Global Aviation Dialogues (GLADs)
on Market-Based Measures to address Climate Change

Key Elements of an Aviation MBM

Environment, Air Transport Bureau
International Civil Aviation Organization (ICAO)

- Key Elements of an Aviation MBM

  - A scope

  - An objective

  - A baseline

  - A common approach for all participants to contribute to the attainment of the objective

  - Monitoring, reporting and verifying emissions

  - Environmental integrity of emissions units

  - Registry

  - Compliance cycle

  - Enforcement mechanism
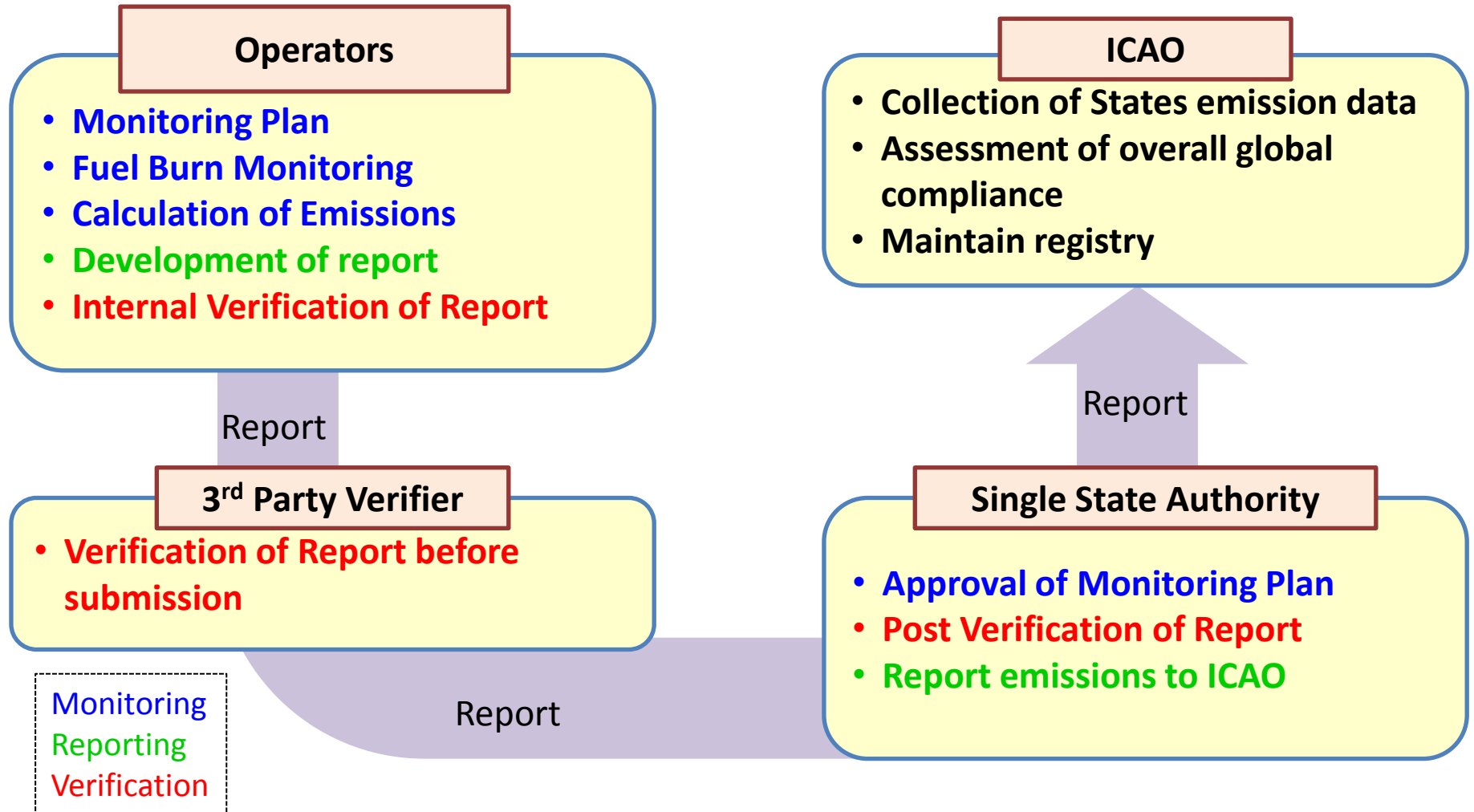
- Planning to A39

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- Scope
  - Type of greenhouse gas emissions
    - CO_2 only
  - Type of flights
    - International flights
  - Attribution of emissions in international airspace
    - Every international flight is only covered once for its full length, to avoid double counting
  - Sustainable alternative fuels
    - Provisions for accounting emissions from flights using sustainable alternative fuels needs to be defined (in the current CAEP Work Programme)

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- Objective
  - ICAO's aspirational goal is carbon neutral growth from 2020
- Baseline
  - International aviation emissions in 2020
- A common approach for all participants to contribute to the attainment of the objective:
  - Distributes obligations among operators
  - Adjustments and/or exemptions might be needed

