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261	F4325	08/12/93	ENVIRONMENT COUNCIL - 13 DECEMBER - FAX
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263N	F4384	15/12/93	FOLLOW-UP TO PUBLICATION OF THE RIO PLANS
264	A17663	16/12/93	FOLLOW UP TO PUBLICATION OF THE RIO PLANS
264M	P11067	16/12/93	FOLLOW-UP TO PUBLICATION OF THE RIO PLANS
264N	F4401	16/12/93	FOLLOW UP TO PUBLICATION OF THE RIO PLANS
264P	F4400	16/12/93	ENVIRONMENT COUNCIL: 15 DECEMBER CC:CHORLEY 17.
265	F4452	17/12/93	CO2 PROGRAMME
265M	F4417	17/12/93	FOLLOW-UP TO PUBLICATION OF RIO PLANS: SUSTAIN.
265N	K3999	17/12/93	CO2 PROGRAMME
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273	P11378	17/01/94	POST RIO FOLLOW-UP: LAUNCH
273M	A1720	30/01/94	POST RIO FOLLOW UP
274	A1538	31/01/94	TAKING RIO FORWARD
275	F5127	10/03/94	ENVIRONMENT WORKING GROUP: 10 MARCH 1994
276	F5126	11/03/94	ENVIRONMENT COUNCIL: CLIMATE CHANGE

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#### Folio Sheet For File R 25/1 Part 8

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# Department of the Environment

Romney House 43 Marsham Street London SWIP 3PY

Direct Line 071 276 8837 Divisional Enquiries 071 276 071 276 8285 Fax Number GTN Code 276



Martin Hurst FP Division HM Treasury

CABINET OFFICE 14 MAR 1994 FILING INSTRUCTIONS

Your ref

Our ref

Date

11 March 1994

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ENVIRONMENT COUNCIL: CLIMATE CHANGE

- 1. As I mentioned to you on the phone, at yesterday's Environment Working Group the Presidency produced a draft set of Council conclusions, incorporating their earlier carbon tax proposals. A copy is attached.
- So far as the tax is concerned, the proposals at Annex III are substantially the same as those which Mrs Papazoi gave to Mr Gummer. The only changes I could spot were the redefinition of renewable energy sources to include all hydro schemes (para 2) apparently to help the Portuguese; and the redrafting of the section on burden-sharing, including the separation of the criteria into Annex II - though the effect is the same.
- We are both putting up submissions today to our respective ministers on the tax issue. Our submission will inform DOE ministers of the recommendation in yours and advise them that an inter-ministerial meeting would probably be needed if they wished to take a different approach at the Environment Council. Our expectation remains that this would not be necessary.
- The draft Council conclusions contain other points of concern to the UK. We will cover this in the draft briefing for the Council, which we will circulate next week. In the meantime, I should be grateful for Ms Jones' and Mr Dinwiddy's views on what we might say on point 5 in relation to ALTENER and SAVE.

I am copying this to Brian Morris (HMT), Elizabeth Jones ec (DTI), Michael Ward (FCO), Simon Featherstone (UKRep), and Philip .. | Chocley (Cabinet Office).

PHILIP DYKINS Global Atmosphere Division

cc: Mr Osborn

Dr Fisk

Mr Davis

Mr Dinwiddy

Mr Rogers/Mr Bird

Mr Riordan/Mr Smith

1. cc. (Ms rage ong) to M. M KNOX (HMC+E)

2. cc. No Mr J BETTS

(Economic Secr't)

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### DRAFT COUNCIL CONCLUSIONS

The Council of the European Union,

- 1. having received a report on progress made so far, REAFFIRMS the commitment of the Community to stabilise CO2 emissions by 2000 at 1990 level on the terms agreed by the Joint Energy/Environment Council of 29 October 1990 and confirmed by several subsequent Councils.
- 2. RECALLS that, as also agreed in the Council Conclusions of 29 October 1990, the fulfilment of this commitment is based inter alia on equitable burden sharing between the Member States.
- 3. NOTES, in this context, the targets regarding CO2 emissions in the Member States given in Annex I, which are derived from the National Plans submitted to the Commission. Annex II contains the criteria on which the concept of burden sharing is based.
- 4. REQUESTS Member States to proceed diligently with the implementation of the specific actions outlined in their National Plans, using all possible efforts to improve energy efficiency.
- 5. REQUESTS the Commission to make a proposal for strengthening the SAVE and especially the ALTENER programme.
- 6. NOTES the progress made so far in establishing the monitoring mechanism as well as the need to intensify the efforts to assess Community-wide progress and the effectiveness of CO2 limitation actions.

EUROPEAN UNION THE COUNCIL

Brussels, 10 March 1994

5483/94

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ENV 47 ENER 17

FISC 20

INTRODUCTORY NOTE

from: General Secretariat

to : Permanent Representatives Committee

No. prev. doc.: 5481/93 FISC 51 ENV 95 ENER 23

Subject: PREPARATION OF THE "ENVIRONMENT" COUNCIL MEETING ON

24/25 MARCH 1994

Community strategy on Climate Change

- Draft Council Conclusions

Delegations will find attached draft Council conclusions prepared by the Chair on the above subject.

- 7. ACCEPTS the need for an energy/CO2 tax as outlined in Annex III.
- 8. REQUESTS the Commission to present an interim report by the end of 1997 on the progress made towards meeting the national and Community targets on the basis of which it AGREES to reconsider the minimum levels of the tax.

ANNEX I

# Plans regarding National CO2 Emissions

	1990 (Mtonne CO2)	National Plans
В	112.0	- 5%
DK	53.01	- 20% by 2005 base year 1988
D	1005.0	- 25% by 2005 base year 1987
GR	73.7	+ 25%
ES	210.7	+ 25%
F	365.7	+ 13%
IRL	30.8	+ 20%
TT .	402.4	0%
L	12.5	- 20% by 2005 base year 1990
NL	157.3	- 3-5%
Р	39.9	+ 30-40%
JK	579.2	0

ANNEX II

## Criteria on which burden sharing should be based

- 1. A number of Member States (MS) use substantially smaller amounts of energy and pollute significantly less than their fair share both in absolute terms but also per capita.
- Some MSs, by their past activity, have contributed more to the existing CO2 levels.
- Some MSs have already started to impose environmental taxes and to implement national programmes to curtail CO2 emission.
- 4. In order to address these points, a burden sharing formula has been discussed and has not met any objections. This formula defines a criterion for burden decrease as follows:
  - a) A burden sharing index (BSI) is computed as the mean value of the percentage ratios of per capita CO2 emission and the per capita GNP to their corresponding EU averages, using 1990 values. This is to ensure a fair application of the principle of "the polluter pays" and to account for the different demands imposed by the EU cohesion targets.
  - b) A MS qualifies for burden sharing if its BSI is below 85%.

ANNEX III

## Proposed policy on CO2/energy tax

#### I. Tax Definition

No.

- 1. The form of the tax proposed is a joint tax applied evenly between the energy consumption at the source level (specified as ECU per TOE), and CO2 emissions (specified as ECU per ton CO2).
- 2. Renewable energy sources, which not only do not produce CO2 but also do not deplete resources, are exempted from the energy tax as well. Hydro is considered renewable.
- 3. The proposed level of the tax under discussion is initially \$3.00 per barrel or ECU 17.70 per tonne of oil equivalent (TOE). This is composed of ECU 2.81 per tonne of emitted CO2 and ECU 0.21 per Gigajoule of energy content. The "energy" part for electricity produced is proposed to be 2.1 ECU per MWhr.
- 4. Possible increases of the tax level should be considered after a review of the progress achieved in implementing the national CO2 stabilization plans with the assistance of the Monitoring Programm and in any case within 3 years from the implementation of the tax. At that time the reciprocal action by other OECD countries would be evaluated and taken as a criterion for further action.

