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UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE (UNFCCC)

**The Thirty-ninth Session of the UNFCCC Subsidiary Body for
Scientific and Technological Advice (SBSTA39)**

(11 to 16 November 2013 – Warsaw, Poland)

Agenda Item 11 (f)

Emissions from fuel used for international aviation and maritime transport

(Submission by the International Civil Aviation Organization (ICAO))

Executive Summary

The 38th Session of the ICAO Assembly, held from 24 September to 4 October 2013, unanimously acknowledged the substantial activities undertaken and progress achieved by the Organization in all areas of its environmental activities during the last triennium in limiting or reducing aircraft noise and emissions that affect local air quality and the global climate.

In the field of international aviation and climate change, the Assembly reaffirmed the collective global aspirational goals for the sector's CO₂ emissions reductions, and agreed on a comprehensive strategy to progress all elements of a basket of mitigation measures, namely aircraft technology, operational improvements, sustainable alternative fuels and market-based measures (MBMs).

On the specific issues related to MBMs, while different views were expressed by Member States, the Assembly was able to reach a consensus agreement on the development of a global MBM scheme for international aviation. It reflects the strong support of ICAO's Member States for a global solution for a global international aviation industry, as opposed to a possible patchwork of different measures. Significant efforts will need to be undertaken as ICAO moves forward in developing a global MBM scheme capable of being implemented from 2020, for decision by the 39th ICAO Assembly in 2016.

The Assembly also set forth a very ambitious work programme for capacity building and assistance to ICAO Member States in the preparation, update and implementation of their action plans to reduce international aviation CO₂ emissions. The achievement of the global aspirational goals for the international aviation sector, through the collective efforts of ICAO Member States, requires adequate financial resources within the sector itself.

In this regard, the Assembly urged that ICAO and its Member States express a clear concern, through the UNFCCC process, on the use of international aviation as a potential source for the mobilization of revenue for climate finance to the other sectors, in order to ensure that international aviation would not be targeted as a source of such revenue in a disproportionate manner.

ICAO will continue to work with its Member States and relevant international organizations in moving forward on global solutions to address emissions from international aviation, aiming at achieving further progress and a concrete outcome at the 39th Assembly, bringing ICAO one step closer to the ultimate goal of sustainable international aviation.

1. SUMMARY

1.1 The 38th Session of the ICAO Assembly, held from 24 September to 4 October 2013, adopted Resolution A38-18: *Consolidated statement of continuing ICAO policies and practices related to environmental protection – Climate change*. The full text of the Resolution is provided in the Appendix.

1.2 ICAO was able to bring its Member States together to adopt a comprehensive, global policy on how to address greenhouse gas (GHG) emissions from international aviation. Assembly Resolution A38-18 reflects the determination of ICAO's Member States to continue to play a leading role in contributing to global efforts to address climate change by working further through ICAO to limit or reduce GHG emissions from international aviation.

1.3 The Resolution builds upon the significant achievements made by the Organization on international aviation and climate change since the last ICAO Assembly in 2010, and incorporates the following key elements:

- 1) monitor the progress for achieving collective global aspirational goals for the international aviation sector of improving 2 per cent fuel efficiency per year and keeping net CO₂ emissions from 2020 at the same levels;
- 2) further work to explore the feasibility of a long-term global aspirational goal for international aviation;
- 3) development of a global CO₂ certification Standard for aircraft, aiming for adoption by the ICAO Council in 2016;
- 4) implementation of operational improvements and further development and update of tools and guidance to assess their environmental benefits;
- 5) further facilitation of developing and deploying sustainable alternative fuels for aviation, including the consideration of methodologies to account for life-cycle CO₂ benefits and the projection of future production of such fuels;
- 6) development of a global MBM scheme for international aviation, which addresses key design elements, including a means to take into account the special circumstances and respective capabilities of States, in particular developing States, as well as the implementation mechanisms from 2020, for decision by the 39th Assembly in 2016;
- 7) voluntary preparation and update of States' action plans on CO₂ emissions reduction activities, for submission to ICAO by June 2015, and to be publically available; and
- 8) enhancement of ICAO strategy for capacity building and assistance, including support for development and update of States' action plans, as well as the mechanisms to facilitate access to financial resources.

1.4 In particular, the consensus agreement on the development of a global MBM scheme for international aviation reflects the strong support of ICAO's Member States for a global solution for the international aviation industry, as opposed to a possible patchwork of different measures.

