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ASSEMBLY — 38TH SESSION

EXECUTIVE COMMITTEE

Agenda Item 17: Environmental Protection

PROPOSED IMPROVEMENTS FOR THE DRAFT CONSOLIDATED STATEMENT OF CONTINUING ICAO POLICIES AND PRACTICES RELATED TO ENVIRONMENTAL PROTECTION - CLIMATE CHANGE

(Presented by the Russian Federation)

EXECUTIVE SUMMARY

The Council of ICAO has reached considerable progress in bridging of views on climate change issues. However the proposed draft of “Consolidated Statement of continuing ICAO policies and practices related to environmental protection – Climate Change” was not approved unanimously due to serious controversy on MBMs issues at the last meeting of the Council before 38th session of the Assembly. Delegation of the Russian Federation for the sake of possible compromise would like to invite Assembly to consider amendments in the proposed Draft of the Consolidated Statement in order to align its provisions with ICAO Strategic Objectives.

Action: The Assembly is invited to consider proposed amendments in order to change the text of the Draft of the “Consolidated Statement” for the sake of its conformity with ICAO’s strategic objectives and its broader support by ICAO member States.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objective C – <i>Environmental Protection and Sustainable Development of Air Transport</i> .
<i>Financial implications:</i>	No additional resources required.
<i>References:</i>	Doc 7300, <i>Convention on International Civil Aviation</i> Doc 9958, <i>Assembly Resolutions in Force (as of 8 October 2010)</i> A38-WP/29, <i>Market-based Measures (MBMs)</i> A38-WP/34, <i>Consolidated Statement of continuing ICAO policies and practices related to environmental protection – Climate change</i>

¹ English, Russian and Spanish versions provided by the Russian Federation.

1. INTRODUCTION

1.1 On September 4, 2013, at the last meeting of 199th session Council had intensive discussion on the proposed draft of “Consolidated Statement of continuing ICAO policies and practices related to environmental protection – Climate change”. Unfortunately, ICAO Council was unable to reach unanimous agreement on proposed draft of the “Consolidated Statement”. The only points of disagreement were paragraphs related to MBMs. Taking into account opinions, expressed during mentioned Council's meeting; Delegation of the Russian Federation would like to propose amendments, which could facilitate Assembly discussion on MBMs.

2. PROPOSED CHANGES AND THEIR JUSTIFICATION

2.1 It is true that any MBMs schemes, including a global scheme, are technically feasible. Nevertheless, it does not mean by default that they are politically feasible and meet the goal of CO₂ emissions reduction and the goal of sustainable development of Air Transport. Having said this, it is reasonable to change the paragraph 24 of the preamble as follows:

“Noting the decision of the Council on 9 November 2012, which recognized that the results of the qualitative and quantitative analysis of the three options for a global MBM scheme evaluated by the Secretariat with the support of the Experts on MBMs demonstrated that all three options were technically feasible and had the capacity to contribute to achieving ICAO’s environmental goals, and that the Council agreed that further quantitative analysis of the three options needed to be undertaken to develop more robust and concrete conclusions”;

2.2 At the 69th Annual General Meeting convened in Cape Town this Year IATA has adopted the “Resolution on the implementation of the aviation “CNG 2020” strategy”, which is “...opposed to a patchwork of unilateral national and/or regional policy measures...” related to MBMs. In this regard paragraph 26 of the preamble could be amended as follows:

“Noting the ~~support~~ preference of the aviation industry for a single global carbon offsetting scheme, as opposed to a patchwork of State and regional MBMs, as a cost effective measure to complement a broader package of measures including technology, operations and infrastructure measures”;

2.3 Paragraph 3.2.2 of the A38-WP/29 “*Market-based Measures (MBMs)*” presented by the Council of ICAO says: “...It has been confirmed that it is not possible for international aviation emissions to be accounted for under the CDM”. In this regard it is reasonable to delete paragraph 36 of the preamble:

~~“Whereas the Kyoto Protocol provides for different flexible instruments (such as the Clean Development Mechanism — CDM) which would benefit projects involving developing States”;~~

2.4 The above mentioned IATA Resolution is declare “...1.5% average annual **fuel efficiency** improvement between 2010 and 2020...”. For this reason in paragraph 33 of preamble words “CO₂ efficiency...” shall be replaced with words “...**fuel efficiency**...”

2.5 In order to avoid undue tension in relations between countries it is reasonable to refrain from putting any obligation to foreign operators without prior mutual agreements between countries, which have to be reflected in bilateral or multilateral air service agreements. In this regard the wording of

the resolving clause 16 have to be reverted to the previous text of Assembly Resolution A37-19 as follows:

“16. Urges States to respect the guiding principles listed in the Annex, when designing new and implementing existing MBMs for international aviation, and to engage in constructive bilateral and/or multilateral consultations and negotiations with other States to reach an agreement”;

2.6 Recognizing the sovereign right of any State to enter into agreement with other States on subjects, which they considered as a matter of mutual interest, it is reasonable to amend wording of resolving clause 17 in order to articulate such balanced approach:

“17. Recognizes that States or groups of States may choose , prior to the full implementation of a global MBM scheme, by mutual consent to implement MBMs that apply to flights to or from ~~third~~ countries which depart or arrive at airports in that State or such group of States, which reached an agreements on designing and implementing MBMs mentioned in resolving clause 16 of this Consolidated Statement, for the portion of those flights within the airspace of that State or a such group of States, ~~and would fully cover all emissions from flights which both depart and arrive at airports in that State or group of States~~”;

2.7 Taking into account the amended text of resolving clause 16, and in order to avoid ambiguity of understanding the phrase “...covering emissions beyond the scope...” it is appropriate to remove resolving clause 19.