#### II. Tax Credits

- 5. Credits for existing taxes should be allowed for each fuel if such taxes, applied to that fuel, have been clearly designated as "environmental" taxes, i.e. taxes the proceeds of which are to be used for environmental improvements, not limited to greenhouse effect amelioration. Tax "credit" means that the tax to be collected is reduced by the corresponding amount of credit at the national level for each fuel or energy source separately and the price is adjusted accordingly.
- 6. In an attempt to establish fair and uniform rules throughout EU, and to harmonize taxes on similar commodities, MSs can reallocate other existing taxes on energy and fuels for inclusion in the tax credit provided the revenues are earmarked for environmentally benign use. Examples of such taxes which can be reallocated are road taxes, property taxes, installation permit fees, etc. Note that these taxes are on activities that incorporate a non-negligible energy content.

#### III. Incentives

- 7. Subsidies for investments to conserve energy and/or pollution reductions either directly or by structural changes in the production process/product can be financed by this new tax. These can take the form of deductions or exemptions in the tax liabilities of individuals or companies.
- 8. Tax relief to be debited to this new proposed tax may also include the employer contribution part of labour costs for activities which address specifically the greenhouse effect such as reforestation, forest fire prevention and reduction of greenhouse gases other than CO2 but also energy conservation. Tax "relief" means that the tax is collected and an appropriate amount of tax relief is then granted to either individuals or legal entities. The level of relief should be part of the national plans to be submitted to the EC.

#### IV. Burden Sharing

9. If a MS qualifies for burden sharing as defined in Annex II, it is exempted from the proposed tax until it reaches a portion to be negotiated of the increase in its CO2 emissions, provided it continues to meet the BSI criterion and at the same time shows sustained improvement in its energy efficiency.

This exemption is justified among others by the following considerations:

- a) Because of the small amounts of energy used in some MSs, the effect of imposition of the tax will be minimal because of the lack of demand elasticity.
- b) The ability of some economies to bear additional tax burdens is not uniform, given the wide range of per capita GNP in the EU.

#### V. Exemptions

10. To ameliorate the impact of the tax on individual energyintensive industries and to ensure competitiveness of EU
industries with those of other countries and until the time
when similar action is taken, as has been agreed, by these
countries, exemptions will be entertained as appropriate and
in the measure that energy costs appear in the final product
value. Energy-intensive industries are defined as those
whose energy cost is over 8% of the product value and
include the steel, cement, glass and non-ferrous metals
industries and possibly the chemical and paper industries as
well. Attention should be paid to ensure the maintenance of
the competitiveness of goods heavily traded internationally
and especially exports to non-EU countries.

- 11. The exemptions referred to in paragraph 10 above are granted to account for uneven competition and should carry specific conditions as to their duration and termination if external conditions change. They can be:
  - a) Delay of the application of the tax.
  - b) Partial rebate of the tax. The amount of the rebate cannot exceed 80% of the amount of this tax, on an annual basis, and for the lifetime of the plant.

OLIVE DE CONCE EL BRUSSELS

;11- 3-94 ; 17:57 ; 1. CC. NO M. M KNOX (HMC+E)



10 March 1994

2. c. ( from 3 pages only) Common United Kingdom
( Economic Ser't) Permanent Representation To the European Communities

Mr P Dykins Esq 3. Nuc 23/42
Department of the Department of the Environment Pc 11/3

By Fax 276-8285

Rond-Point Robert Schuman 6 1040 Brussels Telephone: (02) 287 82 11 Telex: 24312

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Region

Dear Phil

ENVIRONMENT WORKING GROUP: 10 MARCH 1994

#### CLIMATE CHANGE

Summary

Introduction by Commission of first report under the Climate Change Monitoring Mechanism and Commission plan on EU Communication to the Framework Convention on Climate Change. Contradictory views given by the Commission on whether the EU is on target to reach this CO2 commitments. Introduction by the Presidency of its draft conclusions for the March Environment Council, but no time for discussion.

- We both attended this afternoon's Environment Working Group discussion on Climate Change. The Commission (Strongylis, DGXI) began by introducing the first evaluation of National Programmes under the monitoring mechanism. He stressed that the report was based on information received last autumn, and that since then a number of Member States, notably the UK and Italy, had given further information to the Commission. However, the main conclusion was that there was not enough information to say with certainty that the Community would reach its stabilisation target.
- The Commission also introduced its plan on how the Commission would draw up the EU communication to the Climate Change Convention. Spain, with support from the UK and Portugal, questioned the extensive use of the phrase "European Union Strategy" in the Commission's document, which implied that Council had in some way endorsed the idea of the CO2/Energy Tax. The UK and Portugal also questioned the conclusion that the National Programmes were unlikely to be sufficient to reach the stabilisation target and that therefore more consideration should be given to the tax. Denmark stressed that it was important not

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to just assume that the tax would be agreed. An assessment needed to be made of whether other instruments were going to reach the CO2 targets. Denmark also echoed another UK point that the Commission document needed to avoid repeating what was in the Member States' reports and concentrate on Community level action. Finally, the UK stressed the need to use the word "stabilisation" with care, and incorporate the caveats contained in the 1990 conclusions.

- that they would not achieve their targets without a tax, and that they would not achieve their targets without a tax, and that therefore there was a real danger that the Community target would not be reached. But his Director, Henningsen, who arrived late and had not heard the earlier part of the discussion, then stressed the need for a political debate on the progress or lack of it so far. He posed a number of questions. The first was reduced German emissions by 16% meant that the Community could make an extra contribution in CO2 reductions. Second, he cohesion countries really envisaged their CO2 emissions growing by the large percentages originally estimated. Third, he emissions by the year 2000. Fourth, he noted that Ireland was expecting to double its consumption of CO2 in the 20 years from expecting to double its consumption of CO2 in the 20 years from of Germany, the Netherlands and Denmark. The fact that all these comments suggested that the Community might over-fulfil its CO2 stabilisation target was not lost on certain delegations!
- 5. The Presidency then introduced its draft Council Conclusions. In brief, these reaffirmed the Community stabilisation target on the terms agreed by the 1990 Council. It then recalled that the fulfilment of this commitment was based inter alia on equitable burden sharing. It noted the targets for CO2 emissions given in Annex 1, derived from the National plan submitted to the Commission. It requested the Commission to make a proposal for strengthening the SAVE and ALTENER Programmes. In a simple one line sentence the Council is invited to "accept the need for an energy/CO2 tax as outlined in Annex 3 (the Papazoi proposal we had already seen)". Finally, the conclusions request the Commission to present an interim progress report by the end of 1997 on the basis of which the Council "agrees to reconsider the minimum levels of the tax".

Comment

6. For the first time in many Councils we are in the happy (or unhappy?) position of seeing the draft conclusions on Climate Change before they handed to ministers. I doubt, however, whether the Presidency will want to have a detailed discussion of



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the conclusions at COREPER. However, I would be grateful for briefing in case discussion does develop (Mr Durie's Spanish colleague has already expressed his unhappiness with the conclusions, and he and others may well insist on expressing their views). I know that you and Treasury are putting up parallel submissions on the approach we should take, and the response will no doubt be included in any such briefing. response will no doubt be included in any such briefing.

6. I am copying this letter to John Rogers (DOE), Adam Sharples (HMT), Anne Eggington (DTI), Philip Chorley (Cabinet Office) and Michael Ward (ECD(I) FCO) as well as to colleagues here. I attach copies of the Presidency proposal for the Council. Perhaps you would be kind enough to circulate as necessary the draft EU plan for the report to the Climate Change Convention and the Monitoring Mechanism report.