1.5 These elements, together with further work to be undertaken by the Council and ICAO Member States, comprise an ambitious work programme over the next triennium and beyond, to move towards the sustainable future of international aviation.

2. OUTCOME OF 38TH ASSEMBLY

Global Aspirational Goals

2.1 The 38th Assembly considered the global CO₂ trends assessment, which reflected the consensus agreement of the ICAO Committee on Aviation Environmental Protection (CAEP) and estimated the contribution of various categories of mitigation measures to reduce aviation CO₂ emissions (technologies, operational improvements and alternative fuels) in order to measure current, and estimate future, progress toward the achievement of the global aspirational goals adopted by the 37th Assembly. It was also informed that ICAO has been developing the means to allow the Organization to regularly report CO₂ emissions from international aviation to the UNFCCC process, as agreed by the 37th Assembly.

2.2 The CO₂ trends assessment was recommended as the basis for decision-making during the 38th Assembly, which subsequently adopted the collective global aspirational goals for the international aviation sector of improving 2 per cent fuel efficiency per year and keeping net CO₂ emissions from 2020 at the same levels.

Technological and Operational Measures

2.3 The 38th Assembly welcomed the progress in this area and encouraged further work towards the establishment of a CO₂ certification Standard for aircraft, which has been undertaken by CAEP, aiming to finalize analyses on an appropriate regulatory limit for the Standard by late 2015, for adoption of the Standard by the Council in 2016.

2.4 ICAO's achievements in providing States with the ability to assess the environmental benefits of operational measures, through the ICAO Fuel Savings Estimation Tool (IFSET) and guidance for environmental assessment of operational improvements, were also supported by the 38th Assembly. The Assembly also encouraged further work in assessing environmental benefits of the Aviation System Block Updates (ASBUs) strategy, which is a major initiative under ICAO to improve global air navigation efficiency.

Sustainable Alternative Fuels for Aviation

2.5 The 38th Assembly highlighted the progress achieved in promoting and facilitating the development and deployment of sustainable alternative fuels for aviation, including information sharing on best practices among States and other stakeholders, through the ICAO workshop on this subject in October 2011 and the ongoing update of the ICAO Global Framework for Aviation Alternative Fuels (GFAAF) website, as well as the promotion of global initiatives, including the launch of the ICAO "Flightpath to a Sustainable Future" initiative at the Rio+20 Summit in June 2012.

2.6 The Assembly also supported further work by ICAO and its Member States to address the challenges in the development and deployment of sustainable alternative fuels for aviation, including the work on sustainability criteria and the projection of future production and life-cycle environmental benefits of such fuels.

Market-based Measures (MBMs)

2.7 The 38th Assembly acknowledged the intensive work undertaken by the Organization on MBMs in responding to the requests of the last Assembly, including the development of a framework to guide the application of national or regional MBMs, and the exploration of the feasibility of a global MBM scheme for international aviation.

2.8 Regarding the feasibility of a global MBM scheme, potential options for a global scheme were reviewed by the Council, and in June 2012, the options were reduced to three, for further elaboration of their design elements and impacts analysis. In November 2012, the Council recognized

that the results of the qualitative and quantitative analysis of the three options demonstrated that they were technically feasible. The analysis was further refined in early 2013, using updated traffic forecasts and CO₂ trends assessment from CAEP. Work on the development of a framework for MBMs was undertaken in parallel with the work on a global scheme, and focused on the key issues including the purpose of the framework, geographical coverage of MBMs, and how to accommodate States' special circumstances and respective capabilities.

2.9 At the 38th Assembly, following a long and difficult debate between Member States who held a wide range of divergent views, a consensus agreement was reached on the development of a global MBM scheme for international aviation, which reflects the strong support of ICAO Member States for a global solution for the international aviation industry, as opposed to a possible patchwork of different measures.

2.10 The Assembly also agreed that the Council, with support of Member States, would recommend a proposal for a global MBM scheme, and major efforts will need to be undertaken in order to address key design elements, including a means to take into account the special circumstances and respective capabilities of States, in particular developing States, and the implementation mechanisms of the scheme from 2020, for decision by the 39th Assembly in 2016.

States' Action Plans

2.11 The 38th Assembly acknowledged the successful outcome of the Organization's initiatives with respect to the preparation and submission of States' action plans on CO₂ emissions reduction from international aviation, including the development of a guidance document, an action plan template and web interface, as well as the convening of eight hands-on training workshops. By September 2013, 70 Member States, representing over 80 per cent of global international air traffic, prepared and submitted action plans to ICAO. Additional action plans to be submitted to ICAO by the end of 2013 are expected to bring the total coverage of global international air traffic to over 90 per cent.

