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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

This paper highlights the role of international cooperation for the implementation of the Indonesian State Action Plan for greenhouse gas (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 programmes in developing economies, including the realization of Technical Cooperation, which will be required for an effective implementation of the ICAO Global Market-Based Measures (GMBM).

Such Technical Cooperation should be supported by contributions from Member States and stakeholders to the ICAO Environment Fund and be implemented through close cooperation and coordination between the ICAO Environment 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 fewer resources to implement environmental programmes in aviation, encourage member States, stakeholders, international organizations and other United Nations (UN) bodies to provide funding and resources through the existing ICAO Environment Fund; and
- c) establish the internal provisions in ICAO for a close coordination between the ICAO Environment Branch (ENV) and the ICAO Technical Cooperation Bureau (TCB) to provide a Technical Cooperation Environmental Programme.

<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: <i>Consolidated statement of continuing ICAO policies and practices related to environmental protection — Climate change</i> .

1. INTRODUCTION

1.1 The Indonesian Directorate General of Civil Aviation (DGCA), Ministry of Transportation, submitted to ICAO in July 2013 its State Action Plan to reduce greenhouse gas (GHG) emissions in 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 aims to showcase a successful model of cooperation which can be suitable for other States.

1.3 For the implementation of its State Action Plan, the Indonesian DGCA signed in 2013 with the ICAO Technical Cooperation Bureau (TCB) an agreement 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 programme was designed in close cooperation with the ICAO Environment Branch and implemented through the support of ICAO TCB. It was fully supported financially by the Indonesian Ministry of Transportation, which transferred the required budget to ICAO to be used in the most efficient manner and pursuant to DGCA approval.

1.5 Under that cooperative framework with ICAO, its Environment Branch (ENV) has also hosted several DGCA Indonesia staff at ICAO Headquarters through a fellowship programme for capacity building of DGCA human resources.

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

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 The US Federal Aviation Administration (FAA) and the Indonesian Directorate General of Civil Aviation (DGCA) signed on 23 October 2015 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 aircraft operators is essential for the success of the Action Plan. DGCA has involved from its very beginning some of its main national carriers in its drafting and implementation. IATA as a key international organization has as well 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 and Environmental Protection (CAEP) and have presented several joint working papers.

2.4 DGCA Indonesia has in addition sought to establish cooperation with aircraft manufacturers. The Airbus Company is already giving technical support to Indonesia in implementing operational improvements and performance-based navigation (PBN), and in the field of Sustainable Alternative Fuels.

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

3. THE NEED OF RESOURCES MOBILIZATION FOR ENVIRONMENTAL PROTECTION PROGRAMS INCLUDING THE GMBM

3.1 Similar cooperation schemes will play a significant future role in the development of Environmental Protection programmes, especially in developing economies or in less developed Member States. It can be essential for the implementation of the ICAO Global Market-Based Measure (GMBM) scheme, if agreed at 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 scheme, some Member States raised the need to establish a mechanism which would be able to mobilize available resources in the international civil aviation sector for financing environmentally efficient aviation projects in developing States.

3.3 In 2007, ICAO established 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 United Nations (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, but that some countries might not have the resources to support the implementation of such measures, a possible way forward for funding may be that ICAO request Member States, stakeholders, other international organizations or UN bodies to contribute 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 for activities and programmes decided by bilateral or multilateral agreements and implemented through ICAO Technical Cooperation, or could be delegated to a decision by ICAO on how to make best use of the voluntary donations.

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

3.7 Indonesia invites Member States and Observers to keep cooperating in the achievement of ICAO Climate Change aspirational goals for 2020 and to facilitate resources, exchanges and mutual support for the implementation of its respective Action Plans. All these efforts will complement the ICAO

efforts to establish and to implement the global market-based measure scheme on international civil aviation.

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 fewer resources to implement environmental programmes in aviation, encourage member States, stakeholders, international organizations and other UN bodies to provide funding and resources through the existing ICAO Environment Fund; and
- c) establish the internal provisions in ICAO for a close coordination between the ICAO Environment Branch (ENV) and the ICAO Technical Cooperation Bureau (TCB) to provide a Technical Cooperation Environmental Programme.

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