



WORKING PAPER

ASSEMBLY — 39TH SESSION

EXECUTIVE COMMITTEE

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

COMMENTS ON THE ONGOING CAEP'S TECHNICAL WORKS IN THE ELABORATION OF THE MONITORING, REPORTING AND VERIFICATION (MRV), EMISSIONS UNIT CRITERIA (EUC) AND REGISTRIES OF THE GLOBAL MARKET-BASED MEASURE FOR INTERNATIONAL AVIATION

(Presented by Chile)

EXECUTIVE SUMMARY

In response to the ICAO Council's proposal for an Assembly Resolution text relating to a global market-based measure (MBM) scheme *Consolidated statement of continuing ICAO policies and practices related to environmental protection – Global Market-based Measure (MBM) scheme* this working paper presents Chile's views on the ongoing CAEP's Technical Works in Monitoring, Reporting and Verification (MRV), Emissions Unit Criteria (EUC) and Registries in the elaboration of the Global Market-Based Measure For International Aviation, and the benefits for all ICAO's Members State to have access to their discussion in a transparent manner.

The MRV, the EUC and Registries are core design elements and a fundamental aspect for the implementation of the CROSIA at a national level, which are requested to be developed with the technical contribution of the CAEP. Considering CAEP's term of procedure allows access to their discussions only to Member States of the CAEP and its Observers, Chile proposes that this discussion in particular and the future technical work for the GMBM held in the CAEP should be public to all ICAO Member States.

Action: The Assembly is invited to take into consideration the views and analysis presented in this paper for the CAEP future work for the GMBM scheme.

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

1. INTRODUCTION

1.1 Chile welcomes the Assembly Resolution A38-18 decision to develop a Global Market-Based Measure (hereinafter referred to as "GMBM") scheme for international aviation for consideration by the 39th Session of the International Civil Aviation Organization Assembly.

1.2 Chile celebrates ICAO's efforts since the 38th ICAO Assembly to develop a GMBM to mitigate climate change impacts of international aviation, and reaffirm its commitment to work towards the adoption by the 39th ICAO Assembly of a Global Market-Based Measure scheme.

1.3 Chile recalls that the Assembly encourages Member States to incorporate the basic principles of fair and equal opportunity to compete, non-discrimination, transparency, harmonization, compatibility and cooperation, among others, principle that have been fully applied in the development of the GMBM.

2. DISCUSSIONS

2.1 Three main design elements of any carbon market are the MRV, the EUC and the Registries. In the current proposal these design elements are requested, in paragraph 17, to be developed by the Council with the technical contribution of the Committee on Aviation Environmental Protection (CAEP).

2.2 A harmonized MRV system, emission units with unquestionable environmental integrity and a secure Registry but avoiding excessive administrative burdens are necessary elements for the implementation of a global MBM and are key building blocks to ensure an effective carbon market. In addition, these elements are of utmost relevance for the implementation of CORSIA at the national level. In this context, it is valuable that all Members State can contribute to its elaboration.

2.3 Chile recognizes CAEP's technical work and appreciates its guidance. However, CAEP's term of procedure allows access to their discussions only to Member States of CAEP and its Observers. Moreover, CAEP Directive states that only the States, which nominate their experts as members to the committee, have the right to vote, move or second motions or amendments in the discussions of the committee.

2.4 On the other hand, CAEP Observers have the right to take part in discussions of CAEP but without the right to vote, move or second motions or amendments. Only after two consecutive CAEP cycles, an Observer from a State that demonstrates its substantial contribution, may request for a member status and be able to vote.

2.5 Chile considers that in this crucial stage of the design and implementation of the GMBM system all States should have free access to the detailed information that is analyzed by CAEP in the area of MRV, EUC and registries. If we take into consideration the limited time available for development and implementation of GMBM control systems, with free access to the latest information and ideas presented and developed in CAEP in the area of MRV, EUC and registries, States could shorten their own implementation times.

2.6 If we take into account that the Council should adopt these design element by 2018, and that takes two consecutive CAEP cycles to have the right to vote; only 25 States (the maximum number

of CAEP Members) would be able to full participate in these discussions, and 166 States would not be able to intercede in these core elements even if a State nominates an expert right after the Assembly.

2.7 Even though the Council opened the possibility to relieve the information restrictions and limitations for non CAEP members States through the nomination of observers for those States who voluntarily will join the pilot phase, Chile thinks this partial lifting of restrictions is not adequate for a full use of the information and ideas managed by CAEP.

2.8 From another point of view, it should be taken into account that access to much more information regarding GMBM system could encourage more States to voluntarily join the pilot phase.

2.9 Chile acknowledges the importance of confidentiality with respect to some substantive issues like ICAO aviation security audit results, commercial information, among others; but we note with concern that an important number of ICAO Members will not be able to access to the elaboration of these core design elements of the GMBM. Therefore, if there is any documentation with private information nothing prejudging that it should be classified as “reserved” leaving the rest of the information available to all the States.

2.10 It is important to recall that CAEP Directive and its Term of Reference set by the Council, only regulate the experts nomination process but do not established any limitation to others members to have access to the documentation elaborated in the discussion process.

2.11 Having access to the discussion and the elaboration of the MRV, EUC and Registries for the GMBM is not only consistent with the transparency principle but also is the right of any ICAO Member State. Furthermore, considering that this GMBM will be adopted by the Assembly and will be applied to all its Members, it is important for all Member States interested to have the opportunity to access the information and the discussion held in CAEP.

2.12 It is worth mentioning that the International Maritime Organization (IMO), another similar United Nations Specialized Organization, is also working to reduce greenhouse gas emissions through the Marine Environment Protection Committee (MEPC). Currently, they are discussing a system to monitor the GHG emissions from the ships. To conduct this type of technical discussion all States have access to the IMODOCS through a secure portal where each State can access the documents elaborated for MEPC meetings.

3. CONCLUSION

3.1 Chile fully supports the ongoing MRV, EUC and Registries work in ICAO with the technical contribution of CAEP. However, it is important that this ICAO work or in any ad-hoc or subgroup to be conducted in a transparent matter; in order to ensure that all the discussions, documentation, working paper and related material are available to all Members States, allowing operators and administrating authorities to take the necessary early measures for the implementation of the global MBM.

3.2 We propose that the Assembly should recommend the Council to incorporate the principle of transparency in the functioning of the CAEP in the elaboration of the MRV, EUC and Registries.