2.12 The Assembly highlighted the importance of reinforcing the voluntary nature of States' action plans. It encouraged Member States to voluntarily submit more complete and robust data in their action plans to facilitate the compilation of global emissions data by ICAO, and to make their action plans publically available. It also encouraged the partnerships among ICAO, States and other organizations to support the preparation of action plans, and emphasized the need for the Secretariat to provide further guidance and other technical assistance.

Assistance to States

2.13 The Assembly welcomed the developments in ICAO related to the provision of assistance to States in the field of international aviation and climate change. Particularly, the high level of interest, cooperation and engagement of Member States and other stakeholders during the action plans initiative and the substantial progress made, within a very short timeframe, was in large part due to a robust capacity building programme, ranging from the provision of guidance material and practical tools, to hands-on training workshops and over 200 teleconferences with individual national action plan focal points. Other outreach activities, including the ICAO Symposium on Aviation and Climate Change held in May 2013, and various publications, have enhanced capacity building for, and technology transfer to, Member States.

2.14 The ICAO Assistance for Action – Aviation and Climate Change Seminar, held in October 2012, identified opportunities to provide the assistance required to implement the measures identified in States' action plans. The Assembly highlighted that ICAO has been building partnerships with other international organizations with a view to facilitating access to financing to Member States that require such assistance. ICAO has entered into such partnerships with the Global Environment Facility (GEF), as well as the European Union (EU), and will continue to coordinate with other multilateral agencies, financial institutions and international organizations that have funding streams dedicated to climate change mitigation .

3. UNFCCC – CLIMATE FINANCE

3.1 The UNFCCC Doha Conference adopted a series of decisions which included the extension of the work programme on long-term climate finance for one year by the end of 2013, to further analyse options for the mobilization of USD 100 billion per year by 2020 from a wide variety of potential sources. Some Parties expressed concern with the proposals to use international aviation as a potential source for mobilizing such revenue. Such proposals are included in the report of the World Bank (WB) / International Monetary Fund (IMF) under the G20 process in 2011, which explored global carbon charges of USD 25 per tonne of CO₂ on international transport, which the report suggested could raise USD 12 billion per year by 2020 from international aviation.

3.2 It should be highlighted that the achievement of ICAO's global aspirational goals for the international aviation sector requires adequate financial resources within the sector itself, enabling it to effectively respond to the global climate change challenge. It is of utmost importance that the development of a global MBM scheme for international aviation be treated as one element of a basket of mitigation measures to achieve the global aspirational goals, and not in isolation.

3.3 In this regard, the 38th Assembly urged that ICAO and its Member States express a clear concern, through the UNFCCC process, on the use of international aviation as a potential source for the mobilization of revenue for climate finance to the other sectors, in order to ensure that international aviation would not be targeted as a source of such revenue in a disproportionate manner.

3.4 The Assembly also requested Member States to communicate and coordinate with their delegations of Parties to the UNFCCC process regarding developments on international aviation and climate change under ICAO.

4. CONCLUSIONS

4.1 With the increasing engagement of Members States, together in close cooperation with the aviation industry and other stakeholders, ICAO has been working actively towards developing global solutions to address GHG emissions from international aviation. ICAO Assembly Resolution A38-18 is a clear demonstration of the willingness of ICAO and its Member States to exercise continuous leadership on environmental issues related to international aviation, and provides concrete steps as ICAO moves forward in demonstrating how it intends to achieve the ultimate vision of sustainable international aviation.

4.2 ICAO expects the UNFCCC process to deliver an agreement that acknowledges ICAO's achievements in the area of climate change as the specialized UN agency for international aviation, and encourages its Member States to continue to work further through ICAO under the new policy outlined in Resolution A38-18.

