C D Powell Private Sec

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My ref:

Your ref:

C D Powell Esq Private Secretary to The Prime Minister 10 Downing Street LONDON SWIA 2AA L's responds to your concent that the should not be aren between work in 17 August 1989 The OECD e in The EC. CR

relevant extract pour l'aux humit Economi declaratio attached.

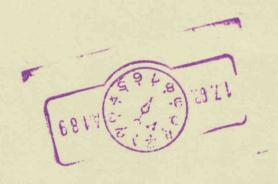
Thank you for your letter of 1 August about the Commission's proposal for a European Environment Agency.

It is our understanding that the Paris Economic Summit called on the OECD to consider how environmental indicators could be developed in the context of integrating environment and economic decision making. This is a broad remit which will build on the pioneering work of Professor David Pearce, the Secretary of State's newly appointed Special Adviser. The proposed Agency will primarily provide basic scientific and other data in such areas as atmospheric emissions, soil erosion and water quality. Nevertheless, in presenting its proposal the Commission has drawn attention to the need to avoid duplication with the data-gathering and monitoring activities of such bodies at the OECD and UNEP. The Secretary of State will stress the importance of this when he takes part in the first political discussion of the Agency at the Environment Council on 19 September.

In the meantime officials in the Department are preparing a paper for discussion at EQO, and for subsequent clearance by Ministers, on the main issues raised by the proposed Agency. This paper will outline ways in which duplication can be kept to a minimum. It will also indicate ways in which we believe the Agency could provide more reliable data than OECD and UNEP are at present able to draw on.

Yours

KATE BUSH Private Secretary ENV. APPAIRS: ACRORANT pr 1)



encourage the World regional Bank and We development banks to integrate environmental considerations into their activities. International organizations such as the OECD and the United Nations and its affiliated organizations, will be asked to develop further techniques of analysis which would help governments assess appropriate economic measures to promote the quality of the environment. We ask the OECD, within the context of its work on integrating environment and decision-making, to how selected examine economic environmental indicators could be developed. We expect the 1992 UN Conference on Environment and Development to give additional momentum to the protection of the global environment.

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damage and to encourage them to take environmentally desirable action, economic incentives may include the use of aid mechanisms and specific transfer of technology. In special cases, ODA debt forgiveness and debt for nature swaps can play a useful role in environmental protection.

We also emphasize the necessity to take into account the interests and needs of developing countries in sustaining the growth of their economies and the financial and technological requirements to meet environmental challenges.

39) The depletion of the stratospheric ozone layer is alarming and calls for prompt action.