



*Prime Minister cell*

*This suggests that we should get forward some draft conclusions for the Houston Summit on Climate Change. It could be done either by a letter from you to the President: or by Nigel Wicks to the*

PRIME MINISTER

CLIMATE CHANGE: THE RUN UP TO THE HOUSTON SUMMIT

In the last few weeks, following the announcement of the UK's own greenhouse gas emission target, the pace of international meetings concerned with aspects of the climate change problem has accelerated. It may be useful to take stock with colleagues, and you may like to consider the possibility of the UK trying to draw the threads together for a set of propositions that you might take to the Houston Summit.

*Shops.  
The former would be best. Agree?*

The events of the last few weeks have shown that there are considerable differences between the countries of the developed world in their assessment of the seriousness of the problem of climate change, and the response that they may need to make. Within Europe, Germany, Netherlands and the Nordic countries are clearly taking the most advanced position about the urgency and seriousness of the problem, and the size of the reductions in greenhouse gas emissions that is needed. Several of them want to achieve significant reductions in carbon dioxide emissions below current levels by 2000 or 2005. France and Italy do not seem to have got much beyond stabilisation at 1990 levels by 2000 as an objective. We have ourselves announced our target of stabilising 1990 levels by 2005. Spain, Portugal, Greece and Ireland have not yet done their homework but appear to think that they will need some room for further growth and will only be able to stabilise greenhouse gas emissions at higher levels than they presently emit, probably at a later date than 2005.

*can 20/6*

The USA is proceeding very slowly. Whilst they accept the IPCC's general scientific conclusions, they have sought to emphasise the considerable uncertainties that IPCC also identified. They seem unlikely to be able to formulate a strategy and targets before next year at the earliest. John Wakeham's account of his recent visit makes depressing reading in this context. But I understand that pressures are now building in the USA, and the President is to review the position with his senior advisers next week. The USA have moved very significantly and helpfully in their attitude to the Ozone Conference at the end of last week, following your letter to President Bush. So we should not rule out the possibility of being able to encourage them towards something more like the UK position on the larger climate change issues.

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the Japanese do not think at present that it will be possible for them to stabilise CO<sub>2</sub> emissions before 2010 and then at levels 17% above their present emissions. The USSR whilst supportive of the IPCC process, has maintained a deliberate low profile in the relevant fora. In the developing world the Chinese, Indians, Brazilians and Saudi Arabians are extremely wary of undertaking any significant commitments at all. The rest of the developing world has few resources with which to address the problem and has not yet seriously addressed it.

Against this background the danger of the UK being politically isolated in Europe because we cannot bring our stabilisation at 1990 levels forward to 2000 now appears less likely. We are now well placed between the enthusiasts and the reluctant. The time could be ripe for a UK initiative at the Houston Summit to try to bring the United States and Japan to the same recognition of the seriousness and urgency of the problem as we have in Europe, and to commit themselves to developing practical and realistic strategies. At the same time we should be able to reassure them and the wider world community that we do not see it as appropriate to try to force all countries into stabilisation at exactly the same target year, because of their different starting positions and economic situations -the very arguments that we have deployed with our European colleagues.

What is needed therefore is more substantial international agreement on the need for everyone to develop serious national strategies and programmes for action, and on the kind of issues and measures that will need to be addressed in such strategies. As John Wakeham has suggested, we should certainly also press the case that strategies should cover all greenhouse gases, not just CO<sub>2</sub>. I am rather less keen about pushing the possibility of comprehensive targets covering all greenhouse gases in the international context at this stage since it will confuse the discussion and since the thrust of our present international stance is to place more emphasis on national strategies for reducing greenhouse emissions and agreeing the kind of measures that should be in them, and rather less emphasis on targets as such. But we will certainly work out what the UK plans to achieve in terms of all greenhouse gases together by the years 2000 and 2005, since the combination of CFC phase out and CO<sub>2</sub> stabilisation should give us a good story to tell both at home in the White Paper and abroad.

I understand that at the Sherpa meeting this weekend, the UK Sherpas were able to develop arguments on the above lines, and that these commanded more general assent than the outside positions being argued by the Germans from one side and the Americans from another. I believe therefore there would now be a good opportunity for you to drive our messages home at the Houston Summit, as the basis for an international consensus. A clear signal on climate change from the Summit could be very important for the further debate to take place this autumn at the final sessions of IPCC and at the second World Climate Conference.



I attach the draft of a note which might be put to the Summit by the UK to lead the Summit members towards some conclusions. If you approve the note I have no doubt it would make maximum impact if you were to circulate it yourself under a personal letter to President Bush and the other Summit members - I attach a possible draft also. Alternatively, if you prefer, Nigel Wicks could send the note to his Sherpa colleagues making clear that the note set out your views.

I am copying this to members of MISC 141.

A handwritten signature in blue ink, appearing to be 'CP'.

C P

20 June 1990

## CLIMATE CHANGE.

### NOTE BY THE UK

Climate change has been studied and discussed intensively in various international fora during the past year. Further meetings and conferences are in prospect. It may be useful for the G7 Summit to review the progress that has been made so far in these discussions and to give a lead on the shape of the future discussions and negotiations.