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- Monitoring, reporting and verifying emissions
  - Purpose: to collect data on international aviation emissions annually and compare emissions against the baseline
  - Components:
    - Monitoring of fuel use and calculation of CO_2 emissions (1 tonne fuel burn = 3.16 tonnes CO_2 emissions)
    - Reporting of emissions data, a basis to establish annual obligation
    - Verification of reported emissions data to ensure completeness and avoid misstatements

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Operators

- **Monitoring Plan**
- **Fuel Burn Monitoring**
- **Calculation of Emissions**
- **Development of report**
- **Internal Verification of Report**

ICAO

- **Collection of States emission data**
- **Assessment of overall global compliance**
- **Maintain registry**

Report

3rd Party Verifier

- **Verification of Report before submission**

Monitoring
Reporting
Verification

Report

Report

Single State Authority

- **Approval of Monitoring Plan**
- **Post Verification of Report**
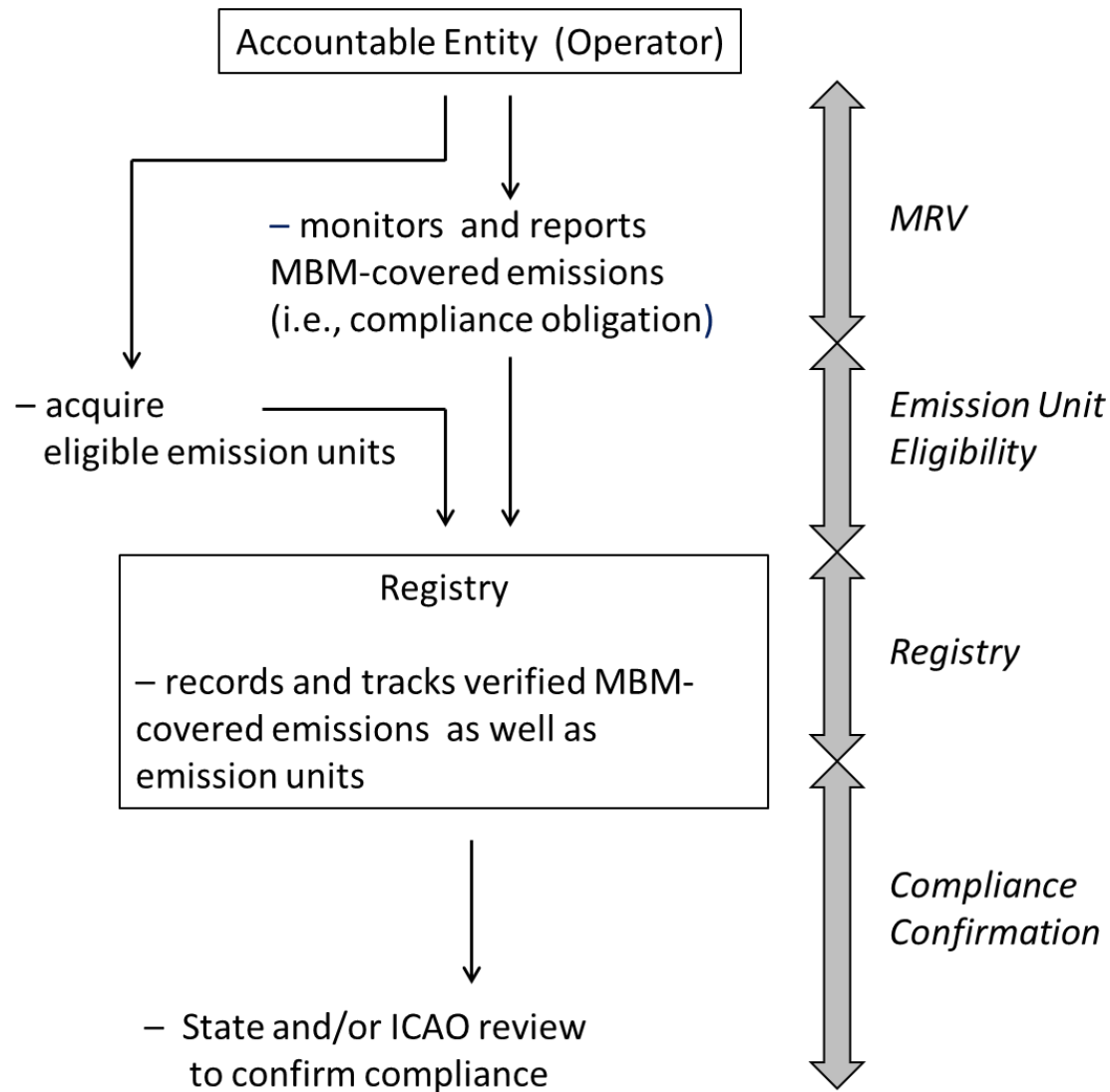- **Report emissions to ICAO**

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- Environmental integrity of emissions units
  - Quality: emissions units must correspond to actual emission reductions (e.g.: real, permanent, additional, verified)
  - Quantity: emissions units must not be counted for more than one purpose in this MBM and/or other MBMs (no double counting)
  - Compliance: need to cancel an adequate amount of emissions units to offset emissions above the baseline
- Registry
  - Track compliance of participants of the MBM
  - Avoid double counting by recording all transactions centrally
  - Help assess progress towards the goal
  - Maintains transparency for participants and stakeholders

