



**WORKING PAPER**

**ASSEMBLY — 39TH SESSION**

**EXECUTIVE COMMITTEE**

**Agenda Item 15: Technical Cooperation**

**THE VALUE OF COOPERATION AND THE PROMOTION OF FINANCING INSTRUMENTS FOR ENVIRONMENTAL PROTECTION**

(Presented by Indonesia)

**EXECUTIVE SUMMARY**

The paper highlights the role of international cooperation for the achievement of the Indonesia State Action Plan for GHG emissions reductions in aviation aiming to showcase a successful model of cooperation, which can be suitable for other Member States.

It also calls on the need of facilitating financing support for the development of environmental programs in developing economies, including the realization of technical cooperation which will be required for an effective implementation of the ICAO Global Market-Based Measures (G-MBM).

Such technical cooperation should be supported by contributions from Member States and stakeholders to the ICAO Environmental Fund and be implemented through close cooperation and coordination between the ICAO Environmental Branch (ENV) and the ICAO Technical Cooperation Bureau (TCB).

**Action:** The Assembly is invited to:

- a) Note Indonesia's successful cooperation with ICAO, other States and stakeholders in the implementation of environmental protection measures in civil aviation;
- b) in order to support States with less resources to implement environmental programs in aviation, encourage Member States, stakeholders, international organizations and other UN bodies to provide funding and resources through the existing ICAO Environmental Fund;
- c) establish the internal provisions in ICAO for close coordination between the ICAO Environmental Branch (ENV) and the ICAO Technical Cooperation Bureau (TCB) to develop a Technical Cooperation Environmental Program.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objective E – <i>Environmental Protection</i> .
<i>Financial implications:</i>	The activities referred to in this paper will be undertaken subject to the resources available in the 2017–2019 Regular Programme Budget and/or from extra budgetary contributions.
<i>References:</i>	ICAO Assembly Resolution A38-18: Consolidated Statement of continuing ICAO policies and practices related to environmental protection — Climate change.

## 1. INTRODUCTION

1.1 In July 2013, the Directorate General of Civil Aviation (DGCA), Ministry of Transportation of Indonesia, submitted to ICAO its State Action Plan to reduce GHG emissions on the aviation sector showing Indonesia's commitment in supporting the global policy regarding aviation environmental protection.

1.2 The implementation of such Action Plan has been fully based on cooperation with national and international stakeholders and this paper aim to showcase a successful model of cooperation, which can be suitable for other States.

1.3 For the implementation of its State Action Plan, in 2013 the DGCA Indonesia signed an agreement with the ICAO Technical Cooperation Bureau (TCB) on *Assistance in the Development and Implementation of Environmental Measures for Civil Aviation*. An international expert was appointed as Project Coordinator and a three-year program was launched.

1.4 Such program was designed in close cooperation with the ICAO Environmental Branch and implemented through the support of ICAO TCB. It was fully supported financially by the Ministry of Transportation of Indonesia , which provided the required budget to ICAO to be used in the most efficient manner and under ICAO rules.

1.5 Under that cooperative framework with ICAO, its Environmental Branch (ENV) has also hosted several DGCA Indonesia staff members at ICAO headquarters through a Fellowship program for Capacity Building of DGCA human resources.

1.6 Significant progress has been achieved on the implementation of its State Action Plan during the first two years of cooperation with the ICAO TCB and ICAO ENV.

1.7 DGCA Indonesia has also promoted cooperation initiatives with other national and international stakeholders, which are contributing to the achievement of its expected State Action Plan objectives.

## 2. THE VALUE OF INTERNATIONAL COOPERATION

2.1 On 23 October 2015, the US Federal Aviation Administration (FAA) and the DGCA Indonesia signed an "*Agreement on the Promotion of Sustainable Aviation Alternative Fuels and Renewable Energy*" aiming to promote developing and using sustainable alternative fuels for aviation and additional environmental collaboration between the two nations.

2.2 The role of stakeholders and in particular of the aircraft operators is essential for the success of the Action Plan. DGCA has involved from the very beginning some of its main national carriers in its drafting and implementation. As a key international organization, IATA has also closely cooperated with the Indonesian Government through participating in capacity building activities and technical assessments.

2.3 The US FAA, IATA and Indonesia are also closely working together in the framework of the ICAO Committee on Aviation Environmental Protection (CAEP) and have presented several joint working papers.

2.4 DGCA Indonesia has in addition established cooperation with aircraft manufacturers. The Airbus Company is already giving technical support to Indonesia in implementing operational improvements and PBN, and in the field of Sustainable Alternative Fuels.

2.5 Indonesia considers cooperation with ICAO and other global partners a key support for the successful achievement of its State Action Plan and significant progress has been achieved thanks to that cooperation.

### **3. THE NEED FOR RESOURCE MOBILIZATION FOR ENVIRONMENTAL PROTECTION PROGRAMS INCLUDING THE GMBM**

3.1 Similar cooperation schemes will play a significant future role on the development of Environmental Protection programs, especially in developing economies or in less developed Member States. It can be significantly necessary for the implementation of the ICAO Global Market-Based Measure (GMBM), if agreed on this Assembly, which will require a significant mobilization of resources for Technical Cooperation in a short period of time.

3.2 Within the ICAO debate on the development of a GMBM some Member States raised the need to establish a mechanism, which would be able to mobilize available resources of the international civil aviation sector for financing environmentally efficient aviation projects in developing States.

3.3 ICAO established in 2007 a Voluntary Environment Fund in response to a recognized budget gap and aiming to support Environmental Protection activities arising from the decisions of the ICAO Assembly, or other UN fora, for which no budget provision had been made to finance the required resources.

3.4 Recognizing that all Member States are willing to contribute to ICAO environmental objectives and work but some countries might not have the resources to support the implementation of such measures, a possible mechanism of funding can be ICAO to request Member States, stakeholders, other International Organizations or UN bodies contributing to such ICAO Voluntary Environment Fund taking into account the principles of non-discrimination, special circumstances and respective capabilities (SCRC) of ICAO Member States.

3.5 The resources from donor States or stakeholders could be used on the activities and programs decided by bilateral or multilateral agreements, but implemented through the ICAO Technical Cooperation, or could delegate in ICAO how to make best use of the voluntary donations.

3.6 Indonesia considers as well that ICAO should establish a coordinated Technical Cooperation Environmental Program through a close coordination between the ICAO Environmental Branch (ENV) as the key body to define the actions to implement and the ICAO Technical Cooperation Bureau (TCB) as the execution body.

### **4. CONCLUSION**

4.1 The Assembly is invited to:

- a) note Indonesia's successful cooperation with ICAO, other States and stakeholders in the implementation of environmental protection measures in civil aviation;

- b) in order to support States with less resources to implement environmental programs in aviation, encourage Member States, stakeholders, international organizations and other UN bodies to provide funding and resources through the existing ICAO Environmental Fund;
- c) establish the internal provisions in ICAO for close coordination between the ICAO Environmental Branch (ENV) and the ICAO Technical Cooperation Bureau (TCB) to develop a Technical Cooperation Environmental Program.

4.2 Furthermore, member States and observers are invited to cooperate on the achievement of the ICAO climate change aspirational goals for 2020 and to facilitate resources, exchanges and mutual support for the implementation of their respective action plans. All these efforts will complement the ICAO efforts to establish and to implement the global market-based measures scheme on international civil aviation.

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