Your eve. Sino

WILLS IN DRUSSELS

## Simon Featherstone

Sir J Kerr

Mr Durie

Mr Capella

Mr Bonney

Ms Lambert

Mr Knight

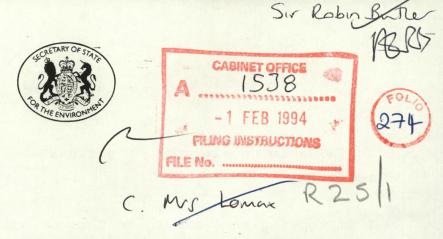
Mr Baker

Mr Humphreys

23 + 14

PRIME MINISTER

TAKING RIO FORWARD



The launch of the Post-Rio Documents on Tuesday was I believe a great success. All those present at the launch and subsequent meeting were impressed by the thoroughness of the work contained in the documents, and the degree of the Government's commitment represented by your leading the occasion personally, and the presence of so many other Ministerial colleagues from all the Departments concerned.

The general tone of comment in the media is serious and respectful, though inevitably it highlights some points on which commentators would like to see us go further and faster. And I am quite certain that the quality and depth of our work will stand us in very good stead in the various international discussions and negotiations on all these issues.

As we have all recognised the key to continuing success in this area will be to maintain the momentum and retain the initiative in the follow-up work. You have yourself established the Government Panel of high level advisors, and I shall be consulting very shortly on the composition of our Round Table and the Citizens Environment Initiative. These organisations will help us to monitor progress and prompt further actions by all sectors of society where this is needed.

I believe that the objectives of sustainable development are close to the heart of the principles and philosophy of this Government. I think there will be very great advantage to us in demonstrating that we are making steady progress in pursuing these objectives on a broad front. I intend myself to set this out in future speeches, and I have a number of specific policy initiatives which will support the general theme in the next month or two.

I hope that colleagues will also be able wherever possible to identify areas where their evolving policies can be related to



sustainable development objectives and can be presented in that context.

I am copying this minute to Cabinet colleagues and to Sir Robin Butler.

JSG

3 January 1994



The Rt Hon Ian Lang MP Scottish Office Whitehall LONDON SW1A 2AU



2 MARSHAM STREET LONDON SW1P 3EB 071-276 3000

My GPSO/847/94 Your ref:

January 1994

Dul

POST-RIO FOLLOW UP : LAUNCH

Thank you for your letter of 17 January. I am glad that you were able to attend the launch of the post-Rio documents on 25 January; I thought the event went extremely well.

We must all now consider ways in which to take forward the Sustainable Development Strategy messages and I am grateful to you for setting out some of the measures you propose in Scotland.

It is clearly important that the new Scottish advisory body on Agenda 21 should not overlap with the Government's Panel under Sir Crispin Tickell and I agree that our officials should keep in touch. I think we can also rely on to Sir Crispin to liaise with Professor Ritchie as appropriate.

I am copying this to the Prime Minister, John Wakeham, other members of EDE and to Sir Robin Butler.





CC 1. MR OWERS
MR BIRD
MR BETTS

SCOTTISH OFFICE WHITEHALL, LONDON SW1A 2AU

2. Mr Juer

The Rt Hon John Gummer MP Secretary of State for the Environment Department of the Environment 2 Marsham Street LONDON

LONDON SW1P 3EB CABINET OFFICE
P.J.37X
19 JAN 1994
FUNG INSTRUCTIONS
FILE No. R25/J

January 1994

POST-RIO FOLLOW UP: LAUNCH

I understand that the launch has had to be postponed until 25 January. Unfortunately, that may mean that I will be unable to attend the Press Conference because I and my Commons Ministers are likely to be detained in Committee on the Local Government Etc (Scotland) Bill until 1pm. However, Peter Fraser is available on that day and I have asked him to cover for my forestry and environmental interests, if necessary.

I am also conscious that I have not let you know how I intend to follow up publication of the Sustainable Development Programme in Scotland, although our officials have kept in touch. I have in mind a modest package of measures to demonstrate my commitment to Agenda 21, as follows:-

- \* support for the newly formed Association of Scottish Community Councils to take forward the citizen's environment initiative in Scotland;
- \* the commissioning of a survey into public attitudes and understanding of sustainable development in Scotland;
- \* a clear emphasis on post-Rio initiatives in my £400,000 Special Grants (Environmental) Programme; and
- \* a separate Scottish advisory body on Agenda 21.

The latter would not in anyway overlap with the UK Government Panel on Sustainable Development but would provide what I consider to be a necessary sounding board in Scotland to develop the ideas in Chapter 38 of our Programme and to advising me on the distinct challenges for Scotland. In practice, most major policies on sustainable development will continue to be determined at a UK level; the body which I envisage would be larger, less eminent and with a more practical focus than the UK Panel. My officials will, of course, liaise with yours over the precise title and remit so that there is a proper distance from the UK Panel. I have not yet settled on a name for the Scottish body, but I intend to

invite Professor Bill Ritchie, Vice Principal of Aberdeen University, to chair it. He is doing an excellent job as Chairman of the Ecological Steering Group following the wreck of the Braer in Scotland.

I am copying this to the Prime Minister, John Wakeham, other members of EDE and to Sir Robin Butler.

IAN LANG

Jours eves,



#### POLICY IN CONFIDENCE

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Of 6390

CABINET OFFICE

10 JAN 1994

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2 MARSHAM STREET LONDON SWIP 3EB

071-276 3000

G/PSO/30482/93
Your ref

CT/16006/93

WDecember 1993

The Rt Hon John Redwood MP Secretary of State for Wales Welsh Office Gwydyr House Whitehall

Ofm JA

LONDON SW1A 2ER

UNECE: SECOND SULPHUR PROTOCOL

Thank you for your letter of 29 November in reply to mine of 16 November to Michael Heseltine. You will have seen his reply of 25 November.

In the negotiations in Geneva from 29 November to 3 December, officials indicated the UK's willingness in principle to accept a target of 80% reductions in sulphur emissions by 2010 provided that the overall shape of the Protocol was acceptable. Its main lines are now shaping up well, although it will require some work yet to tidy it up. There will be a final round of negotiations in late February/early March, with a signing ceremony expected to take place in Oslo in the early summer. On the basis of the latest text, I anticipate that the UK will be able to sign, although we shall need to look at that carefully after the final round.

My officials have throughout the negotiations worked closely with DTI on projections of the impact of the Protocol on the coal industry and the ESI. You will have seen from Michael Heseltine's letter that the work done for the Coal Review suggested that the proposed 80% target would be unlikely to have a significant effect on UK coal production.

As for Aberthaw, HMIP's current timetable would require new plant standards by 2001. The latest draft of the Protocol would require this by eight years after its entry into force (ie. by 2002 at the earliest if it were to enter into force as early as next year), but equally would allow us to pursue other measures besides imposing emission standards to deliver the same effect.

I am copying this letter to other members of EDE and to Sir Robin Butler, and to the Prime Minister.

Jan and





Welsh Office Gwydyr House Whitehall

LONDON SW1A 2ER

POLICY IN CONFIDENCE

CABINET OFFICE 10 JAN 1994 FILING INSTRUCTI The Rt Hon John Redwood MPILE No.

2 MARSHAM STREET LONDON SWIP 3EB 071-276 3000

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CC MR OWEN

2 MARSHAM STREET LONDON SWIP 3EB

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The Rt Hon John Redwood MP Secretary of State for Wales

Welsh Office Gwydyr House

Whitehall LONDON SW1A 2ER

Woecember

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# LPS 10388 193 CC Pur Owen Mr Burd Mr Marston





FCS/93/244

SECRETARY OF STATE FOR THE ENVIRONMENT



#### Follow-up to the Publication of the Rio Plans

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- 3. To ignore this important and vocal constituency might court political trouble and run the risk of detracting from the launch of the Strategy. NGO involvement in the proposed Round Table, whilst welcome, would be clearly a second best and the NGOs would see this as marginalising their contribution. I would therefore ask you to look again at my suggestion that David Bryer (Oxfam) be added to the shortlist for the Panel, with Nicholas Hinton (Save the Children Fund) and Richard Sandbrook (International Institute for Environment and Development) as reserve candidates. Or you may prefer another NGO candidate. Lynda Chalker discussed this with Crispin Tickell on 14 December, and he was amenable to the idea. A Panel of



six members rather than five would not be unwieldy. Inclusion of an NGO representative would show clearly the importance we attach to the non-governmental contribution.