APPENDIX

ICAO Assembly Resolution A38-18: Consolidated statement of continuing ICAO policies and practices related to environmental protection – Climate change

Whereas ICAO and its member States recognize the critical importance of providing continuous leadership to international civil aviation in limiting or reducing its emissions that contribute to global climate change;

Reemphasizing the vital role which international aviation plays in global economic and social development and the need to ensure that international aviation continues to develop in a sustainable manner;

Whereas the ultimate objective of the United Nations Framework Convention on Climate Change (UNFCCC) is to achieve stabilization of greenhouse gas (GHG) concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system;

Whereas the Kyoto Protocol, which was adopted by the Conference of the Parties to the UNFCCC in December 1997 and entered into force on 16 February 2005, calls for developed countries (Annex I Parties) to pursue limitation or reduction of greenhouse gases from “aviation bunker fuels” (international aviation) working through ICAO (Article 2.2);

Acknowledging that international aviation emissions, currently accounting for less than 2 per cent of total global CO₂ emissions, are projected to grow as a result of the continued development of the sector;

Whereas a comprehensive assessment of aviation’s impact on the atmosphere is contained in the special report on *Aviation and the Global Atmosphere*, published in 1999, which was prepared at ICAO’s request by the Intergovernmental Panel on Climate Change (IPCC) in collaboration with the Scientific Assessment Panel to the Montreal Protocol on Substances that Deplete the Ozone Layer;

Whereas the IPCC special report recognized that the effects of some types of aircraft emissions are well understood, it revealed that the effects of others are not, and identified a number of key areas of scientific uncertainty that limit the ability to project aviation’s full impacts on climate and ozone;

Whereas ICAO requested that the IPCC include an update of the main findings of the special report in its Fourth Assessment Report, published in 2007 and its Fifth Assessment Report to be published in 2014;

Noting the scientific view that the increase in global average temperature above pre-industrial levels ought not to exceed 2°C;

Acknowledging the principles and provisions on common but differentiated responsibilities and respective capabilities, and with developed countries taking the lead under the UNFCCC and the Kyoto Protocol;

Also acknowledging the principles of non-discrimination and equal and fair opportunities to develop international aviation set forth in the Chicago Convention;

Recognizing that this Resolution does not set a precedent for or prejudice the outcome of negotiations under the UNFCCC and its Kyoto Protocol nor represent the position of the Parties to the UNFCCC and its Kyoto Protocol;

Recognizing that the aspirational goal of 2 per cent annual fuel efficiency improvement is unlikely to deliver the level of reduction necessary to stabilize and then reduce aviation’s absolute emissions contribution to climate change, and that goals of more ambition will need to be considered

to deliver a sustainable path for aviation;

Noting that, to promote sustainable growth of aviation, a comprehensive approach, consisting of work on technology and standards, and on operational and market-based measures to reduce emissions is necessary;

Acknowledging the significant technological progress made in the aviation sector, with aircraft produced today being about 80 per cent more fuel efficient per passenger kilometre than in the 1960's;

Welcoming the agreement by the Committee on Aviation Environmental Protection (CAEP) of certification requirements for a global CO₂ Standard for aircraft;

Recognizing that air traffic management (ATM) measures under the ICAO's Global Air Navigation Plan contribute to enhanced operational efficiency and the reduction of aircraft CO₂ emissions;

Welcoming the adoption of the Aviation System Block Upgrades (ASBUs) strategy at the ICAO Twelfth Air Navigation Conference in November 2012;

Recalling that Assembly Resolution A37-19 requested the Council, with the support of member States, to undertake work to develop a framework for market-based measures (MBMs) in international aviation, including further elaboration of the guiding principles listed in the Annex to A37-19, for consideration by the 38th Session of the ICAO Assembly;

Recognizing the importance of avoiding a multiplicity of approaches for the design and implementation of MBM framework and MBM schemes;

Recalling that Assembly Resolution A37-19 requested the Council to explore the feasibility of a global MBM scheme to address emissions from international aviation;

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;

Recognizing the potential desirability of a global MBM scheme in terms of providing an additional means of promoting achievement of the aspirational global goal referred to in paragraph 7;

Noting the support 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;

Noting that the Conference on Aviation and Alternative Fuels in November 2009 (CAAF/09) endorsed the use of sustainable alternative fuels for aviation, particularly the use of drop-in fuels in the short to mid-term, as an important means of reducing aviation emissions;

Also noting that the CAAF/09 established an ICAO Global Framework for Aviation Alternative Fuels (GFAAF);

Noting the progress achieved in proving the technological feasibility of drop-in sustainable alternative fuels for aviation and that such fuels will require the introduction of appropriate policies and incentives to create a long-term market perspective;

Acknowledging the need for such fuels to be developed and deployed in an economically feasible, socially and environmentally acceptable manner and the need for increased harmonization of the approaches to sustainability;

Noting that, consistent with Assembly Resolution A37-19, a substantial strategy for capacity building was undertaken by the Organization to assist the preparation and submission of States' action plans, including the holding of hands-on training workshops and the development of guidance material, an interactive web-interface and the ICAO Fuel Savings Estimation Tool (IFSET);

