



**ASSEMBLY — 39TH SESSION**

**EXECUTIVE COMMITTEE**

**Agenda Item 22: Environmental Protection – International Aviation and Climate Change – Policy, Standardization and Implementation Support**

**A GLOBAL MARKET-BASED MEASURE FOR INTERNATIONAL AVIATION – MONITORING, REPORTING AND VERIFICATION (MRV), EMISSIONS UNIT CRITERIA (EUC) AND REGISTRIES CONSIDERATIONS**

(Presented by the International Air Transport Association (IATA))

**EXECUTIVE SUMMARY**

The International Air Transport Association (IATA) commends the work undertaken in ICAO since the 38th Assembly on the technical aspects, environmental and economic impacts and modalities of the possible options for a global market-based measure (GMBM). This working paper notes the importance of the principles of simplicity, integrity and confidentiality for aircraft operators and observes that substantial further work is required on several key elements related to MRV, EUC and Registries to enable the full implementation of a GMBM for international aviation from 1 January 2020.

The Assembly is invited to note:

- a) the importance of the principles outlined in Paragraphs 2.2 and 3.2 of this working paper for aircraft operators and the importance of continuing work on MRV, EUC and Registries as a matter of priority; and
- b) the commitment of IATA to assist ICAO and States with capacity building and assistance for implementation of the GMBM from 2020, as appropriate.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objective E - <i>Environmental Protection</i> .
<i>Financial implications:</i>	No additional resources requested.
<i>References:</i>	

<sup>1</sup> English, Arabic, Chinese, French, Russian and Spanish versions provided by IATA.

## 1. INTRODUCTION

1.1 IATA commends the work undertaken in ICAO since the 38th Session of the Assembly on the technical aspects, environmental and economic impacts and modalities of the possible options for a global market-based measure (GMBM).

1.2 IATA supports the current recommendations made by Committee on Aviation Environmental Protection (CAEP) with regard to the monitoring, reporting and verification (MRV) of fuel use and emissions and to the emissions unit criteria (EUC).

1.3 We recognize, however, that substantial further work is required on several key elements related to MRV, EUC and Registries to enable the full implementation of a GMBM for international aviation from 2020.

## 2. MRV OF FUEL USE AND EMISSIONS FOR A GMBM

2.1 A harmonized MRV system is absolutely necessary for the implementation of a global MBM and is a key building block to ensure its integrity and the equal and fair treatment of operators.

2.2 It is however important that MRV requirements meet certain core principles, in particular:

- a) *Simplicity and flexibility*: to promote transparency, keep down administration costs for both governments and aircraft operators and facilitate timely implementation, the MRV requirements should be kept as simple as possible and should be scalable to accommodate both large and small operators, while ensuring data integrity. Fuel reporting should allow flexibility for operators to select from a hierarchy of reporting methodologies.
- b) *Transparency and confidentiality*: IATA recognizes that transparency and access to data and information under the global MBM will be needed to ensure compliance with the requirements of the system and ensure equal treatment of its participants. The confidentiality of the fuel and emissions data reported for compliance purposes must, however, be recognized and the information that is made available should be limited to what is necessary for the administration of the global MBM.
- c) *Sustainable alternative fuels*: aircraft operators purchasing alternative fuels should be able to account for the emissions savings from those fuels, relative to their emissions and offsetting obligations under the GMBM. This is a critical element of the ICAO “basket of measures” on climate change and the role that the global MBM will play within that basket.

## 3. EUC FOR A GLOBAL MBM

3.1 IATA welcomes the work of ICAO on recommended criteria for emissions units to be purchased by aircraft operators. In IATA’s view, these criteria play a fundamental role in ensuring the environmental integrity of the global MBM. IATA also welcomes the proposed creation of the Interim Programme Assessment Group (IPAG) and continued work by CAEP on relevant eligibility criteria to

facilitate early action by operators and enhance market certainty for the future availability and eligibility of emissions units.

3.2 In IATA's view, aircraft operators should have as broad access as possible to the carbon markets and be able to use any carbon emissions units that meet the environmental integrity and other eligibility criteria to be agreed by States at ICAO. These should include, but not be limited to, all emissions units currently or to be accepted under the United Nations Framework Convention on Climate Change, including emissions units under accredited voluntary carbon offset programs meeting the eligibility criteria. In view of the co-benefits which they create in addition to carbon emissions reductions, REDD+ activities should be eligible, again, provided they meet the eligibility criteria to be established by ICAO. It is important that airlines have broad access to sufficient high quality credits, notably at the outset of the scheme.

#### 4. **REGISTRIES**

4.1 A registry is a crucial element of the institutional structure required for the operation of a global MBM. Given that it may take up to three years to develop a registry system which is sufficiently robust, IATA would like to stress the importance of continuing work on the registry structure without delay.

#### 5. **CONCLUSION**

5.1 IATA fully supports the ongoing MRV, EUC and Registries work in ICAO and agrees with the final recommendations developed by CAEP to date. It is, however, important that this work be continued as a matter of priority in order to ensure that the SARPs and related guidance material be available in time to allow operators and administrating authorities to take the necessary measures for the implementation of the global MBM.

5.2 IATA therefore strongly supports the requests to adopt the Standards and Recommended Practices (SARPs) and related guidance material for the implementation of the MRV system under the global MBM by June 2017,<sup>2</sup> for EUC to support the purchase of appropriate emission units by aircraft operators under the scheme,<sup>3</sup> and policies and related guidance material to support the establishment of registries under the scheme by 2018.<sup>4</sup>

5.3 IATA also strongly supports the proposal set out in paragraph 18 of the Appendix to Council Working Paper C-WP/14489 and encourages the Assembly to decide that ICAO and Member States shall take all necessary actions in providing the capacity building and assistance and building partnerships for implementation of the global MBM from 2020. IATA is committed to working with ICAO and States to facilitate the provision of capacity building and the implementation of the scheme, in addition to the assistance it will provide to IATA's membership.

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<sup>2</sup> See Council Working Paper C-WP/14489, Appendix, paragraph 17(a).

<sup>3</sup> See Council Working Paper C-WP/14489, Appendix, paragraph 17(c).

<sup>4</sup> See Council Working Paper C-WP/14489, Appendix, paragraph 17(f).

5.4 IATA invites the Assembly to note:

- a) the importance of the principles outlined in Paragraphs 2.2 and 3.2 of this working paper for aircraft operators and the importance of continuing work on MRV, EUC and Registries as a matter of priority; and
- b) the commitment of IATA to assist ICAO and States with capacity building and assistance for implementation of the GMBM from 2020, as appropriate.

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