4. I am copying this minute to the Prime Minister, the Lord Privy Seal, other members of EDE, and Sir Robin Butler.

JA1-

(DOUGLAS HURD)

Foreign and Commonwealth office

20 December 1993

FCS/93/244

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Foreign and Commonwealth office

20 December 1993

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Mr Bord
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SECRETARY OF STATE FOR THE ENVIRONMENT

CABINET OFFICE

21 DEC 1993

FILING INSTRUCTIONS
FILE No. RAS. I.

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(DOUGLAS HURD)

Foreign and Commonwealth office

20 December 1993

# LPS 10388 193 CC Pur Owen Mr Burd Mr Marston





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(DOUGLAS HURD)

Foreign and Commonwealth office

20 December 1993



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21 DEC 1993
FRUNG INSTRUCTIONS
R 25

2 MARSHAM STREET LONDON SWIP 3EB

071-276 3000

My ref: G/PSO/29992/93 Your ref:



The Rt Hon Tim Sainsbury MP Minister for Industry

Department of Trade and Industry

123 Victoria Street

LONDON SW1

programme.

December 1993

Thank you for your letter of 25 November concerning the CO,

Since you wrote, the Chancellor has made his helpful announcement in the Budget that road fuel duties should be increased by at least 5% on average in real terms in future Budgets. As you know, this allows us to complete the  ${\rm CO_2}$  programme and to ratify the UN Convention on Climate Change, as announced by Tim Yeo on 3 December.

We will be taking forward the joint Forum initiative separately, alongside further work on longer term transport measures, and the continuing discussions on voluntary measures in all sectors of the economy.

I am copying this letter to recipients of yours - the Prime Minister, members of EDE and to Sir Robin Butler.





DEVELOPMENT



SCOTTISH OFFICE WHITEHALL, LONDON SWIA 2AU

The Rt Hon John Gummer MP Secretary of State for the Environment Department of the Environment 2 Marsham Street LONDON SW1P 3EB

Myilly

1 December 1993 2563 FILING INSTRUCTIONS

Dear Secretary of State.

TO FOLLOW-UP PUBLICATION OF RIO

PLANS: SUSTAINABLE

Thank you for copying to me your minute of 15 December to the Prime Minister.

I note the suggested names for your advisory panel. While I naturally regret the omission of a Scot, I cannot fault their credentials or breadth of interest. I am sure that they will be seen as individuals of weight and substance whose views will be heeded by Government.

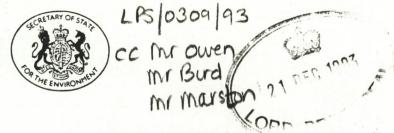
I am broadly content with the two draft texts attached to your minute but I would like to see a rather more explicit acknowledgement somewhere of the contribution of the Environment Ministers for Scotland, Wales and Northern Ireland. The third paragraph of the Prime Minister's draft foreword correctly identifies your own role in convening the roundtable meetings. In that context perhaps their UK scope would be brought out more clearly if "UK" replaced national.

I am copying this to the Prime Minister, John Wakeham, other members of EDE and Sir Robin Butler.

PP IAN LANG

Yours succeely Afstabling

(Approved by the Secretary of State and signed in his assence)



2 MARSHAM STREET LONDON SWIP 3EB 071-276 3000

My ref: G/PSO/29992/93 Your ref:

The Rt Hon Tim Sainsbury MP Minister for Industry

Department of Trade and Industry

123 Victoria Street

LONDON SW1

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LPS 10388 F13 P1. assa CENTROWER MI Marston SCOTTISH OFFICE



WHITEHALL, LONDON SWIA 2AU

265 P

The Rt How John Gummer MP
Secretary of State for the Environment
Department of the Environment
Warsham Street
LONDON
SW1P 3EB
CABINET

17 December 1993

Dear Secretary of State.

FOLLOW-UP TO PUBLICATION OF RIO PLANS; SUSTAINABLE DEVELOPMENT

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(Approved by the Secretary of State and signed in his assence).



Mr Nwen 2 MARSHAM STREET
LONDON SWIP 3EB
071-276 3000

Your ref:

LONDON SWIP 3EB
071-276 3000

My ref
G/PSO/29992/93

The Rt Hon Tim Sainsbury MP Minister for Industry Department of Trade and Industry 123 Victoria Street LONDON SW1

December 1993

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JOHN GUMMER







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SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU



The Rt Hon John Gummer MP Secretary of State for the Environment Department of the Environment

2 Marsham Street LONDON SW1P 3EB

17 December 1993

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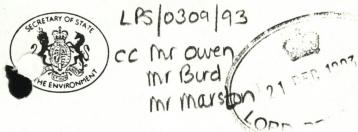
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(Approved by the Secretary of State and signed in his assence)



The Rt Hon Tim Sainsbury MP Minister for Industry Department of Trade and Industry 123 Victoria Street LONDON SW1 CASINET OFFICE

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2 MARSHAM STREET LONDON SWIP 3EB 071-276 3000

My ref: G/PSO/29992/93 Your ref:

December 1993

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JOHN GUMMER





### Department of the Environment

Direct Line 071 276 8611 **Divisional Enquiries** 071 276 Fax Number 071 276 8285 GTN Code 276



S Judge Esq TMH

Room BZ49

Romney House

43 Marsham Street

London SW1P 3PY

Your ref

Our ref

BY FAX

16 December 1993

Date

lear Enon,

ENVIRONMENT COUNCIL: 15 DECEMBER 1993

I attach the conclusions from yesterday's Environment Council, regarding EC ratification of the Climate Change Convention.

You should also note that the UK put in a minutes statement (not yet available), emphasising that the October 1990 conclusions remained conditional, decisions on the proposed carbon/energy tax were for ECOFIN, and nothing in these conclusions pre-empted ECOFIN.

I am copying this to David Fisk, Ann Eggington, Brian Morris and Stephen Marston.

Your sircevely,

TOM RIORDAN Global Atmosphere Division



"The Council

- RECALLS one of the conclusions of the European Council of 10 and 11 December 1993: "fiscal measures possibly relating, inter alia, to the environment could be one of the means of offsetting a drop in social contributions, within a general context of stabilizing all statutory contributions and reducing the tax burden".
- FURTHER RECALLS the conclusions of the ECOFIN Council on
   13 December 1993, that the ad hoc group needs to continue actively the work on the Commission's proposal on energy CO<sub>2</sub> taxation in the light of the above conclusions.
- 3. DECLARES that, in this context and in the light of the Community's commitment to stabilize CO<sub>2</sub> emissions in the terms agreed by the Joint Energy/Environment Council of 29 October 1990, it is necessary to create a mix of additional various instruments at Community level and to conclude ongoing work taking account of the Commission's proposal on energy/CO<sub>2</sub> taxation as soon as possible, and at the latest by the end of 1994.
- 4. REQUESTS the Commission to take, as soon as possible, the necessary decisions on the methodologies to be used for the national reports in the framework of the Council Decision of 24 June 1993 establishing a monitoring mechanism in order to have a good basis for analyzing national efforts, and to present an evaluation on the progress made towards reaching the Community's CO<sub>2</sub> stabilization target, as required by that Decision.
- 5. REQUESTS the Commission to report on the national instruments, in particular economic and fiscal instruments, of the Member States, relevant to reaching the Community's CO<sub>2</sub> stabilization target, which have been implemented or which will be implemented shortly.

- 6. REQUESTS the Commission to prepare and submit to the next Council meeting a plan that will ensure
  - the submission by the EU and its Member States of the reports required by the Framework Convention on Climate Change within six months of its entry into force;
  - demonstration in this report on how the EU and its Member States will collectively reach, as set out in the conclusions of 29 October 1990, 13 December 1991, 5 May 1992 and 26 May 1992, the objective of stabilization of CO<sub>2</sub> emissions at 1990 levels by the year 2000 in the Community as a whole.
- 7. AGREES in this context to adopt the proposal for a Council Decision on the conclusion by the Community of the Framework Convention on Climate Change, recognizing the importance for the Community of ratifying the Convention before in enters into force and alongside its Member States, so as to allow the fulfilment of the commitment relating to the limitation of CO<sub>2</sub> emissions in the Convention by the Community as a whole through action by the Community and its Member States, within their respective competences."