Welcoming that, as of 30 June 2013, 61 member States that represent 78.89 per cent of global international air traffic voluntarily prepared and submitted their action plans to ICAO;

Noting that the ICAO "Assistance for Action – Aviation and Climate Change" Seminar in October 2012 highlighted the active involvement of member States and international organizations in the activities related to States' action plans, explored possible sources of financial support for environmental action and provided an opportunity to share information and build partnerships in order to facilitate assistance identified by States for the preparation and implementation of their action plans;

Recognizing the different circumstances among States in their capacity to respond to the challenges associated with climate change and the need to provide necessary support, in particular to developing countries and States having particular needs;

Affirming that specific measures to assist developing States as well as to facilitate access to financial support, technology transfer and capacity building should be initiated as soon as possible;

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

Affirming that addressing GHG emissions from international aviation requires the active engagement and cooperation of States and the industry, and *noting* the collective commitments announced by Airports Council International (ACI), Civil Air Navigation Services Organisation (CANSO), International Air Transport Association (IATA), International Business Aviation Council (IBAC) and International Coordinating Council of Aerospace Industries Associations (ICCAIA) on behalf of the international air transport industry, to continuously improve CO₂ efficiency by an average of 1.5 per cent per annum from 2009 until 2020, to achieve carbon neutral growth from 2020 and to reduce its carbon emissions by 50 per cent by 2050 compared to 2005 levels;

Recognizing the need to monitor and report the potential impacts of climate change on international aviation operations and related infrastructure; and

Recognizing the progress made by ICAO in its implementation of the Climate Neutral UN initiative and the significant support provided by ICAO to the initiative, in particular through the development of a common methodology for calculating GHG emissions from air travel;

The Assembly:

1. *Resolves* that this Resolution, together with Resolution A38-17: Consolidated statement of continuing ICAO policies and practices related to environmental protection - General provisions, noise and local air quality, supersede Resolutions A37-18 and A37-19 and constitute the consolidated statement of continuing ICAO policies and practices related to environmental protection;

2. *Requests* the Council to:

a) ensure that ICAO exercise continuous leadership on environmental issues relating to international civil aviation, including GHG emissions;

- b) continue to study policy options to limit or reduce the environmental impact of aircraft engine emissions and to develop concrete proposals and provide advice as soon as possible to the Conference of the Parties of the UNFCCC, encompassing technical solutions and market-based measures, and taking into account potential implications of such measures for developing as well as developed countries; and
 - c) continue to cooperate with organizations involved in policy-making in this field, notably with the Conference of the Parties to the UNFCCC;
3. *Reiterates* that:
- a) ICAO should continue to take initiatives to promote information on scientific understanding of aviation's impact and action undertaken to address aviation emissions and continue to provide the forum to facilitate discussions on solutions to address aviation emissions; and
 - b) emphasis should be on those policy options that will reduce aircraft engine emissions without negatively impacting the growth of air transport especially in developing economies;
4. *Reaffirms* that this Resolution does not set a precedent for or prejudice the outcome of negotiations under the UNFCCC and its Kyoto Protocol nor represent the position of the Parties to the UNFCCC and its Kyoto Protocol;
5. *Resolves* that States and relevant organizations will work through ICAO to achieve a global annual average fuel efficiency improvement of 2 per cent until 2020 and an aspirational global fuel efficiency improvement rate of 2 per cent per annum from 2021 to 2050, calculated on the basis of volume of fuel used per revenue tonne kilometre performed;
6. *Agrees* that the goals mentioned in paragraph 5 above would not attribute specific obligations to individual States, and the different circumstances, respective capabilities and contribution of developing and developed States to the concentration of aviation GHG emissions in the atmosphere will determine how each State may voluntarily contribute to achieving the global aspirational goals;
7. *Also resolves* that, without any attribution of specific obligations to individual States, ICAO and its member States with relevant organizations will work together to strive to achieve a collective medium term global aspirational goal of keeping the global net carbon emissions from international aviation from 2020 at the same level, taking into account: the special circumstances and respective capabilities of States, in particular developing countries; the maturity of aviation markets; the sustainable growth of the international aviation industry; and that emissions may increase due to the expected growth in international air traffic until lower emitting technologies and fuels and other mitigating measures are developed and deployed;
8. *Recognizes* the many actions that ICAO member States have taken and intend to take in support of the achievement of the collective aspirational goals, including air traffic management modernization, acceleration of the use of fuel-efficient aircraft technologies, and the development and deployment of sustainable alternative fuels, and *encourages* further such efforts;
9. *Agrees* to review, at its 39th Session, the goal mentioned in paragraph 7 above in light of progress towards the goal, studies regarding the feasibility of achieving the goal, and relevant information from States;