2. Some of the principal points that appear to be emerging from the discussions so far are:

(i) The Scientific Assessment of the UNEP/WMO Intergovernmental Panel on Climate Change (drawing together the views of 300 of the world's leading scientists in this field) is now published and concludes

- emissions resulting from human activities are substantially increasing the atmospheric concentrations of greenhouse gases
- these increases will enhance the greenhouse effect, resulting in an additional warming of the Earth's surface
- carbon dioxide is responsible for over half the enhanced greenhouse effect in the past, and is likely to remain so in the future
- continued emissions of these gases at present rates would commit us to increased concentrations for centuries ahead.

- The longer emissions continue to increase at present day rates, the greater reductions would have to be for concentrations to stabilise at a given level.

(ii) Using the best available models the same group predicts:

- under business as usual scenarios a rate of increase of global mean temperature of 0.3C/decade (uncertainty range 0.2 to 0.5°C/decade). This is a greater rate of increase than any seen over the past 10,000 years. Sea level would rise 6cm/decade (range 3-10cm/decade) over the next century.
- Rapid changes in climate will change the composition of ecosystems; some species will benefit while others will be unable to migrate or adapt fast enough and may become extinct.
- The effect of warming on biological processes, although poorly understood, may increase the atmospheric concentrations of natural greenhouse gases.

(iii) There are still some uncertainties about the details of those predictions and further research and monitoring will be needed during the next 10-15 years to improve scientific knowledge of the processes involved and the distribution of the effects between different parts of the world. However, given the degree of confidence in the effects already established, the seriousness of

the risks which could not quickly be reversed, and the long timescale for nations to adapt and for new technologies to be developed, there is a growing recognition that precautionary action needs to be initiated now, at the same time as research and monitoring continue.

(iv) There is a growing consensus that as an initial step all countries should develop national strategies, as agreed by the ECE at Bergen, to limit or reduce their emissions of greenhouse gases. Each country will need to develop its own thinking on this. But comparison of what has been done so far suggests that such strategies will typically need to cover such subjects as limiting or reducing CO<sub>2</sub> emissions from energy production, increasing energy efficiency in industry, in the home and in transport (especially cars and other vehicles), carbon sinks (including in particular afforestation) and ways to develop them. Strategies will also need to consider ways of limiting or reducing other greenhouse gases including CFCs and methane. At this stage strategies would naturally concentrate on the next 10-15 years, whilst our understanding of the problems improves.

(v) As countries develop their strategies they may also be able to identify targets for limiting their greenhouse gas emissions, e.g. stabilisation by a particular year or specified reductions by particular years. Such targets are valuable as a clear signal of political intent within each country and they may also have a part to play in the development of international negotiations on the action required by all countries. But different countries have different starting points, patterns of energy production and consumption, growth prospects etc, and so will

need targets for limiting or reducing greenhouse gas emissions in the future which take account of these differences. The international negotiations will need to take account of those differences, and may increasingly need to look for agreement on comparable strategies rather than on uniform targets.

(vi)

In developing their strategies each country will need to consider very carefully the cost of limiting greenhouse gas emissions, and the practicality of measures to achieve this. In every country there are likely to be a first tranche of measures that can be pursued fairly easily without too great a cost to the economy, which offer other substantial advantages. Behind these there are likely to be in each case a succession of more expensive and more politically difficult measures. A sensible strategy for most countries will be to get ahead right away with the comparatively easy measures that may have other incidental benefits as well, leaving further measures for subsequent stages as international understanding of the global problems deepen, as costs and benefits of the different possibilities are analysed further, and as international consensus on measures needed develops. A phased and flexible approach is required. The methodology for such work could usefully be taken forward by IPCC drawing on technical work organised by the OECD and other appropriate international agencies.

(vii)

In considering measures to pursue such objectives there appears to be growing interest in a number of countries in developing economic instruments such as tradeable permits, pollution charges or fiscal measures as well as or instead of

regulatory measures to achieve limitations in greenhouse gas emissions. But there is still a good deal of technical work to be done in specifying such measures in a concrete way, and resolving political difficulties about measures that may affect price levels, and could affect countries' competitive positions. The OECD is already studying such measures. It would be helpful if their work could be brought to a preliminary conclusion in the next few months to provide a basis for international discussion of the most promising options. The OECD meeting with the Environment Ministers in January 1991 would be a suitable deadline.

3. Looking to the future the Summit might like to consider the following possible conclusions:

- (i) A welcome for the three IPCC Working Group reports, endorsing the IPCC process, and supporting the continuation of IPCC to supervise further more detailed analysis and monitoring of the issues.
- (ii) Support also for the ongoing work of OECD on economic instruments that might have a part to play in limiting greenhouse gas emissions.
- (iii) A renewed call for all countries particularly developed countries, to develop their own strategies and targets for limitation of greenhouse gases, in time for the World Climate Conference.
- (iv) Reinforcement for the Summit's previous support for the negotiation of a framework convention on climate change which should be completed by the 1992 UN conference. Work on possible protocols to the convention should be undertaken as expeditiously as possible.



(v) Recognition that it will require a major effort by industry and agriculture throughout the world to develop new technologies and methods over the next ten years and beyond which will optimise energy efficiency and help to reduce greenhouse gas emissions generally.

(vi) A call for better public information, education and involvement in the issue to support measures both individually and collectively that will help limit the emissions of greenhouse gases.

20 June 1990