M Marston

16 December 1993

From the Private Secretary





Dear Jonathan,

#### FOLLOW UP TO PUBLICATION OF THE RIO PLANS

The Prime Minister was grateful for your Secretary of State's minute of 15 December, outlining some of the next steps in the publication of the Rio plans.

The Prime Minister is content to sign the foreword to the sustainable development strategy and is content with the draft enclosed with your Secretary of State's minute.

The Prime Minister welcomes the careful consideration that has been given to compiling the list of members of the Government's Advisory Panel on Sustainable Development and, subject to the comments of members of EDE, is happy for your Secretary of State to approach those on the list.

The Prime Minister is content with the other plans your Secretary of State sets out. In addition, I understand that you have asked if the Prime Minster might sign the foreword to the Climate Change National Programme (Alan Davis's letter of 14 December to Jill Rutter, No 10 Policy Unit). The Prime Minister is content with the draft foreword suggested, subject to one small change. I attach a copy of the revised draft.

I am copying this letter but not enclosure, to Private Secretaries to members of EDE, and to Melanie Leech (Sir Robin Butler's Office).

MARK ADAMS

Jonathan Tillson Department of Environment





10 DOWNING STREET LONDON SW1A 2AA mr Byol accom gwen

16 December 1993



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MARK ADAMS

Jonathan Tillson Department of Environment





CABINET OFFICE
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16 DEC 1993
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THE No. 25

From the Private Secretary

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26

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**MARK ADAMS** 

Jonathan Tillson Department of Environment





Urgent advice in Perconer of the Common of t

PRIME MINISTER



#### FOLLOW-UP TO PUBLICATION OF THE RIO PLANS

Thank you for agreeing to EDE's proposals for action to follow up publication of the four post-Rio plans (your private secretary's letters of 25 November and 6 December to my office).

I am pleased that you are willing to provide the forward to the sustainable development strategy. You might like to consider the enclosed draft, and I enclose also the text of my own introduction.

I have discussed the advisory panel with Crispin Tickell and he will be pleased to act as convener. Sir John Houghton (chairman of the Royal Commission on Environmental Pollution) is also willing to join.

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I will keep you and other colleagues in the picture as the scheme takes shape. And, as your office advises, my Department will discuss with MOD the potential clash between D-Day commemorative events and World Environment Day.

The text of the Sustainable Development Strategy must go to the printers on <u>Friday this week</u>; I would therefore be grateful for your agreement to the draft foreword as soon as possible, with apologies for the urgency.

I am copying this to John Wakeham, other members of EDE and Sir Robin Butler.

S4 JSG

December 1993

DRAFT FOREWORD TO THE SUSTAINABLE DEVELOPMENT STRATEGY BY THE PRIME MINISTER

At Rio, leaders and representatives from over 150 states, developed and developing countries alike, adopted a declaration committing themselves to make future development sustainable - not to turn their backs on growth, but to ensure that the price of growth did not become an intolerable bill for future generations.

This document looks at the challenges the UK will face over the next 20 years if it is to achieve that goal. There are some areas where considerable progress has already been made, others where the debate is only just starting. The document sets out a future agenda - not just for Government but for business, for organisations and for individual men and women.

It has already been the subject of extensive consultation - but we will need to go much wider than Government if we are to take it forward successfully. I am appointing a Panel of people of great expertise on environmental, scientific and business matters to advise the Government on future developments. The Secretary of State for the Environment will also bring together regularly representatives of interested groups in a national roundtable on sustainable development.

Sustainable development is difficult to define. But the goal of sustainable development can guide future policy. We need a hard-headed approach to sustainability based on good science and robust economics. We also need to be sensitive to the intangibles that cannot be reduced to scientific imperatives and the narrow language of economics.

Making the choices necessary to deliver sustainable development requires a national, and international, debate. This report is the starting point for that debate in the UK and the UK's contribution into the wider international debate.

SECRETARY OF STATE'S INTRODUCTION TO SUSTAINABLE DEVELOPMENT DOCUMENT

Men have grown used to living as conquerors. So sure are we of our title to the planet that we have long taken it for granted. Science, which has enabled us to discover the intricacies and the wonders of our world, has not led us to treasure it. Instead it has fed our desire to dominate all things. Disease must be eradicated, weeds destroyed, pests eliminated. Roads and railways could blast their way through mountain ranges, dams hold back mighty rivers, and bulldozers turn forests into pasture. There seemed no limit to what man could do.

Then science began to show the measure of our human weakness. As population grew exponentially and development spread ever more widely the effect we have upon the planet became a matter of increasing concern. Our successes were themselves the cause of many of our new fears. Healthier, well nourished people lived longer; fewer children died; more and more survived to be parents themselves. We began to see that growth and development demanded a price, and that price was increasing beyond our ability to pay. Effects we could ignore when they were confined to the actions of a few, became intolerable when they were spread more and more widely.

What is now seen as a matter of global concern was heralded in the industrial areas of the rich world. Not much smoke and a vast amount of sky seemed of no account. A lot of smoke, pushed out by a lot of people in a concentrated area, made cities impossibly fog-bound and increasingly unhealthy.

Britain began to learn that lesson a hundred years ago when our pea-soupers were famed throughout Europe. The London fog was the stuff of many a novel and the cause of an untold number of deaths. Indeed, the phrase "acid rain" was coined by Britain's first Chief Alkali Inspector, Angus Smith, in the 19th Century.

Finally in the 1950s post-war fogs led to the Clean Air Acts which marked the beginning of modern environmental legislation. London led the way with a law which has improved our cities and enabled us to restore our great buildings. Westminster Abbey and the Houses of Parliament can now been seen in their original colours for the first time - at the same time. For hundreds of years we had accepted the growth of pollution and only when it became utterly intolerable did we take effective action against it. Now are we seeing how much it has deprived us.

As the fish come back to our rivers and the wild flowers to the unsprayed margins of more and more of our fields we learn just how much we have lost. Like a former smoker recovering his sense of smell, we have begun to rediscover a richness in the world which we had all but forgotten.

Yet we cannot allow our proper concern to blind us to mankind's need to change and develop. A society which does not grow is one which cannot satisfy some of our basic human needs. "Growth is the only evidence of life": Newman's quotation warns us against suggesting that we could promote the shrinking economy as a basis for sustainability. Economic development is just as important a concept as environmental protection and we must find ways of achieving both together.

The question however is, do we have to wait until disaster overwhelms us before we make the radical changes necessary to protect our world for future generations? That is the vital challenge of sustainable development. If we act now there is much that can be saved which will otherwise disappear forever.

We need a sense of urgency as well as a realisation of the need for global involvement. Urgency because time is running out. And global involvement because without it the efforts of individual nations will be undermined by those who refuse to shoulder their proper burdens. The United Kingdom is determined to make sustainable development the touchstone of its policies. We recognise that this means a change of attitudes throughout the nation. That change cannot be achieved overnight, but that gives no grounds for defeatism - it should instead act as a spur to action.

This document is only the beginning. Year by year we shall need to revise and refine our policies so that our economy can grow in a way which does not cheat on our children.







PRIME MINISTER

#### FOLLOW-UP TO PUBLICATION OF THE RIO PLANS

Thank you for agreeing to EDE's proposals for action to follow up publication of the four post-Rio plans (your private secretary's letters of 25 November and 6 December to my office).

I am pleased that you are willing to provide the forward to the sustainable development strategy. You might like to consider the enclosed draft, and I enclose also the text of my own introduction.