10. *Requests* the Council to continue to explore the feasibility of a long term global aspirational goal for international aviation, through conducting detailed studies assessing the attainability and impacts of any goals proposed, including the impact on growth as well as costs in all countries, especially developing countries, for the progress of the work to be presented to the 39th Session of the ICAO Assembly. Assessment of long term goals should include information from member States on their experiences working towards the medium term goal.

11. *Further encourages* States to submit their voluntary action plans outlining their respective policies and actions, and annual reporting on international aviation CO₂ emissions to ICAO;

12. *Invites* those States that choose to prepare or update their action plans to submit them to ICAO as soon as possible preferably by the end of June 2015 and once every three years thereafter, in order that ICAO can continue to compile the information in relation to achieving the global aspirational goals, and the action plans should include information on the basket of measures considered by States, reflecting their respective national capacities and circumstances, information on the expected environmental benefits from the implementation of the measures chosen from the basket, and information on any specific assistance needs;

13. *Encourages* States that already submitted their action plans to share information contained in their action plans and build partnerships with other member States in order to support those States that have not prepared their action plans;

14. *Encourages* States to make their action plans available to the public, taking into account the commercial sensitivity of information contained in States' action plans;

15. *Requests* the Council to facilitate the dissemination of economic and technical studies and best practices related to aspirational goals and to continue to provide guidance and other technical assistance for the preparation and update of States' action plans prior to the end of June 2015, in order for States to conduct their necessary studies and to voluntarily submit their action plans to ICAO;

16. *Resolves* that States, when designing new and implementing existing MBMs for international aviation should:

- a) engage in constructive bilateral and/or multilateral consultations and negotiations with other States to reach an agreement, and
- b) grant exemptions for application of MBMs on routes to and from developing States whose share of international civil aviation activities is below the threshold of 1% of total revenue ton kilometres of international civil aviation activities, until the global scheme is implemented;

17. *Requests* the Council to review the *de minimis*, including the *de minimis* threshold of MBMs mentioned in paragraph 16 b) above, taking into account the specific circumstances of States and potential impacts on the international aviation industry and markets, and with regard to the guiding principles listed in the Annex, to be presented for consideration by the 39th Session of the Assembly in 2016;

18. *Decides* to develop a global MBM scheme for international aviation, taking into account the work called for in paragraph 19;

19. *Requests* the Council, with the support of member States, to:

- a) finalize the work on the technical aspects, environmental and economic impacts and modalities of the possible options for a global MBM scheme, including on its feasibility and practicability, taking into account the need for development of

international aviation, the proposal of the aviation industry and other international developments, as appropriate, and without prejudice to the negotiations under the UNFCCC;

- b) organize seminars, workshops on a global scheme for international aviation participated by officials and experts of member States as well as relevant organizations;
- c) identify the major issues and problems, including for member States, and make a recommendation on a global MBM scheme that appropriately addresses them and key design elements, including a means to take into account special circumstances and respective capabilities as provided for in paragraphs 20 to 24 below, and the mechanisms for the implementation of the scheme from 2020 as part of a basket of measures which also include technologies, operational improvements and sustainable alternative fuels to achieve ICAO's global aspirational goals; and
- d) report the results of the work in sub-paragraphs a), b) and c) above, for decision by the 39th Session of the Assembly;

20. *Resolves* that an MBM should take into account the special circumstances and respective capabilities of States, in particular developing States, while minimizing market distortion;

21. *Also resolves* that special circumstances and respective capabilities of developing States could be accommodated through *de minimis* exemptions from, or phased implementation for, the application of an MBM to particular routes or markets with low levels of international aviation activity, particularly those serving developing States;

22. *Also resolves* that, the administrative burden associated with the implementation of an MBM to States or aircraft operators with very low levels of international aviation activity should not exceed the benefits from their participation in the MBM, and that exemptions from the application of the MBM to such States or aircraft operators should be considered, while maintaining the environmental integrity of the MBM;

23. *Also resolves* that adjustments to MBM requirements for aircraft operators could be on the basis of fast growth, early action to improve fuel efficiency, and provisions for new entrants;

