

What to Expect from ICAO's High-level Meeting on a Global Market-Based Measure

An Inclusive and Coherent Approach that Delivers True Emissions Reductions is Needed

MAY 2016

Nations agreed in Paris in December 2015 to cut carbon pollution within their borders and pursue all efforts to limit increase in the global average temperature to 1.5 °C. But the Paris Agreement didn't decide what to do about the pollution of airplanes flying between different countries - emissions which are not included in national targets. Separately, the UN's International Civil Aviation Organization (ICAO), based in Montreal, has spent 19 years wrangling over the issue rather than taking action. ICAO now has a deadline of 7 October 2016 to finalize a program to cap the carbon pollution of all international flights. But divisions between nations over how to share the benefits and burdens of these pollution cuts threaten prospects for an agreement. To bridge these differences, ICAO's 11-13 May 2016 High-level Meeting should take an inclusive and coherent approach.

BACKGROUND

Aviation is a top-ten emitter of carbon dioxide pollution. If international aviation emissions continue to rise, while other sectors decrease, the sector's share of global CO₂ emissions will grow to nearly a quarter of all emissions by 2050 even before taking account of aviation's significant non-CO₂ effects.

At ICAO's 38th General Assembly in 2013, ICAO's member states committed to finalize, by October 7, 2016, a global market-based measure (GMBM) limiting net CO₂ emissions from international aviation to 2020 levels. In April of this year, 175 parties signed the landmark Paris Agreement, the goal of which is to pursue efforts to limit the increase in global temperatures to 1.5°C above pre-industrial levels. Unless action is taken, aviation's climate pollution is forecast to quadruple in coming decades, so a strong aviation GMBM, together with other measures such as a CO₂ standard, is key to help meet the Paris Agreement goal. Regrettably the recently-agreed CO₂ efficiency standard for new aircraft designs will not deliver on its objective of achieving emissions reductions beyond business-as-usual. It is too little too late and may even delay the deployment of more efficient aircraft.

ICAO's president and governing council have taken important and useful steps to help ICAO reach agreement on a GMBM. But ICAO's 39th Assembly in September will be a test of ICAO's credibility on climate action after the Paris Agreement.

ICAO must agree to a global measure that sees nations require their airlines to implement transparent and credible measures through international offsets to deliver climate neutral growth (CNG) from 2020 as a first step. The agreement will also need to have provisions to increase ambition rapidly for aviation to be able to contribute adequately to achieving the 1.5 °C goal. Failure to adopt an environmentally effective GMBM this fall would demonstrate that ICAO is not a credible forum to address international aviation's greenhouse gas emissions. The May 2016 High-level Meeting needs to take an inclusive and comprehensive approach if it is to help ICAO meet its October deadline.

ICSA'S APPEAL AT THE HIGH-LEVEL MEETING

Environmental NGOs working together in the International Coalition for Sustainable Aviation (ICSA) call for concrete actions by member states on five overarching objectives:

- 1 While all parties must contribute, the agreement must also accommodate the principle that regional routes with already heavy carbon pollution should shoulder greater initial responsibility, while obligations of small, fast-growing regional routes increase as their pollution grows.** This type of differentiation was reflected in the Paris Agreement and is a fundamental aspect of any equitable climate agreement.
- 2 The agreement must deliver CNG 2020 and chart a course for 1.5 degrees.** This is the global goal of the Paris Agreement that all countries have signed up to. We must recognise that countries are pledging reductions in

emissions, not just capping emissions at 2020 levels. The agreement must set a very clear path for more reduction targets in the future to be set every three years, just as a “ratchet mechanism” was built into the Paris Agreement. Current proposals would see a large and as yet unspecified shortfall in efforts towards this goal. If parties agree that some countries should initially be exempt from the scheme then others must make up the shortfall.

- 3 **The measure must be environmentally effective, i.e. offsets need to deliver real, additional, permanent, measureable reductions without double counting effort.** To fulfill these criteria, ICAO must set mandatory quality criteria for eligible offsets such that they positively contribute to sustainable development and MRV rules that are transparent and enforced.
- 4 **The agreement should build capacity for developing countries to implement and enforce the agreement.**
- 5 **The agreement should also ensure public access to information,** including on the types and quantities of credits being purchased, and allow stakeholders to have an active voice in consultations on credit eligibility.

A REGIONAL ROUTE GROUPING APPROACH

To achieve these objectives, Member States need to agree on how to allocate emissions offset responsibilities in way that provides differentiation but does not distort markets or discriminate between carriers competing on the same routes - and still achieve reaching CNG from 2020. That is the cornerstone element that must be tackled during this week’s High-level Meeting if ICAO is to finalize the GMBM in time.

The [current ICAO Working Paper](#) to the High-level Meeting seeks to address this element by proposing a route-based approach, which is a positive step. But the current Paper would address this element by exempting a large number of States, and then distributing the remaining obligations equally among all remaining covered carriers and States. The result of that approach is to exempt one-third of emissions offset obligations for the first five years, without addressing the fundamental concerns of developing countries that seek differentiation of obligations in light of differing national circumstances.

ICAO should quantify and publish the emissions gap in the current proposal, so States can see the effect on environmental integrity that such exemptions imply. Further, ICAO should consider fairer alternatives for allocating emission reduction obligations.

One straightforward way to achieve differentiation without discrimination and

without undermining the integrity of the CNG2020 goal is through a simple **regional route grouping approach**. Differentiation is provided under this approach by allocating the global offset obligation differently among different regional traffic groups. An aircraft operator's offset obligation would then be simply proportional to its share of traffic in each of the regional traffic groups where it operates.

The result would provide differentiation while ensuring non-discrimination on every route. Such an approach would not undermine the environmental integrity of the CNG2020 goal or the goal of an inclusive agreement with broad participation. And it has the potential to bridge the differences between and among nations as ICAO moves toward its October 7 deadline.

The International Coalition for Sustainable Aviation (ICSA) works to reduce pollution from air travel. As a network of nonprofit organizations representing millions of members, ICSA is the only environmental civil society group accredited as an observer by the International Civil Aviation Organization (ICAO), the UN standard-setting body for international air travel. [icsa-aviation.org](https://www.icsa-aviation.org)