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Department of the Environment

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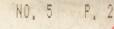
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Brussels, 15 December 1993 Working document ENV/93/55

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MR J ROLLERS ? DOE MR D OSSDEN S DOE

Mr Durie

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WORKING DOCUMENT

Subject : Community Strategy on Climate Change - Draft Council conclusions proposed by the Presidency

The Council

- 1. RECALLS one of the conclusions of the European Council of 10 and 11 December 1993: "fiscal measures possibly relating, inter alia, to the environment could be one of the means of offsetting a drop in social contributions, within a general context of stabilizing all statutory contributions and reducing the tax burden".
- 2. FURTHER RECALLS the conclusions of the ECOFIN Council on 13 December 1993, that the ad hoc group needs to continue actively the work on the Commission's proposal on energy/CO, taxation in the light of the above conclusions.
- 3. DECLARES that, in this context and in the light of the Community's commitment to stabilize CO2 emissions in the terms agreed by the Joint Energy/Environment Council of 29 October 1990, it is necessary to conclude this ongoing work as soon as possible, and at the latest by the end of 1994.

- 2. REQUESTS the Commission to take, as such as possible, the necessary decisions on the methodologies to be used for the national reports in the framework of the Council Decision of 24 June 1993 establishing a monitoring mechanism in order to have a good basis for analyzing national efforts, and to present an evaluation on the progress made towards reaching the Community's CO2 stabilization target, as required by that Decision.
- 5. REQUESTS the Commission to report on the national instruments, in particular economic and fiscal instruments, of the Member States, relevant to reaching the Community's CO<sub>2</sub> stabilization target, which have been implemented or which will be implemented shortly.
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Department of the Environment

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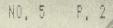
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# dti



Simon Featherstone Esq United Kingdom Permanent Representative to the European Communities Rond-Point Robert Schuman 6 1040 Brussels Department of Trade and Industry

151 Buckingham Palace Road London SW1W 9SS

Enquiries 071-215 5000

Telex 8813148 DIHQ G Fax 071-215 2909

Direct line 071 215 4163 Our ref Your ref

Date 10 December 1993

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ENVIRONMENT COUNCIL, 13 DECEMBER: CLIMATE CHANGE

Thank you for copying to me your letter of 8 December to Philip Dykins. I have also seen Philip's letter of the same date.

I agree on the need for us to prepare a draft text that would be acceptable to us at the Environment Council on 13 December, although this is difficult to do in advance. The draft text attached to your letter seems suitable to us and an improvement on DoE's draft. We have a few points on the text which are attached.

I am copying this letter to Brian Morris, HMT, Simon Judge, HMT, Philip Dykins, DoE, Steven Marston, Cabinet Office, Michael Ward, ECD(1), FCO, and Sue Hogwood, ESED, FCO.

ANN EGGINGTON



DRAFT COUNCIL DECLARATION (attached to Simon Featherstone's letter of 8 December)

#### CLIMATE CHANGE

Para 1, line 1. Replace "order to fulfil" with "accordance with".

Line 2. Amend to "by the Community".

Line 3. We were a little surprised that this referred back to the 1990 Council rather than a more recent Council. However, we accept that other Member States are keen on a reference to the 1990 Council.

Line 4. Delete "ongoing".

Line 4. Add "possible" between "various" and "instruments".

Para 3 As you suggest, "report as soon as possible ..... on ..... evaluation of national programmes" is acceptable and a little more realistic that DOE's suggestion of "in February 1994" (para 3)!

<u>Para 4</u>. We agree that para 4 DOE's draft should be omitted. Line 5 (of UKREP draft). Delete "examine the adequacy". Insert "consider the effect".

<u>Para 5</u>. We are willing to go along with the suggestion that the Commission report on national instruments, if it were needed to help secure agreement.

Disk Ref A: Envooun



### **HM Treasury**



Parliament Street London SW1P 3AG Telephone 071-270 - 47 67





Philip Dykins Esq Room B249 Department of the Environment Romney House 43 Marsham Street London SW1

9 December 1993

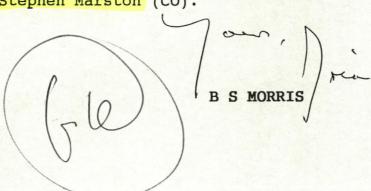
Jes Phil.

#### UK CLIMATE CHANGE PROGRAMME

Thank you for sending me a copy of your letter of 9 December to Ann Eggington.

I have only one comment on the draft summary. I see no need to include the final sentence which reads rather differently when not in the context of the rest of this section of the full text.

I am sending a copy of this to Ann Eggington (DTI), Jill Rutter (No 10), and Stephen Marston (CO).





Department of the Environment





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### Department of the Environment

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Dr A Eggington DTI Room 321 151 Buckingham Palace Road London Your ref

Our ref

Date

9 December 1993

Door Ann.

UK CLIMATE CHANGE PROGRAMME

We/been asked to include at the front of the programme a very short summary to give the reader a better idea of the whole picture and to pull out the "highlights". I attach a summary which simply restates the main points of the programme. With apologies for the tight deadline, I would be grateful to know that you are content by close on Monday 13 December. I am copying this to those on the attached list.

ton,

PHILIP DYKINS
Global Atmosphere Division



#### SUMMARY

The Climate Change Programme is the UK's first report under Article 12 of the Framework Convention on Climate Change, which the UK ratified in December 1993.

The UK's programme is based around a precautionary approach (see Chapter One) to take action now, shead of unequivocal scientific evidence that human activities are causing global warming. This is particularly appropriate where low cost preventive action can be taken at an early stage to avoid more expensive action later. The programme takes account of the UK's particular national circumstances (see Chapter Two).

The programme includes inventories of emissions and estimated future trends, and sets out measures aimed at returning emissions of each of the main greenhouse gases to 1990 levels by 2000. It comprises:

- for  $\mathrm{CO}_2$ , a programme based on a national partnership approach (see Chapter Three) drawn up after extensive public consultation involving business, voluntary, environmental and other interest groups. The result is a comprehensive programme of measures aimed at saving about 10 million tonnes of carbon across all sectors :
  - domestic energy consumption (4MtC), through measures including introducing taxation on domestic fuel and power, and a new Energy Saving Trust;
  - energy consumption by business (2.5MtC), including through energy efficiency advice and information;
  - energy consumption by the public sector (1MtC), through targets for central and local government and public sector bodies; and
  - transport (2.5MtC), through increases in road fuel duties, and a commitment to real increases of at least 5% on average in future Budgets.
- for methane (see Chapter Five), an estimated 10% reduction from 1990 levels by 2000, including through measures to encourage the use of methane for energy generation and reduced emissions from coal production. Industry is committed in several sectors to producing practical guidance on limiting emissions;
- for nitrous oxide (see Chapter Six), an estimated 75% reduction from 1990 levels by 2000, mainly through a commitment by industry to abate nitrous oxide emissions from nylon manufacture;
- major estimated reductions from 1990 levels by 2000 for other greenhouse gases (see Chapter Six), including nitrogen oxides (a 25% fall), volatile organic compounds (a 35% fall), carbon monoxide (a 50% fall), halocarbons, such as chlorofluorocarbons (elimination) and perfluorocarbons,

such as carbon tetrafluoride (a 90% fall) and carbon hexafluoroethane (a 90% fall).

Chapter Four sets out how the UK is meeting its commitment on enhancing carbon sinks in soils and vegetation. Estimates suggest that there was a net uptake of between 1.5 and 2.5 MtC in 1990. UK forests are estimated to be fixing carbon at a rate of 2.5MtC a year.

The UK is providing substantial assistance to developing countries to combat climate change (see Chapter Seven) through bilateral aid, particularly for energy efficiency and forestry projects, and through multilateral channels, notably through the Global Environment Facility. The UK also provides multilateral and bilateral help to Eastern European and other countries with economies in transition to combat climate change.

The programme includes (see Chapter Eight) a wide range of publicity and educational campaigns to improve awareness of climate change.

