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PARTICIPANTS OF ICAO ENVIRONMENTAL MEETING AGREE ON GUIDANCE FOR AVIATION EMISSIONS TRADING

MONTREAL, 16 February 2007 – The Committee on Aviation Environmental Protection (CAEP) of the International Civil Aviation Organization (ICAO) this week agreed by consensus on proposed guidance to the Organization's 189 Member States for incorporating international aviation emissions into their emissions trading schemes, consistent with the United Nations Framework Convention on Climate Change process.

The recommendations of the seventh meeting of CAEP (CAEP/7), held from 5 to 16 February at ICAO Headquarters, are based on the work of leading experts from around the world and will be reviewed by the Council of ICAO in the coming weeks.

The guidance focuses on those aspects of emissions trading related to aviation-specific issues and provides preferred options for the various elements of trading systems. It proposes that:

- aircraft operators be the accountable international aviation entity for purposes of emissions trading;
- obligations be based upon total aggregated emissions from all covered flights performed by each aircraft operator included in the scheme;
- States, in applying an inclusion threshold, consider aggregate air transport activity (e.g. CO₂ emissions) and/or aircraft weight as the basis for inclusion;
- States start with an emissions trading scheme that includes CO₂ alone;
- States apply the Inter-governmental Panel on Climate Change definition of international and domestic emissions for the purpose of accounting for greenhouse gas emissions as applied to civil aviation;
- States will need to put in place an accounting arrangement that ensures that emissions from international aviation are counted separately and not against the specific reduction targets that States may have under the Kyoto Protocol;
- Regarding trading units, States will need to consider economic efficiency, environmental integrity, and equity and competitiveness when making a choice.

On the question of geographic scope, the guidance recommends that States take into account an ICAO Council request that CAEP include the different options to geographic scope describing their advantages and disadvantages and start to address the integration of foreign aircraft operators under a mutually agreed basis, and continue to analyze further options.

The guidance on emissions trading is part of a package of recommendations from CAEP to address aircraft engine emissions directly attributable to aviation in relation to local air quality and global climate effects, which includes the reduction of emissions by technological, operational and market-based measures. The meeting also considered long-term technology goals for NO_x (Nitrogen Oxides) and agreed on a proposal for guidance on aircraft emissions charges related to local air quality. States are encouraged to evaluate the costs and benefits of the various measures available to them, with the goal of addressing emissions in the most cost-effective manner. It was proposed by CAEP/7 to post information on voluntary emissions trading and other voluntary measures covered at the meeting on the ICAO public website.

The two-week meeting also produced many other recommendations dealing with aircraft engine emissions and aircraft noise, and trade-offs between these measures.

Note to editor: Remarks of Mr. Kobeh González at the opening of the CAEP/7 are attached for your information.

A specialized agency of the United Nations, ICAO was created in 1944 to promote the safe and orderly development of international civil aviation throughout the world. It sets standards and regulations necessary for aviation safety, security, efficiency and regularity, as well as for aviation environmental protection. The Organization serves as the forum for cooperation in all fields of civil aviation among its 189 Member States.

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**Opening address by the President of the Council
of the International Civil Aviation Organization (ICAO),
Mr. Roberto Kobeh González
to the Seventh Meeting of the
Committee on Aviation Environmental Protection (CAEP)**

(Montreal, 5 February 2007)

On behalf of the Council and the Secretary General of ICAO, I would like to welcome you all to the Seventh Meeting of the Committee on Aviation Environmental Protection (CAEP). CAEP is essential for ICAO to reach its Strategic Objective of minimizing the adverse environmental effects of global civil aviation and to meet its three related goals: limit or reduce the number of people affected by significant aircraft noise, limit or reduce the impact of aircraft engine emissions on local air quality and limit or reduce the impact of aviation greenhouse gas emissions on the global climate.

Over the years, you have consistently provided the Organization with authoritative and credible technical information which is absolutely necessary for discussions in global fora on complex environmental issues with considerable social, economic and political implications. Through your deliberations and recommendations, you and your predecessors have made it possible for ICAO to develop and promote realistic, comprehensive and forward-looking environmental solutions that have been endorsed by the world community. The depth and scope of your technical advice have proven essential in arriving at decisions of a political nature.