24. *Further resolves* that, to the extent that the implementation of an MBM generates revenues, it should be used in consistency with guiding principle n) in the Annex;

25. *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 actions to use carbon offsetting, particularly through the use of credits generated from internationally recognized schemes such as the CDM;

26. *Requests* the Council to collect information on the volume of carbon offsets purchased in relation to air transport, including through States' action plans submitted to ICAO, and to continue to develop and disseminate best practices and tools, such as the ICAO Carbon Emissions Calculator, that will help harmonize the implementation of carbon offset programmes;

27. *Requests* the Council to maintain and enhance appropriate standard, methodologies and a mechanism to measure/estimate, monitor and verify global GHG 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;

28. *Requests* the Council to request States to continue to support the efforts of ICAO on enhancing the reliability of measuring/estimating global GHG emissions from international aviation;

29. *Requests* the Council to regularly report CO₂ emissions from international aviation to the UNFCCC, as part of its contribution to assessing progress made in the implementation actions in the sector based on information approved by its member States;

30. While recognizing that no effort should be spared to obtain means to support the reduction and stabilization of CO₂ emissions from all sources, *urges* that ICAO and its member States express a clear concern, through the UNFCCC process, on the use of international aviation as a potential source for the mobilization of revenue for climate finance to the other sectors, in order to ensure that international aviation would not be targeted as a source of such revenue in a disproportionate manner;

31. *Requests* the Council to:

- a) continue to play a pivotal role in providing assistance to its member States through the dissemination of the latest information on best practices and the provision of guidance and other technical assistance to enhance capacity building and technology transfer, including through the ICAO Technical Cooperation Programme;
- b) consolidate and build on the partnership with other international organizations to meet the assistance needs of ICAO's member States, including through their action plans, which will bring about reductions in international aviation emissions;
- c) initiate work immediately and as a priority in order to develop a process and mechanisms to facilitate the provision of technical and financial assistance, as well as facilitate access to existing and new financial resources, technology transfer and capacity building, to developing countries and report on results achieved as well as further recommendations, preliminarily by the end of 2015 and at the 39th Session of the Assembly; and
- d) continue to initiate specific measures to assist developing States as well as to facilitate access to financial resources, technology transfer and capacity building;

32. *Requests* States to:

- a) promote scientific research aimed at continuing to address the uncertainties identified in the IPCC special report on Aviation and the Global Atmosphere and in the Fourth Assessment report;
- b) ensure that future international assessments of climate change undertaken by IPCC and other relevant United Nations bodies include updated information, if any, on aircraft-induced effects on the atmosphere;
- c) consider policies to encourage the introduction of more fuel efficient aircraft in the market;
- d) accelerate investments on research and development to bring to market even more efficient technology by 2020;
- e) accelerate the development and implementation of fuel efficient routings and procedures to reduce aviation emissions;

- f) accelerate efforts to achieve environmental benefits through the application of technologies that improve the efficiency of air navigation and work with ICAO to bring these benefits to all regions and States, taking into account the Aviation System Block Upgrades (ASBUs) strategy;
- g) reduce legal, security, economic and other institutional barriers to enable implementation of the new ATM operating concepts for the environmentally efficient use of airspace;
- h) set a coordinated approach in their national administrations in order to develop policy actions to accelerate the appropriate development, deployment and use of sustainable alternative fuels for aviation, in accordance with their national circumstances;
- 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, taking into account the sustainable development of States;
- j) recognize existing approaches to assess the sustainability of all alternative fuels in general, including those for use in aviation which should:
 - 1) achieve net GHG emissions reduction on a life cycle basis;
 - 2) respect the areas of high importance for biodiversity, conservation and benefits for people from ecosystems, in accordance with international and national regulations;
 - 3) contribute to local social and economic development, and competition with food and water should be avoided;
- k) adopt measures to ensure the sustainability of alternative fuels for aviation, building on existing approaches or combination of approaches, and monitor, at a national level, the sustainability of the production of alternative fuels for aviation;
- l) work together through ICAO and other relevant international bodies, to exchange information and best practices, including on the sustainability of alternative fuels for aviation;

33. *Requests* the Council to:

- a) continue to develop and keep up-to-date the guidance for member States on the application of policies and measures aimed at reducing or limiting the environmental impact of emissions from international aviation, and conduct further studies with respect to mitigating the impact of international aviation on climate change;
- b) encourage States to cooperate in the development of predictive analytical models for the assessment of aviation impacts;
- c) continue evaluating the costs and benefits of the various measures, including existing measures, with the goal of addressing aircraft engine emissions in the most cost-effective manner, taking into account the interests of all parties concerned, including potential impacts on developing world;