2.8 Taking into account potential negative impact of MBMs introduction on the ability of the international civil aviation sector to reduce volume of CO₂ emission it is seems to be reasonable to use more balanced wording of resolving clause 20:

“20. Decides to continue studies on practicability of MBMs implementation and, in case of positive conclusion, to develop of a global MBM scheme for international aviation;”

2.9 Ultimately, it is not obvious that only three MBMs options, which have been considered by the ICAO Council previously, can be candidates for the global implementation. In addition, it is more appropriate to speak about impact of MBMs rather than theirs benefits. In this regard the subclause a) of resolving clause 21 have to be redrafted as follows:

“a) finalize the work on the technical aspects, environmental ~~benefits~~, and economic impacts and modalities of ~~the three possible~~ options for a global MBM scheme, building ~~ing~~ on the progress made by the Council, as well as taking into account the proposal of the aviation industry and other international developments, as appropriate, and without prejudice to the negotiations under the UNFCCC”;

2.10 It is hard to believe that ICAO Assembly could concede a possibility of market distortion. In order to avoid sending wrong signals to the aviation community it is highly desirable to amend resolving clause 22 as follows:

“22. Resolves that an MBM should take into account the special circumstances and respective capabilities of States, in particular developing States, while ~~minimizing~~ avoiding market distortion”;

2.11 It is mentioned in the resolving clause 32 that international civil aviation should not be “...a potential source for the mobilization of revenue for climate finance to the other sectors...” In this regard resolving clause 27 should be amended accordingly:

“27. Recognizes that in the short term voluntary carbon offsetting schemes constitute a practical way to offset CO₂ emissions, and invites States to encourage their operators wishing to take early voluntary actions to use carbon offsetting, particularly through the use of credits generated from internationally recognized schemes such as the CDM;”

2.12 Regarding Recommendations and Conclusions of STA/10 specifically related to statistical forms, the changes to the current forms have been implemented and new data forms, notably on fuel consumption (Form M), have been introduced. A State letter (SD 13/1-11/66 dated 19 August 2011) informed States about implementation of the new and revised forms. In this regard it is reasonable to complement resolving clause 30 by following words:

“30. Requests the Council to maintain and enhance appropriate standard methodologies and a mechanism to measure/estimate, monitor and verify global GHG CO₂ emissions from international aviation, and States support the work of ICAO on measuring progress through the reporting of annual data on traffic, fuel consumption and CO₂ emissions through the ICAO Statistical Air Transport Reporting Form M “Fuel Consumption and Traffic;”

2.13 According to the UNFPA (United Nations Population Fund) in the period from 2011 to 2043, world population will increase by 2 billion, reaching level of 9 billion. Having that in mind it is reasonable to add to subclause i) of resolving clause 34 by the following wording:

“i) consider measures to support research and development as well as processing technology and feedstock production in order to decrease costs and support scale-up of sustainable production pathways up to commercial scale while taking into account food security issues against a backdrop of growing world population;”

2.14 We do believe that all efforts of ICAO community in the field of environmental problems are aimed to the **reduction** of aircraft engine emissions in order to avoid possible catastrophic consequences of climate change in the nearest future. In this regard subclause c) of resolving clause 35 should be amended as follows:

“c) continue evaluating the costs and benefits of the various measures, including existing measures, with the goal of ~~addressing~~ **reducing** aircraft engine emissions in the most cost-effective manner, taking into account the interests of all parties concerned, including potential impacts on developing world

2.15 Taking into account proposals described above it is reasonable to amend the Annex as follows:

“Annex

The guiding principles for the design and implementation of market-based measures (MBMs) for international aviation:

- a) MBMs should support ~~sustainable development of the international aviation sector~~ ICAO Strategic Objective C – *Environmental Protection and Sustainable Development of Air*

Transport;

- b) MBMs should support the mitigation of ~~GHG~~ CO₂ emissions from international aviation;
- c) MBMs should contribute towards achieving global aspirational goals;
- d) MBMs should be transparent and administratively simple;
- e) MBMs should be cost-effective in terms of reduction of CO₂ emissions;
- f) MBMs should not be duplicative and international aviation CO₂ emissions should be accounted for only once;
- g) MBMs ~~should minimize~~ shall avoid carbon leakage and market distortions;
- h) MBMs should ensure the fair treatment of the international aviation sector in relation to other sectors;
- i) MBMs should recognize past and future achievements and investments in aviation fuel efficiency and in other measures to reduce aviation emissions;
- j) MBMs should not impose inappropriate economic burden on international aviation;
- k) MBMs ~~should facilitate appropriate access to all carbon markets~~ shall be based on the principle of mutual consent between all States concerned;
- l) MBMs should be assessed in relation to various measures on the basis of performance measured in terms of CO₂ emissions reductions or avoidance, where appropriate;
- m) MBMs should include *de minimis* provisions;
- n) where revenues are generated from MBMs, it is strongly recommended that they should be applied ~~in the first instance~~ to mitigating the environmental impact of aircraft engine emissions, including mitigation and adaptation, as well as assistance to and support for developing States; and
- o) where emissions reductions are achieved through MBMs, they should be identified in States' emissions reporting".

3. THE ACTIONS OF THE ASSEMBLY

3.1 **The Assembly is invited to** consider proposed amendments in order to change the text of the Draft of the "Consolidated Statement of continuing ICAO policies and practices related to environmental protection – Climate Change" presented in this paper for the sake of conformity with ICAO strategic objectives and broader consensuses.

— END —