



ICAO Workshop Aviation & Carbon Markets

Montreal, Canada 18 June 2008

***Session 5: Creating Global Schemes
Sharing Information on main issues***

A View from the Asia Pacific



Australian Government

Department of Infrastructure, Transport,
Regional Development and Local Government

Background

- Long history of working toward global approaches within ICAO
- Concern that UNFCCC may respond if progress within ICAO is too slow
- 2007 Assembly mutual agreement resolution opens up 'case by case' options
 - *enables moving away from one size fits all solutions*



Australian Government

Department of Infrastructure, Transport,
Regional Development and Local Government

Potential Way Ahead

- Global coverage or global scheme?
- Start small; progressive build up
 - *need flexibility to cater for circumstances of individual States*
 - *diversity is positive in early stages*
- Work through ICAO to facilitate linking
 - *national ETS*
 - *other economic instruments*



Australian Government

Department of Infrastructure, Transport,
Regional Development and Local Government

What are the Options?

- The starting point - mutual agreement
- What are the options beyond ETS linking?
 - *limited no of States will have an ETS in near term*
- Carbon **charges** offer flexibility
 - *both parties don't need an ETS*
 - *route by route approaches; mirror concept of ANSP agreements?*
 - *consideration for developing countries*



Australian Government

Department of Infrastructure, Transport,
Regional Development and Local Government

Voluntary Offsetting

- A strategy that deserves more attention
 - *in short term offer greatest CO2 reductions from aviation; 14% uptake in Australia*
- Airlines gaining credit(s) for offsets?
 - *computing/reporting **gross** & **net** carbon footprint*
 - *offsets within aviation?*
- Build on the work of the ICAO ACE Group
 - *design of sites*
 - *credibility of offsets*



Australian Government

Department of Infrastructure, Transport,
Regional Development and Local Government