During this latest CAEP/7 cycle, which culminates with the present meeting, you laid the foundation for decisions and actions in a number of critical areas. You took a first step in the establishment of the interdependencies modelling framework that will provide, I am sure, much more analytical capability for CAEP to make recommendations in the future. You selected and analyzed candidate models and databases that will enable a comprehensive assessment of options to address the impact of aviation on the environment, including the trade-off of possible measures related to noise and emissions.

You also laid the groundwork for future assessments of the evolution of noise and emissions emanating from aviation operations, thereby forming the basis for the review of our environmental goals. You established a process for formulating a long-term vision for NO_x goals, something that industry has been requesting for a long time. You considered novel solutions to address emissions from international aviation, such as the use of emissions trading. You proposed distinct approaches to deal with the impact of aviation on local air quality and on global climate, making it possible to address these issues separately in the CAEP cycle and increase our effectiveness with more focused measures. And you have done all of this while continuing to develop the necessary proposals to ensure that our main Standards and policies remain relevant, while developing measures leading to greater operational efficiency.

As CAEP/7 gets under way, expectations are high, especially in the area of market-based measures to limit or reduce emissions. At its last regular session in 2004, the ICAO Assembly endorsed, through Resolution A35-5, the further development of an open emissions trading system for international civil aviation and requested the Council of ICAO to provide further guidance to States for its implementation. The CAEP Emissions Trading Task Force has prepared the much awaited draft guidance for your review and ultimately for consideration by the next session of the Assembly in September. The guidance will certainly be one of the highlights of this meeting and I am sure that the outcome will prove invaluable in promoting a global consensus on such a critical subject.

Although I consider emissions trading a central issue of this meeting, I hasten to add that all of your deliberations and deliverables will be highly consequential. Together, they could form the basis for an ICAO plan of action encompassing all measures designed to deal effectively with aviation environmental impacts, particularly with emissions. The need for concrete and coordinated action was underscored by findings contained in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change made public last week, in Paris. The Working Group 1 contribution to the Report – titled “Climate Change 2007: the Physical Science Basis” – clearly states that “there is more than a 90 per cent probability that human action has contributed towards recent climate change”. Without a doubt, there is a need to act, and more than ever, ICAO is determined to provide the world with the leadership and guidance it is looking for in moving towards a sustainable global air transport system.

The results of CAEP/7 will also be incorporated into the first ICAO Environmental Report which will be published every Assembly year from now on. And they will be watched closely by participants at the ICAO Colloquium on Aviation Emissions in May as well as other environmental meetings in the coming months.

Of course, the impact of CAEP rests ultimately with States and the measures they adopt and enforce. As the officially recognized international body to deal with aviation and the quality of the environment, ICAO depends on the support of States. I would be most grateful if you could convey to your respective States and organizations our sincere appreciation for their cooperation and support in terms of expertise, models and databases that they have made available to CAEP. I would also like to thank our members who have already contributed in a very tangible manner to the creation of the new Environmental Unit at ICAO, notably by seconding valuable personnel to assume responsibility for major components of our programme.

Ladies and gentlemen, the challenge of CAEP can be seen as reconciling differing legitimate interests and viewpoints in a world that is in constant mutation. One might be allowed to wonder whether the accelerating change that is an integral part of today’s modern society is beginning to exceed the capacity of our social institutions to cope. Adapting to change is particularly difficult for institutions dealing with international or global issues that require a concerted, cooperative effort by many countries if they are to succeed. Often the question is not only if we know what needs to be done, or whether we have the technical capability to do it, but whether we can agree on how and when.

What we have accomplished together through CAEP in more than two decades and what I believe we can accomplish in the future demonstrates that we can indeed agree on how and when. The CAEP process can serve as a model of global cooperation in solving seemingly insurmountable problems. As we begin our deliberations, let us be guided by this thought and by the conviction that what we will do in a few short days may have a lasting impact for generations to come. I sincerely thank each and every one of you for having taken this precious time to be with us and to have given so much thought and energy in preparing this meeting.