. These could include projects which are close to becoming commercial, such as tidal power projects; solar thermal projects and a central photovoltaic generating project in a technology park.	10.5
Renewable Energy Technology Internet Site Funding for the development of a sophisticated and up-to-date Internet site on renewable technologies along the lines of that operated by the US Department of Energy to provide information on technologies, examples of their application and available government assistance.	0.3

International

Activities Implemented Jointly	$ million
Activities Implemented Jointly Additional funding for the AIJ Office, to facilitate commercial projects in developing countries and help meet the additional transaction costs incurred by business in undertaking a AIJ project. This will provide Australian industry with a greater incentive to undertake such projects.	6.0

Revegetation, Plantations and Land Use

	$ million
Plantations – 2020 vision The objective of the programme is to implement key Commonwealth responsibilities of the Plantations 2020 Visions which aims to treble Australia's plantation estate by 2020 and thereby increase carbon sequestration. In collaboration with State governments and industry, the programme involves removing impediments to Australian commercial plantations and supporting plantation establishment and enhancing investment in plantation-based industries.	1.9
Bush for Greenhouse The uptake of carbon dioxide in trees and vegetation offers significant potential to reduce the overall level of Australia's greenhouse gas emissions. This initiative will facilitate corporate funding of Natural Heritage Trust revegetation projects through Bushcare. Companies or investors will obtain recognition for the stored carbon reservoir created. By allowing companies to invest in revegetation activities, companies will have a method to offset emissions created by their activities elsewhere. Projects selected would have significant carbon sink potential and would meet the range of other Bushcare objectives.	5.5
National Carbon Accounting System for Land Based Sources and Sinks This measure will establish a national carbon accounting system through the Bureau of Resource Sciences (BRS) and Environment Australia (EA) to be managed by a high level steering committee including key stakeholders. A consolidated package will provide the comprehensive framework and scientific services necessary to account for Australia's emission reduction and sink enhancement programmes to an internationally credible standard. Data on Australia's carbon stocks will be verified by satellite monitoring and audited by on-ground sampling procedures. This form of carbon accounting, which has been adopted by the IPCC, will enable Australia to benefit from the full 'carbon value' of its sink development initiatives such as Plantations 2020 vision and Bush for Greenhouse.	12.5
Reducing Methane Emissions from Livestock This measure will provide funding to promote a CSIRO developed vaccine which inhibits the production of methane in the rumen of livestock.	1.0

Government Operations

	$ million
Energy Efficiency Improvement in Commonwealth Operations The objective of this measure is to reduce the energy consumption and greenhouse gas emissions of Commonwealth operations and, by so doing, lead the community by example. The programme involves setting mandatory targets, use of performance contracting, monitoring and reporting on performance, the development of minimum energy performance standards for new and refurbished buildings, appliances and equipment and a requirement for utilisation of solar and other renewable energy technologies where relevant and cost effective.	0

Institutional Arrangements

	$ million
Establishment of the Commonwealth Greenhouse Office Implementation of greenhouse response measures is fragmented across a number of agencies and there is a lack of coordination in delivery. A 'Commonwealth Greenhouse Office' will be created within the Department of the Environment, which will be responsible for coordination of domestic climate change policy and delivery of greenhouse response programmes. The office will be the lead Commonwealth agency on greenhouse matters.	0

Other Measures

	$ million
Funding for other National Greenhouse Strategy related Commonwealth measures Details to be finalised in consultation with the States and Territories.	10.5

TOTAL (Total does not add due to rounding)	**179.9**