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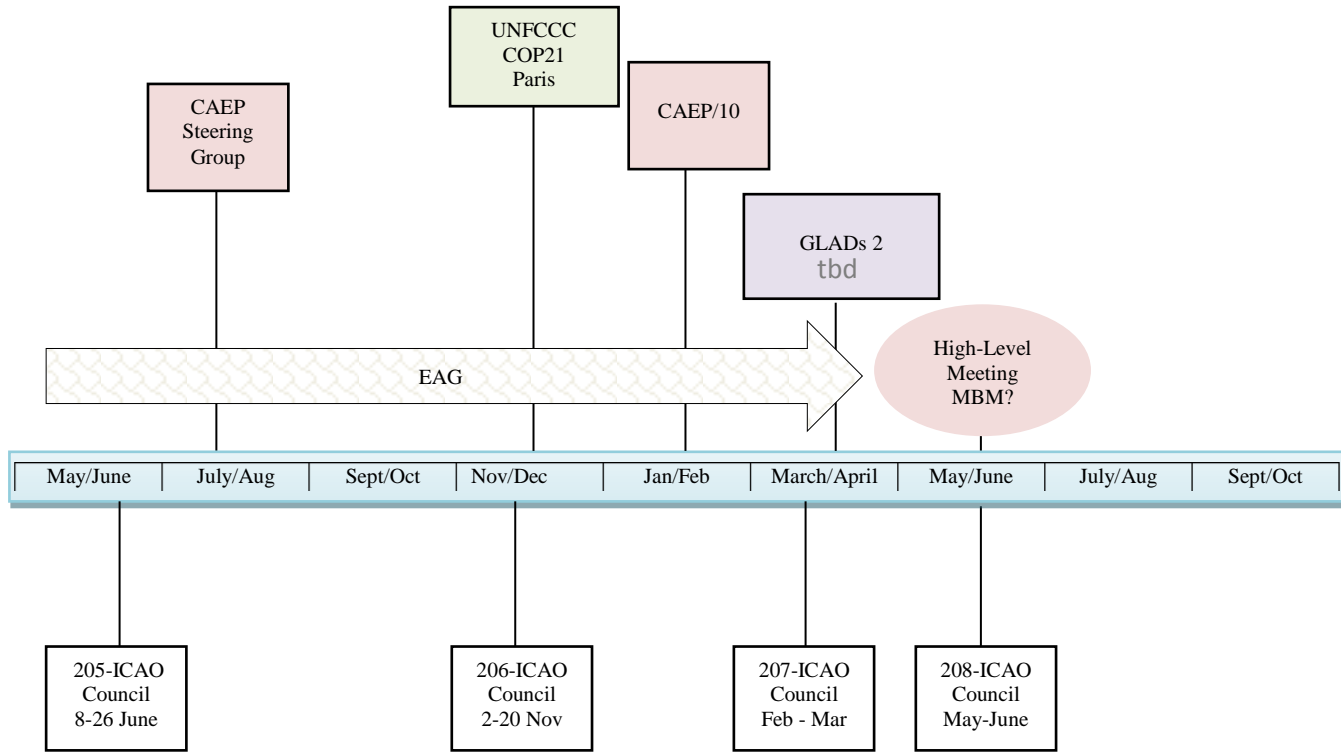# There are two main types of emissions units, and a variety of issuers worldwide

Type of unit	Definition	Examples of issuers
"Allowance"	Units issued by an ETS Correspond to the emissions cap established by the ETS	National/subnational governments
"Credit"	Units issued by a crediting programme Correspond to emissions reductions that have been monitored, reported and verified	UNFCCC (CDM) National/subnational governments Third parties/Voluntary Markets

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Accountable Entity (Operator)

– monitors and reports
MBM-covered emissions
(i.e., compliance obligation)

– acquire
eligible emission units

Registry

– records and tracks verified MBM-
covered emissions as well as
emission units

– State and/or ICAO review
to confirm compliance

MRV

*Emission Unit
Eligibility*

Registry

*Compliance
Confirmation*

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- Compliance cycle

    – Monitoring of emissions

    – Reporting of emissions

    – Verification of emissions

    – Cancellation of emissions units (compliance)

- Enforcement mechanism

    – States agree to relevant Assembly Resolution and potential ICAO standards

    – It is expected that States will then adopt provisions to implement and enforce the scheme for covered operators

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GLADs 2015

ICAO Assembly 2016

UNFCCC COP21 Paris

CAEP Steering Group

CAEP/10

GLADs 2 tbd

EAG

High-Level Meeting MBM?

| May/June | July/Aug | Sept/Oct | Nov/Dec | Jan/Feb | March/April | May/June | July/Aug | Sept/Oct |

205-ICAO Council 8-26 June

206-ICAO Council 2-20 Nov

207-ICAO Council Feb - Mar

208-ICAO Council May-June

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