Legal and Regulatory Framework

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Policies at 2 levels

Global / International

↓    ↑

National / Local
• As with many aspects of alternative fuels, their legal considerations can be not exclusive to aviation
• Policies and legal/regulatory instruments related to energy, agriculture and other areas can affect our operations
• Strong cooperation on policies at all levels is needed
ICAO's work in the field of environmental protection, and notably climate change activities, involves cooperation with a number of other United Nations bodies: UNFCCC, WMO, UNEP, IMO, FAO, UNCSD, CSD, IPCC, UNDP.
Rio+20 is expected to set clear objectives and establish strong frameworks to address the new energy challenges in the context of the transition to a new green economy and poverty eradication.

In this regard, the role of renewable energies will be critical in meeting both world’s and aviation’s sustainable development objectives.
Clear policy direction on renewable energies which takes into consideration sectoral challenges, in particular specific constraints for the aviation sector.
• Common UN message currently being developed
  – This workshop contributes directly to ICAO’s input
• 10 official regional preparatory meetings through June 2012
• Discussion also take place in other venues
  • Plus World Bank, IMF, Climate Fund, etc.
A37-19: Consolidated statement of continuing ICAO policies and practices related to environmental protection – Climate change, adopted by 37th ICAO Assembly in October 2010
Resolution A37-19 adopted by 37th ICAO Assembly in October 2010 builds on ICAO’s past achievements, and goes one step further by incorporating following key elements:

1. **Global aspirational goals** for the international aviation sector of improving 2% annual fuel efficiency and stabilizing its global CO2 emissions at 2020 levels, and further work to explore the feasibility of a long-term global aspirational goal.


3. Facilitation of developing and deploying **sustainable alternative fuels** for aviation.
Sustainable alternative aviation fuels considered as an important means of reducing aviation emissions.

ICAO, as a facilitator, has a role to compile and disseminate the information to other States.
Legal and Regulatory Frameworks can address:

1. Supply available to aviation
2. Sustainability requirements
3. Price
Legal and Regulatory Frameworks can act as incentive or enforcement mechanisms, but... we need to discuss how far they should reach, not to become barriers...
Paragraph 23, g:
Requests States to “develop policy actions to accelerate the appropriate development, deployment and use of sustainable alternative fuels for aviation”
• ICAO as a facilitator can compile and share best practices from States or Organizations

• Need for ICAO to respond policy questions from States – new role of ICAO needs to be defined

– Harmonization of sustainable criteria?
– Model legal /regulatory framework for supply?
– Model Cooperation scheme?
– others?
Examples raised during Workshop

- (Mexico) Flight plan - analyze the legal framework, raw materials availability, refining facilities, supply processes and economic viability / The availability of suitable sustainable feedstocks is the most important bottle neck in the supply chain / The legal framework in Mexico poses significant challenges

- (China) Will the incentive policies adopted by governments lead to a market distortion? - Various incentive measures adopted in different countries / R&D subsidies / Tax reduction / Direct subsidies: production or consumption

- (UAE) Additional ICAO role: ICAO could draft guidance materials or a model legal framework that would assist Member States in ensuring that alternative fuels are earmarked in sufficient quantities for the aviation sector / Designing cooperation schemes
Examples raised during Workshop

- (ATAG) Government needs to help – Foster research, De-risk investments, Provide incentives, Establish global sustainable criteria, Understand local opportunities, Support supply-chain collaboration

- (Ethihad Airways) Challenges - Land requirements & ability to scale up

- (SWAFEA) A determined policy is required: Define a sectoral goal for 2020 / Promote a number of end-to-end projects / Combine incentive policies / Use ETS revenue to fund the initial deployment plan / Support research and innovation / Harmonization of sustainability rules at international level
Examples raised during Workshop

- (EC) Sustainable criteria: deserves international approach / Investments: agreement between biofuels producers and airlines possible: MOUs?

- (Boeing) Recommendations – Stable, long-term policy to attract investment / State and local support of infrastructure and training

- (Imperium Renewables) The importance of coordinated policy that is focused on success of the industry on a global basis is mandatory – Fragmented and uncoordinated efforts will hinder progress and prevent success
Examples raised during Workshop

• (Virgin Australia) Engage with Governments to identify and remove impediments to facilitate development and uptake of sustainable aviation fuels / Support the establishment of a fuel sustainability standard tailored to our region’s conditions

• (ATA etc.) Importance of harmonization of the sustainability criteria
• There are many areas where policies and legal/regulatory frameworks can facilitate the development and deployment of sustainable alternative fuels for aviation

• A variety of expertise is necessary for further work under ICAO – needs to be built upon experience and practices

• A possible group to help determine what policies and legal/regulatory frameworks need to be developed?
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http://www.icao.int/env