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Foreign and Commonwealth Office
London SW1

31 July 1981

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And

Per Paris,

UN CONFERENCE ON NEW AND RENEWABLE SOURCES
OF ENERGY

Thank you for your letter of 17 July to Peter Carrington about this Conference.

I agree generally with the line you propose. It will be desirable at Nairobi to stress the technical priorities of the Conference and to urge that it should not be drawn into a sterile debate on aid and North-South issues. However I also agree that our delegation at the Conference should if necessary defend robustly our position on the lines set out in your letter.

I can confirm that Neil Marten has offered to underwrite by means of a guarantee of student numbers a special MSc course in alternative energy at Reading University, aimed at students from developing countries. This should enable it to go ahead, although negotiations are still proceeding with the University. Confirmation that it will start in the autumn of next year will, I hope, be available in time for you to make an announcement in Nairobi. My officials will keep in touch with yours about the latest position.

The Rt Hon David Howell PC MP
Secretary of State for Energy
Thames House South
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/We have also now



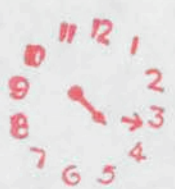
We have also now approved the proposed £2m provision for energy resource assessment studies, and I accordingly made a reference in the debate on the Brandt Commission Report on 24 July (Hansard Vol 9, No 149, Col. 731) to our willingness to do more in the energy field. So the way is clear for you to make an announcement at Nairobi as you propose.

Particularly given our Presidency responsibilities, I am sure that you are right to say that we should work for as broad a basis of support within the Community and without as we can secure for our position on key issues.

I am sending copies of this letter to the recipients of yours.

yes ✓
lan

31 JUL 1981



SECRET (7) AND CONFIDENTIAL (1) ON ENERGY
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The Rt Hon Lord Carrington PC KCMG MC
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17 July 1981

See Rams

U.N. Conference on New and Renewable Sources of Energy

The U.N. Conference on New and Renewable Sources of Energy is to be held in Nairobi from 10th to 21st August. I will be attending the opening session of the Conference where I will speak not only for the U.K. but also on behalf of the European Community.

Unfortunately it is becoming clear that it will not be possible to confine discussion at Nairobi as we would wish. Discussion at the main Conference will be handled in two parts. One Committee will consider the more technical parts of the draft Programme of Action; and there are reasonable prospects for a useful semi-technical discussion in this Committee. The other Committee will be more politically orientated. The purpose of this letter is to set out briefly what I see as the difficult issues and to indicate how I propose we should handle them. The outcome of the Conference could affect the atmosphere at subsequent meetings, particularly the Commonwealth Heads of Government meeting and the Mexico Summit.

There are four specific areas where difficulties are likely to arise:-

- i) national action - the primary responsibility for action to develop new and renewable sources of energy lies with individual countries. But the G77 have up to now argued that an international conference is concerned only with international action and that for Nairobi to make recommendations on national action would infringe their sovereignty.
- ii) Institutions - the G77 have proposed the establishment of a new Inter-Governmental Committee specifically concerned with new and renewable energy. This Committee would be supported by a new Secretariat.

- iii) Finance - the most difficult issue will be finance. The G77 have said that they see the securing of additional finance from developed countries as the fundamental purpose of the Conference.
- iv) Transfer of Technology - we are likely to come under the usual pressure for access to technology.

Our position will be influenced by the attitude of other developed countries, particularly the USA and the rest of the Community - the more so as we are in the Presidency. On institutions, so far all developed countries have stated that existing institutions should be used. On the central issue of finance, the USA have stated that private institutions and capital have the major role to play in meeting energy needs around the world. Creating conditions which encourage investment is the most important step developing countries can take. There is a role for aid, but within the constraints that bind donor countries. Basically we agree with the US position. But some of our Community partners appear disposed to take a softer line on aid.

This suggests to me that our initial position should be to stress the technical character of the Conference and to urge that it should not get drawn into a possibly sterile debate on aid. But if as seems inevitable the issues set out in paragraph 3 are pressed then our position should be:-

- i) national action - we must continue to point to the primary importance of action at national level. In fact the G77's position on this is very probably tactical.
- ii) institutions - we must continue to insist that there should be no new institutional structure.
- iii) finance - we should emphasise the importance of the private sector; and clearly we must resist pressure for more aid. We should also emphasise to the G77 that if the Conference is to stimulate a wider emphasis by the public and private sectors on new and renewable sources of energy it will have to produce a realistic assessment of the potential of new and renewable sources of energy, and be based on sound technical judgements. The USA is likely to take a similar position.
- iv) transfer of technology - we should maintain our normal line on this, which in essence, is that this is a commercial matter not within the gift of Government.

In the run up and in particular at the various international meetings that will be taking place before the Conference, we should work for a united Western position along the lines of paragraph 5.

Nevertheless circumstances are likely to arise at Nairobi where it would be desirable for the UK to make as positive a statement as we can about our attitude to mobilising financial resources for the development of new and renewable sources of energy. It might consist of:-

- i) reference to flows of private capital (eg in 1979 the flow of private capital from the UK to developing countries for all purposes was second out of all OECD countries);
- ii) reference to relevant projects, R and D, technical cooperation etc financed by the aid budget (eg the £100 million Victoria dam in Sri Lanka);
- iii) an announcement of the setting up of a special course in new and renewable energy at Reading University at which ODA would provide a number of places for students from the developing countries;
- iv) an announcement of a willingness to finance a programme of energy resource assessments for the poorer developing nations (possibly £2 million over 3 years).

An announcement on these lines at Nairobi will leave little new on energy to say at Mexico. But I think we should deploy what we have to offer at Nairobi if this is necessary to prevent a failure or damage to our standing. We can always say it again at Mexico.

I understand that you have not yet finally approved the proposals in paragraph 7(iii) and (iv). I hope you will be able to do so in time for us to announce them at Nairobi if necessary.

I should be glad to know that you and our other colleagues concerned are content that we handle the Nairobi meeting on these lines. I will of course consult you again if events should develop in a way which makes a change of line desirable.

I am sending copies of this letter to the Prime Minister, Geoffrey Howe, John Biffen, Neil Marten and Sir Robert Armstrong.

D A R HOWELL

Yours
ee

David

1987 JUN 1987