The UK's research effort places it at the forefront of climate change research (see Chapter Nine). The UK spent over £140 million on climate change research in 1992/93 including work on data acquisition, climate prediction and modelling, particularly at the Hadley Centre, response measures and impacts and adaptation. The UK gives strong support to the work of the Intergovernmental Panel on Climate Change, and chairs its science working group.

The Government recognises that we need to be planning ahead now for further actions that may be needed beyond 2000. Chapter Ten assesses possible longer term developments and options. The Government will examine these options so that the UK is well placed to make a full and appropriate contribution beyond 2000 to achieving the Convention's ultimate objective of avoiding harmful climate change.



### DOE

Dr Fisk

Mr Davis

Dr Myerscough (EEO)

Ms Thomson

Mr Riordan

FCO

P Maddon Esq

ODA

D Turner Esq

HMT

B Morris Esq

MAFF

J O'Gorman Esq

DTP

P Downie Esq

Cabinet Office

S Marston Esq

Office of Science and Technology

Dr Lynne

Forestry Commission

M Garforth Esq

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E Reavley Esq

Northern Ireland Office

JR Lamont Esq

No 10

J Rutter Esq







# **Facsimile Transmission**

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Message:



Room §249 Romney House 43 Marsham Street London SW1P 3PY Direct Line Divisional Enquiries Fax Number GTN Code

071 276 8387 071 276 071 276 8285 276

Dr A Eggington DTI Room 321 151 Buckingham Palace Road London Your ref

Our ref

Date

9 December 1993

Door Ann.

### UK CLIMATE CHANGE PROGRAMME

We/been asked to include at the front of the programme a very short summary to give the reader a better idea of the whole picture and to pull out the "highlights". I attach a summary which simply restates the main points of the programme. With apologies for the tight deadline, I would be grateful to know that you are content by close on Monday 13 December. I am copying this to those on the attached list.

ton,

PHILIP DYKINS
Global Atmosphere Division



#### SUMMARY

The Climate Change Programme is the UK's first report under Article 12 of the Framework Convention on Climate Change, which the UK ratified in December 1993.

The UK's programme is based around a precautionary approach (see Chapter One) to take action now, ahead of unequivocal scientific evidence that human activities are causing global warming. This is particularly appropriate where low cost preventive action can be taken at an early stage to avoid more expensive action later. The programme takes account of the UK's particular national circumstances (see Chapter Two).

The programme includes inventories of emissions and estimated future trends, and sets out measures aimed at returning emissions of each of the main greenhouse gases to 1990 levels by 2000. It comprises:

- for  $\mathrm{CO}_2$ , a programme based on a national partnership approach (see Chapter Three) drawn up after extensive public consultation involving business, voluntary, environmental and other interest groups. The result is a comprehensive programme of measures aimed at saving about 10 million tonnes of carbon across all sectors :
  - domestic energy consumption (4MtC), through measures including introducing taxation on domestic fuel and power, and a new Energy Saving Trust;
  - energy consumption by business (2.5MtC), including through energy efficiency advice and information;
  - energy consumption by the public sector (1MtC), through targets for central and local government and public sector bodies; and
  - transport (2.5MtC), through increases in road fuel duties, and a commitment to real increases of at least 5% on average in future Budgets.
- for methane (see Chapter Five), an estimated 10% reduction from 1990 levels by 2000, including through measures to encourage the use of methane for energy generation and reduced emissions from coal production. Industry is committed in several sectors to producing practical guidance on limiting emissions;
- for nitrous oxide (see Chapter Six), an estimated 75% reduction from 1990 levels by 2000, mainly through a commitment by industry to abate nitrous oxide emissions from nylon manufacture;
- major estimated reductions from 1990 levels by 2000 for other greenhouse gases (see Chapter Six), including nitrogen oxides (a 25% fall), volatile organic compounds (a 35% fall), carbon monoxide (a 50% fall), halocarbons, such as chlorofluorocarbons (elimination) and perfluorocarbons,

such as carbon tetrafluoride (a 90% fall) and carbon hexafluoroethane (a 90% fall).

Chapter Four sets out how the UK is meeting its commitment on enhancing carbon sinks in soils and vegetation. Estimates suggest that there was a net uptake of between 1.5 and 2.5 MtC in 1990. UK forests are estimated to be fixing carbon at a rate of 2.5MtC a year.

The UK is providing substantial assistance to developing countries to combat climate change (see Chapter Seven) through bilateral aid, particularly for energy efficiency and forestry projects, and through multilateral channels, notably through the Global Environment Facility. The UK also provides multilateral and bilateral help to Eastern European and other countries with economies in transition to combat climate change.

The programme includes (see Chapter Eight) a wide range of publicity and educational campaigns to improve awareness of climate change.

The UK's research effort places it at the forefront of climate change research (see Chapter Nine). The UK spent over £140 million on climate change research in 1992/93 including work on data acquisition, climate prediction and modelling, particularly at the Hadley Centre, response measures and impacts and adaptation. The UK gives strong support to the work of the Intergovernmental Panel on Climate Change, and chairs its science working group.

The Government recognises that we need to be planning ahead now for further actions that may be needed beyond 2000. Chapter Ten assesses possible longer term developments and options. The Government will examine these options so that the UK is well placed to make a full and appropriate contribution beyond 2000 to achieving the Convention's ultimate objective of avoiding harmful climate change.

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Northern Ireland Office

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J Rutter Esq

# HM Treasury



Parliament Street London SW1P 3AG Telephone 071-270-42-5



(fil



9 December 1993

Philip Dykins Esq Room B249 Department of the Environment Romney House 43 Marsham Street London SW1

for (hil,

ENVIRONMENT COUNCIL: 13 DECEMBER

Thank you for your recent faxes on a Council Declaration on Climate Change. I have also seen Simon Featherstone's contribution.

While it would be better to have something which allows the Community to ratify by the end of the year, it seems to me that it is the Germans and Dutch who need to get themselves of the hook they put themselves on at an earlier stage. We have said we will ratify and are happy to support Community ratification so it seems likely that any criticism will be directed towards others. We should not endanger our future position in an attempt to be helpful now.

That being said, we are largely content with your draft "A" and Simom's version. The main concerns are not to go further than we have done previously on burden-sharing; and not to provide a greater locus than may exist already for the Council to make judgements on the adequacy of national programmes or to propose additional national measures.

On burden-sharing, I would prefer wording which referred merely to the need to take account of the principle. When you suggested this to me, you mentioned that we agreed to this in December 1991.

On the second issue, we can live with the last sentence of your paragraph 3, albeit with some reluctance: it would be better if it were deleted, particularly the mention of adequacy of national programmes. Examining adequacy seems to be implicit in the second sentence - what else can "consider in the relation to achievement of the commitment" mean? But if forced to choose, I prefer that wording to the formulation in the first sentence of paragraph 4 of Simon's draft which goes too far in the direction of encouraging the Council to propose national measures.

I am sending a copy of this to Ann Eggington (DTI), Simon Featherstone (UKREP), Michael Ward (FCO) and Stephen Marston (CO).

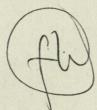
B S MORRES





Romney House 43 Marsham Street London SW1P 3PY Direct Line 071 276 8837 Divisional Enquiries 071 276 071276 8285 Fax Number GTN Code

Brian Morris



Your ref

8 December 1993

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Day Bran

ENVIRONMENT COUNCIL - 13 DECEMBER

We discussed yesterday the prospects discussion on climate change.

Our current expectation is that there will be further attempts to agree a Council declaration that would enable the Dutch, Germans and others to drop their block on Community ratification The Dutch will probably try to sell a version of their previous draft. (A copy of that is attached, along with the alternative version of it put forward by the UK at last week's meeting.) The Germans are thought to be looking for something stronger which makes specific reference to the carbon energy tax and development of burden-sharing proposals.

We discussed what our bottom line should be in any such drafting exercise. It is difficult to do so in advance, but I have now drafted the attached text, which builds on the existing UK proposal, as a possible exemplar. I should be grateful for your reactions.