- d) provide the necessary guidance and direction to ICAO's Regional Offices to assist member States with studies, evaluations and development of procedures, in collaboration with other States in the region, to limit or reduce GHG emissions on a global basis and work together collaboratively to optimize the environmental benefits that can be achieved through their various programmes;
- e) develop a global CO₂ Standard for aircraft aiming to finalize analyses by late 2015 and adoption by the Council in 2016;
- f) further elaborate on relevant fuel efficiency metrics, including for international business aviation, and develop and update medium and long term technological and operational goals for aircraft fuel burn;
- g) maintain and update guidance on ATM improvements and other operational measures to reduce international aviation emissions;
- h) implement an emphasis on increasing fuel efficiency in all aspects of the ICAO's Global Air Navigation Plan, and encourage States and stakeholders to develop air traffic management that optimize environmental benefits and to promote and share best practices applied at airports in reducing the adverse effects of GHG emissions of civil aviation;
- i) continue to develop and update the necessary tools and guidance to assess the benefits associated with ATM improvements, and assess the environmental benefits associated with the implementation of the Aviation System Block Upgrades (ASBUs) strategy;
- j) encourage member States and invite industry, financial institutions and other international organizations to actively participate in exchange of information and best practices and in further work under ICAO on sustainable alternative fuels for aviation;
- k) continue to maintain the ICAO Global Framework for Aviation Alternative Fuels (GFAAF);
- l) collect information on progress of alternative fuels in aviation, including through States' action plans, to give a global view of the future use of alternative jet fuels and to account for changes in life cycle GHG emissions in order to assess progress toward achieving global aspirational goals;
- m) work with financial institutions to facilitate access to financing infrastructure development projects dedicated to sustainable aviation alternative fuels and incentives to overcome initial market hurdles;
- n) monitor and disseminate relevant information on the potential impacts of climate change on international aviation operations and related infrastructure, in cooperation with other relevant international organizations and the industry; and
- o) continue to cooperate with the Climate Neutral UN initiative, remain at the forefront of developing methods and tools for quantifying aviation's GHG emissions with respect to the initiative, and further develop and implement the strategy for reducing GHG emissions and enhancing in-house sustainability management practices of the Organization.

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;
 - b) MBMs should support the mitigation of GHG 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;
 - f) MBMs should not be duplicative and international aviation CO₂ emissions should be accounted for only once;
 - g) MBMs should minimize 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;
 - 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;
 - o) where emissions reductions are achieved through MBMs, they should be identified in States' emissions reporting; and
 - p) MBMs should take into account the principle of common but differentiated responsibilities and respective capabilities, the special circumstances and respective capabilities, and the principle of non-discrimination and equal and fair opportunities.
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RESERVATIONS TO RESOLUTION A38-18

The following reservations were recorded by the States indicated below¹ in respect of specific provisions of Resolution A38-18 and are available on ICAO's website for the 38th Session of the Assembly:

Preambular paragraph 10	Australia
Paragraph 6	Australia
Paragraph 7	Argentina, Australia, Bahrain, Brazil, China, Cuba, India, Lithuania (on behalf of the 28 Member States of the European Union (EU ²) and 14 other Member States of the European Civil Aviation Conference (ECAC ³)), the Russian Federation, Saudi Arabia and Venezuela (Bolivarian Republic of)
Paragraph 16	Lithuania (on behalf of the 28 Member States of the EU and 14 other Member States of ECAC) and Singapore
Paragraph 16 b)	Afghanistan, Australia, Canada, Japan, New Zealand, Qatar, the United Arab Emirates and the United States
Paragraph 20	Australia
Paragraph 21	Australia
Annex Guiding principle p)	Australia, Canada, Japan, Lithuania (on behalf of the 28 Member States of the EU and 14 other Member States of ECAC), New Zealand, the Republic of Korea and the United States

— END —

¹ During the Sixth Plenary Meeting on 4 October 2013, the Islamic Republic of Iran made a reservation to paragraph 16 a) and b) but withdrew it by an e-mail dated 4 October 2013 to the Secretary General.

² Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom

³ Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Georgia, Iceland, the Republic of Moldova, Monaco, Montenegro, Norway, San Marino, Serbia, Switzerland, and The former Yugoslav Republic of Macedonia