PHILIP DYKINS Global Atmosphere Division

Simon Featherstone, UKRep Simon Judge, HMT Ann Eggington, DTI Steven Marston, Cabinet Office

> Dr Fisk Mr Rogers, From



(4)

# EXPANDED VERSION OF UK REDRAFT OF DUTCH PROPOSAL

1. The Council declares that, in order to achieve the commitment of the Community in CO2 emissions as agreed on 29/10/92, it is necessary to continue on-going work on a mix of various instruments at national and/or Community level including in particular fiscal instruments, taking into account the Commission's proposal and the new approach suggested by the Presidency (doc. SN/5977/93).

- 2. The Council requests the Commission to take, as soon as possible, the necessary decisions on the methodologies to be used for the national reports in the framework of the Council decision establishing a monitoring mechanism, on order to have a good basis for analysing national efforts and to assess the progress made with regard to reaching the commitments referred to in Article 2 of that Decision.
- 3. The Council requests the Commission to produce its first report on the evaluation of national programmes before the ninth meeting of the Intergovernmental Negotiating Committee on the Climate Change Convention in February 1994. The Council will consider that report and subsequent evaluations in relation to achievement of the Community's commitments. The Council may, in the light of that consideration, examine the adequacy of existing national programmes, as well as the possibilities for further measures at Community level to supplement national programmes.
- 4. The Council notes the Commission's intention to undertake further work to develop the concept of burden-sharing, whilst reaffirming its statement at the meeting on 23/3/93 that any proposals which could alter any member state's national target may not be adopted without the agreement of the member state in question.

# DUTCH PROPOSAL FOR A COUNCIL DECLARATION.

1. The Council declares, that, in order to fulfill the commitment of the Community to stabilize the CO2 emissions as agreed on 29/10/90, it is necessary to continue ongoing work on a mix of various instruments, including in particular fiscal instruments, taking into account the Commission's proposal and the new approach, suggested by the Presidency (doc. SN/5977/93).

- 2. The Council requests the Commission to take, as soon as possible, the necessary decisions on the format to be used for the national reports in the framework of the Council decision establishing a monitoring mechanism, in order to have a good basis for analyzing national efforts and to assess the progress made with regard to reaching the Community's CO2 stabilisation target.
- 3. The Council requests the Commission to report on the national economic and fiscal instruments of the Member States relevant to reaching the Community's CO2 stabilisation target, which have in fact been implemented or which will be implemented shortly.
- 4. The Council requests the Commission, on the basis of the conclusions of the joint Environment/Energy Councils of October 29, 1990, and December 13, 1991, to further investigate the concept of burden-sharing and to put forward to the Council the necessary proposals.

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- 2. The Council requests the Commission to take, as soon as possible, the necessary decisions on the methodologies to be used for the national reports in the framework of the Council decision establishing a monitoring mechanism, in order to have a good basis for (analysing national efforts) and to assess the progress made with regard to reaching the commitments referred to in Article 2 of that Decision.
- 3. The Council requests the Commission to report on its evaluation of the national reports, as required under the Monitoring Decision.



Direct Line Divisional Enquiries Fax Number GTN Code

071 276 071 276 071 276

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Brian Morris



Romney House

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London SW1P 3PY

Your ref

Our ref

Date

8 December 1993

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Dar Brian

ENVIRONMENT COUNCIL - 13 DECEMBER

We discussed yesterday the prospects for next week's resumed discussion on climate change.

Our current expectation is that there will be further attempts to agree a Council declaration that would enable the Dutch, Germans and others to drop their block on Community ratification. The Dutch will probably try to sell a version of their previous draft. (A copy of that is attached, along with the alternative version of it put forward by the UK at last week's meeting.) The Germans are thought to be looking for something stronger which makes specific reference to the carbon/energy tax and development of burden-sharing proposals.

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PHILIP DYKINS Global Atmosphere Division

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Dr Fisk Mr Rogers, Freur



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1pm 3/12/93

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- 4. The Council requests the Commission, on the basis of the conclusions of the joint Environment/Energy Councils of October 29, 1990, and December 13, 1991, to further investigate the concept of burden-sharing and to put forward to the Council the necessary proposals.

Ukverion of Interpresal 1.30pm 3/12/93

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Office of the United Kingdom Permanent Representative To the European Community

rond-point Robert Schuman 6 1040 Brussels

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8 December 1993

Mr P Dykins DOE

By Fax

Dear PLJ







United Kingdom Permanent Representation To the European Communities

> Road-Point Robert Schuman 6 1040 Brussels Telephone: (02) 287 82 11 Telex: 24312 Facsimile: (92) 287 83 98 DID: (02)287

### ENVIRONMENT COUNCIL, 13 DECEMBER: CLIMATE CHANGE

SERT UKREP EC BRUSSELS

- 1. Thank you for your fax of today's date enclosing a draft text which might constitute our bottom line in the negotiations next Monday night. As you say, it is difficult to do this in advance, particularly as the Presidency have told me that they are inclined to start from a blank sheet of paper and produce a new text at the Council itself.
- As you know, we have in UKREP been working on a new text (which Mr Crawley faxed to you and David Fisk earlier today) which we might consider tabling ourselves, either at the start of the Council, or indeed with the Presidency and certain key delegations beforehand. After discussion with you, I think that the text we had prepared could possibly be supplemented with elements of your own text, in particular the last sentence of paragraph 3. At this stage, I do not think that it would be wise to propose your paragraph 4, which links further work on burden sharing with a reaffirmation of the minutes statement on Member States needing to agree any alteration in their national target. Although the latter is an idea which we might wish to deploy during the discussion, if necessary as a separate unilateral statement, I think we both agree we would not want to lead with it.
- I realise that this is a fast moving issue, and much will depend on the discussions going on between the Dutch and Germans on their latest draft. The Dutch/German text continues to include idea of requesting a Commission report on national instruments (including fiscal instruments); I would be grateful to know whether you and copy recipients would be willing to go along with such a reference if it were to help secure agreement. I have such a reference if it were to help secure agreement. I have included a paragraph in the attached draft based on the Dutch/German text.
- I am copying this letter to Brian Morris, HMT, Simon Judge, HMT, Ann Eggington, DTI, Steven Marston, Cabinet Office, Michael Ward, ECD(I), FCO, Sue Hogwood, ESED, FCO and to colleagues here. I would be grateful if you would copy it to David Fisk and John Rogers.

your eve.

S M FRATHERSTONE

# DRAFT COUNCIL DECLARATION

- 1. The Council declares that, in order to fulfil the commitment to the Community to stabilise CO2 emissions in the terms agreed by the joint Energy/Environment Council on 29 October 1990 it is necessary to continue ongoing work on a mix of various instruments at Community and/or national level including fiscal and economic instruments, taking into account the Commission's proposal and the new approach suggested by the Presidency (doc SN/5977/93).
- 2. The Council requests the Commission to take as soon as possible the necessary decisions on the methodologies to be used for the preparation of national reports to the Commission within the framework of the Council decision of 24 June 1993 establishing a monitoring mechanism for Community CO2 and other greenhouse gas emissions, in order to establish a satisfactory basis for evaluating national programmes and assessing the progress made towards reaching the Community's CO2 commitment.
- 3. The Council requests the Commission to report as soon as possible as required by Article 6 of the monitoring decision on its first evaluation of the national programmes of policies and measures of the Member States which are relevant to reaching the Community's CO2 commitments as set out in Article 2 of that Decision.
- 4. The Council agrees that, in the light of the Commission's report on its evaluation, it will consider whether further measures need to be taken at national and/or Community level in order to fulfil the Community's CO2 commitments. The Council may, in the light of that consideration, examine the adequacy of existing national programmes, as well as the possibilities for further measures at Community level to supplement national programmes.
- 5. The Council requests the Commission to report on the national instruments, in particular economic and fiscal instruments, of the Member States relevant to reaching the Community's CO2 commitments, which have in fact been implemented or which will be implemented shortly.